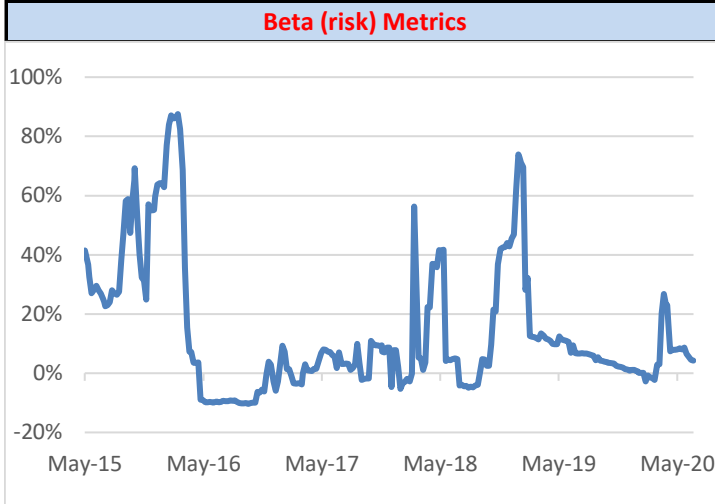


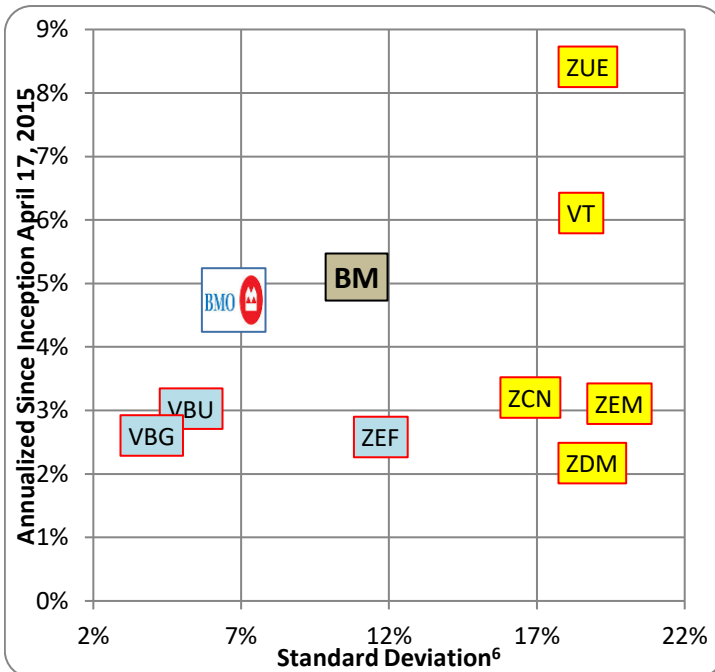
# BMO Tactical Balanced ETF Fund Highlights

Defense BETA SCORE Offense



| As of: 06/19/20         | 06/19/20 | 06/12/20 | Change |
|-------------------------|----------|----------|--------|
| FX (USD)                | 43.4%    | 42.2%    | 1.2%   |
| Beta <sup>2</sup>       | 4.3%     | 4.5%     | -0.2%  |
| Correlation             | 29.2%    | 31.4%    | -2.2%  |
| Yield <sup>3</sup>      | 2.83%    | 2.91%    | -0.08% |
| ETF Holdings            | 14       | 14       | 0      |
| Volatility <sup>4</sup> | 6.75%    | 6.76%    | -0.01% |
| CAD                     | 1.3607   | 1.3589   | 0.1%   |

| Performance Metrics |        |        |                          |
|---------------------|--------|--------|--------------------------|
| Total Return        | Net    | Gross  | Up/Downside <sup>5</sup> |
| YTD                 | 1.70%  | 2.58%  | Upside 18%               |
| Prev. Month         | -1.03% | -0.87% | Down 2%                  |
| Prev. Quarter       | 8.01%  | 8.49%  | Mths Up 38               |
| Prev. Year          | 2.35%  | 4.27%  | Mths Dn 24               |
| Annualized SI       | 2.82%  | 4.74%  |                          |
| Sharpe Ratio        | 0.70   |        |                          |

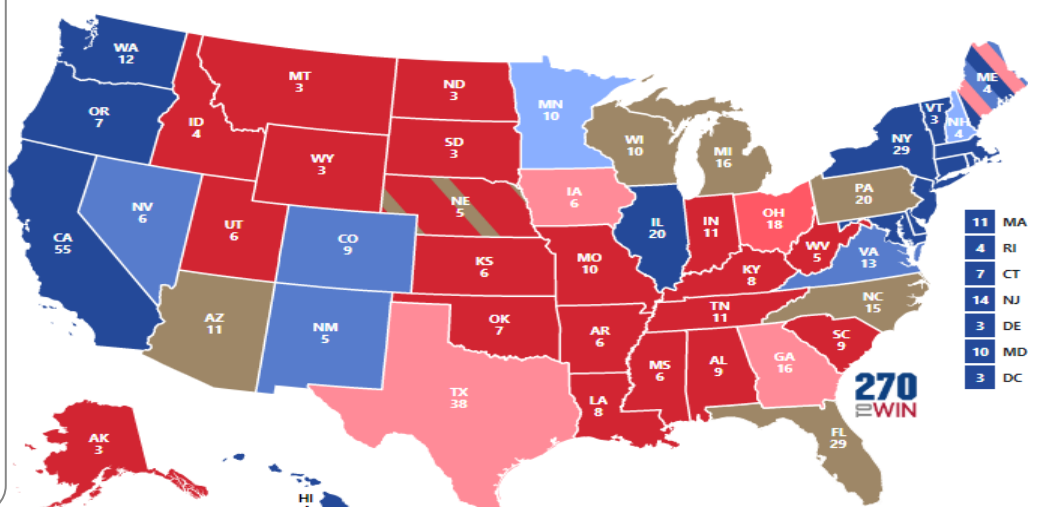


## Market Strategy (Risk Management)

DEFENSE: The current beta is 4.3% vs. the benchmark of 59.8% down from 4.5% last week. We rolled over our hedge as options expired on Friday. We now have a full on beta collar through the US election against SPY 309 strike. We are looking to boost yield back above 3% by putting our cash back into short-term corporate bonds in the coming weeks. Market valuations remain supported by central bank liquidity and not strong economic fundamentals. The amount of bankruptcy globally and permanent job loss is being masked. This sort of mask is not required to lower the COVID risk. I got a haircut Friday and wore a mask as did the person cutting my hair. This is the type of mask that will help. The mask that central banks are providing are helpful, but it is propagating many dying industries and increasing zombie companies. We see this in China and Japan where bad lending (SOEs) in the name of GDP management has led to terrible outcomes masked by money printing extraordinaire and whatever you want to call the fake news out of Chinese data. Japanification is coming, which outside of technology for the most part, suggests decades of stagnation ahead. We are watching Europe closely these days for several perspectives. The common EU bond attempt backed by Germany and France are the latest kick the can effort. Italy can't recover over the next year, we suspect ITEXIT will become a big risk once we see how badly BREXIT has been executed.

## Top Holdings

| Ticker       | Name   | Position     |
|--------------|--|--------------|
| ZPAY         | BMO Premium Yield ETF  | 14.9%        |
| EMLC         | VanEck Vectