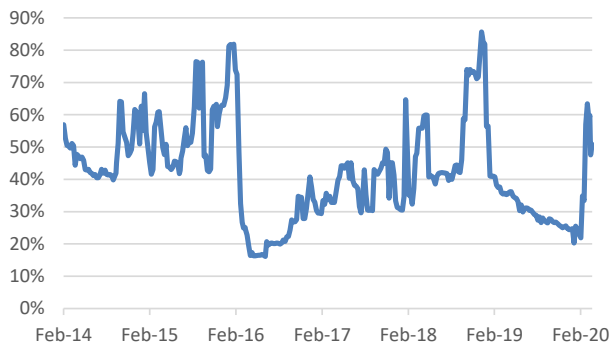


# BMO Tactical Dividend ETF Fund Highlights

Defense BETA SCORE Offense



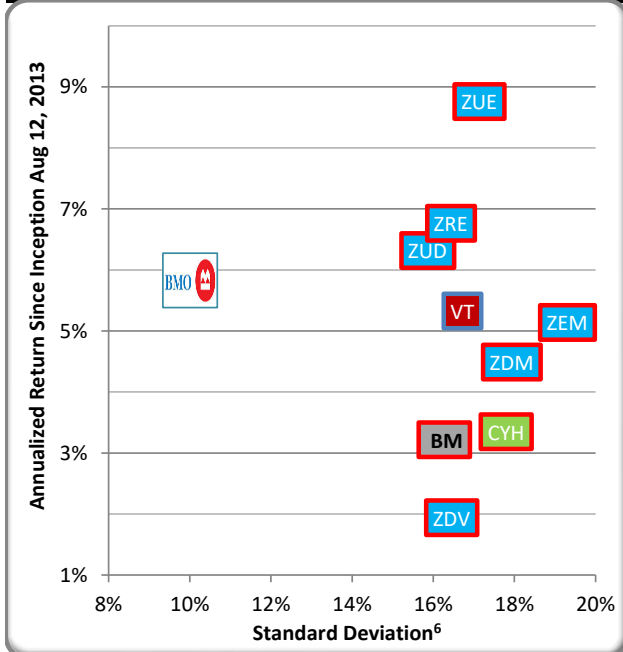
### Beta (risk) Metrics



As of: Apr 10 2020	04/09/20	04/03/20	Change
FX (USD)	13.0%	20.3%	-7.3%
Beta <sup>2</sup>	50.9%	47.5%	3.3%
Correlation	75.7%	68.2%	7.5%
Yield <sup>3</sup>	5.35%	5.38%	-0.03%
ETF Holdings	20	19	1
Volatility <sup>4</sup>	10.01%	9.93%	0.08%
CAD	1.3976	1.4205	-1.6%

### Performance Metrics

Total Return	Net	Gross	Upside/Downside <sup>5</sup>	
YTD	-11.05%	-10.53%	Upside	43%
Previous Quarter	-11.21%	-10.73%	Downside	47%
Previous Year	-8.34%	-6.42%	Months Up	49
3-Year	-0.45%	1.47%	Months Dn	27
5-Year	1.80%	3.72%		
Annualized SI	3.91%	5.83%	Sharpe Ratio	0.48

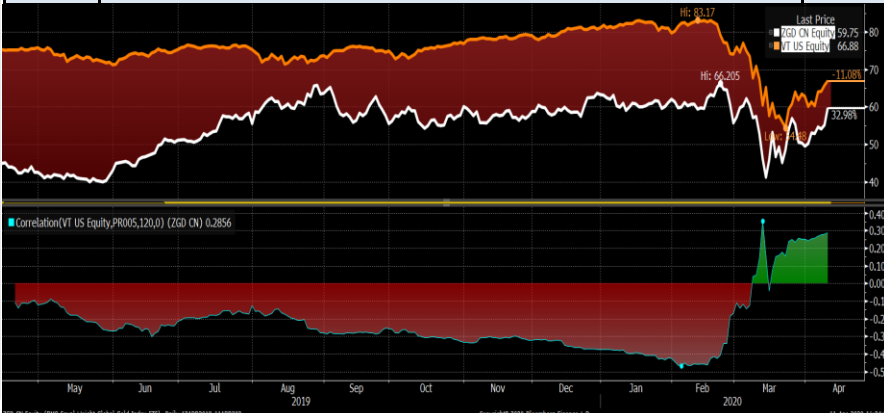


### Market Strategy (Risk Management)

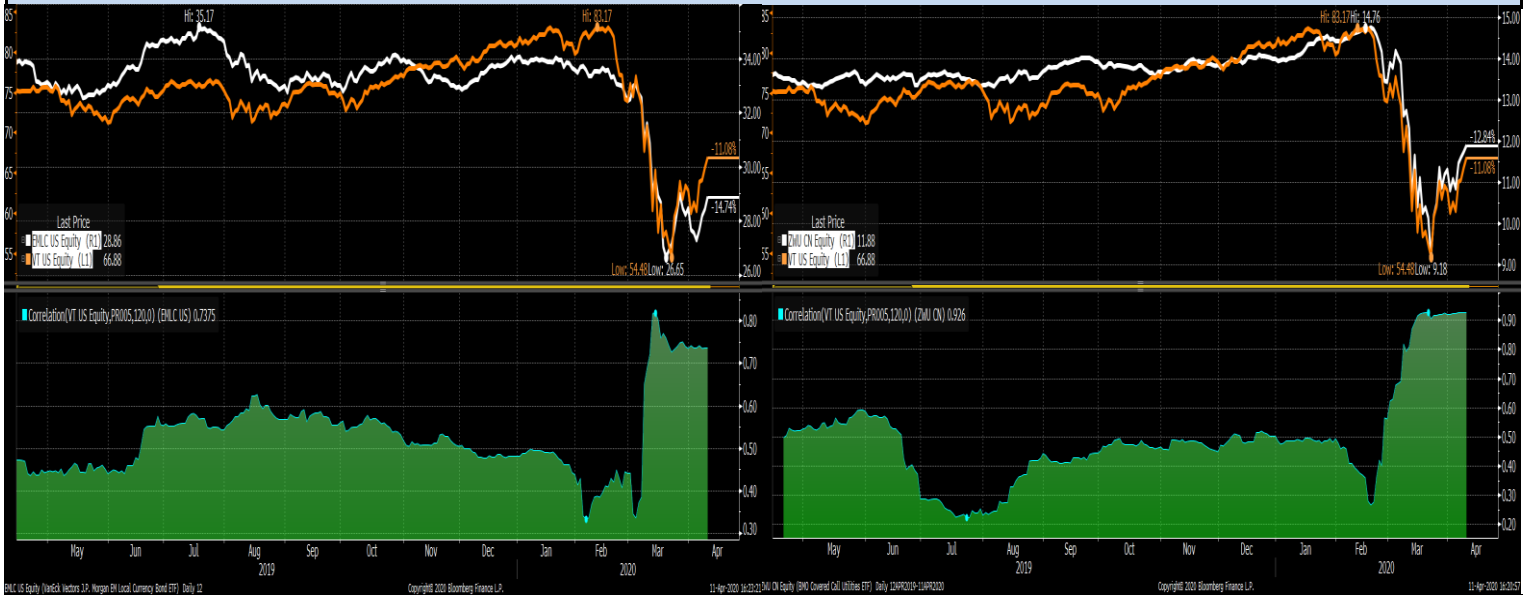
**DEFENSE:** The current beta is 50.9% vs. the benchmark of 98.2% and up from 47.5% last week. We are featuring 3 charts this week on some of our biggest long-term uncorrelated holdings (ZGD, EMLC, ZWU) that are now much more highly correlated. We have been asked about the level of risk in the portfolios recently and our new ability to hedge downside. First and foremost, investors buy this fund for its sleep-at-night yield. While everyone would like Zero volatility, we know it's not possible in the world we live in to generate a 4%+ yield without getting into the short duration private debt space when mark-to-mark risks are not required. Gold equity exposure (ZGD) has a negative beta and negative correlation to global equities. In the past month, that correlation turned positive as the deleveraging cycle hit relative value and risk parity funds that use gold and gold equities as a diversifying asset class. Emerging Market debt (EMLC) is a low correlation asset too, but not in recent weeks. Even the less sensitive utility, telecom and pipeline utility covered call strategy (ZWU) has seen a sharp rise in correlation. We have largely hedged the beta and correlation risk away with a series of option collars on the S&P 500 (Beta). This means we give up some upside, but keep the yield and hedge the vast majority of downside risk that comes with seeking the yield. As we ready the portfolio for the next phase of the economic and earnings shock, not buy into the hope rally.

### Top 20 Holdings

Ticker	Name	Position
ZPAY	BMO Premium Yield ETF	14.0%
ZGD	BMO Equal Weight Global Gold Index ETF	13.8%
EMLC	VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	12.6%
ZWE	BMO Europe High Dividend Covered Call Hedged to CAD ETF	9.0%
ZWU	BMO Covered Call Utilities ETF	8.1%
AMLP	Alerian MLP ETF	3.6%
ZPR	BMO Laddered Preferred Share Index ETF	3.4%
XLE	Energy Select Sector SPDR Fund	3.3%
EDIV	SPDR S&P Emerging Markets Dividend ETF	3.0%
DXJ	WisdomTree Japan Hedged Equity Fund	2.9%
SPY 06	SPDR S&P 500 ETF Trust SPY 06/19/20 P250	2.5%
ZDH	BMO International Dividend Hedged to CAD ETF	2.5%
EWUS	iShares MSCI United Kingdom Small-Cap ETF	2.3%
ZWC	BMO Canadian High Dividend Covered Call ETF	1.7%
SPY 06	SPDR S&P 500 ETF Trust SPY 06/19/20 P260	1.4%
GLD	SPDR Gold Shares	1.2%
DGS	WisdomTree Emerging Markets SmallCap Dividend Fund	1.1%
DVYE	iShares Emerging Markets Dividend ETF	1.0%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	0.9%
SPY 12	SPDR S&P 500 ETF Trust SPY 12/18/20 C276	-2.5%
SPY 12	SPDR S&P 500 ETF Trust SPY 12/18/20 C265	-7.7%
<b>Total</b>		<b>78.1%</b>



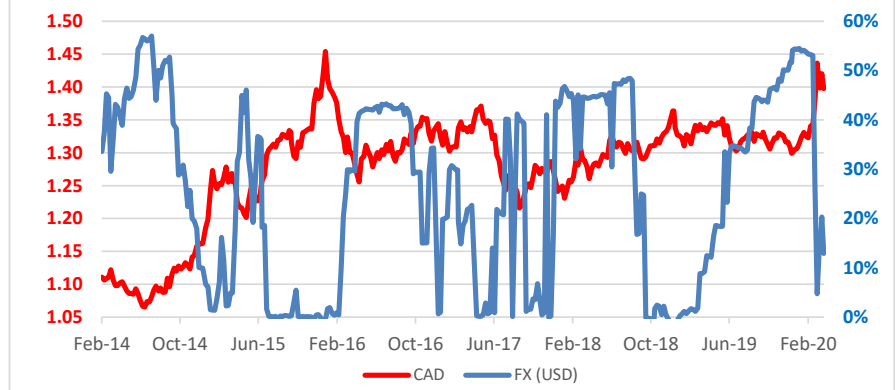
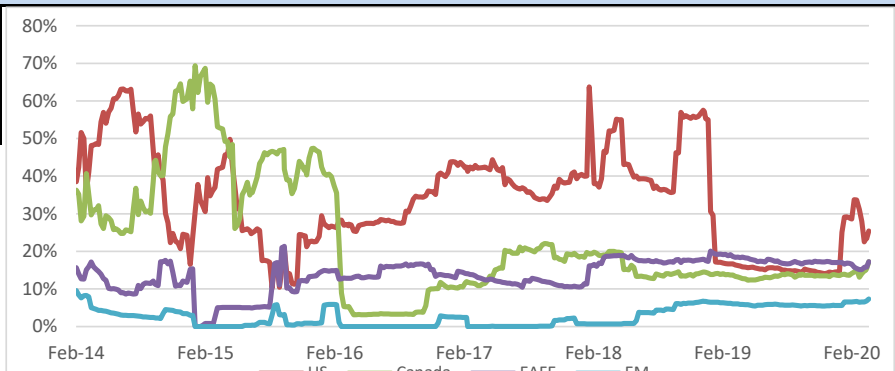
## Chart(s) of The Week



## Tactical Asset Allocation

Equity	US	Canada	EAFE	EM
04/09/20	25.4%	17.2%	17.3%	7.4%
04/03/20	23.4%	15.4%	15.8%	6.8%
Change	2.0%	1.8%	1.5%	0.5%

Sector	04/09/20	04/03/20	Change
Financials	4.87%	5.19%	-0.3%
Energy	10.89%	10.13%	0.8%
Health Care	4.24%	4.17%	0.1%
Technology	5.01%	5.78%	-0.8%
Industrials	3.83%	4.37%	-0.5%
Discretionary	3.47%	4.06%	-0.6%
Real Estate	0.22%	0.86%	-0.6%
Staples	3.90%	4.03%	-0.1%
Telecom	4.05%	3.78%	0.3%
Utilities	4.51%	4.32%	0.2%
Materials	15.91%	14.71%	1.2%
Government	12.21%	11.69%	0.5%
Corporate	0.44%	0.42%	0.0%
C\$ Cash	50.23%	46.39%	3.8%
U\$ Cash	-28.37%	-24.21%	-4.2%
Preferred	3.41%	3.17%	0.2%
Commodity	1.17%	1.14%	0.0%



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1 The benchmark is the return of the targeted portfolio. As of Jan 1, 2017, the target portfolio is 80% (CYH) and 20% (ZDV); 2 Beta is a measure of how a fund responds to moves in the broader market. A beta of greater than 1.0 suggests that the fund is more volatile than the market, while a beta of less than 1.0 suggests that the fund is less volatile. 3 Yield is the most recent income received by the fund in the form of dividends, interest and other income annualized based on the payment frequency, divided by the current market value of the fund's investments. 4 Volatility is the annualized standard deviation which is a measure of risk. 5 Upside/Downside is a statistical measure of how much of the fund performance a manager captured during up-markets or down-markets. Typically, an investor would prefer a higher upside capture and lower downside capture. The time period presented is since inception. 6 Standard Deviation is a measure of risk that calculates the variation of a fund's performance around its average over a specific time period. ® "BMO (M-bar roundel)" is a registered trade-mark of Bank of Montreal, used under license. ETF Capital Management is a registered trade name of Quintessence Wealth, a Portfolio Manager, Investment Fund Manager and Exempt Market Dealer registered with the Canadian Securities Administrators.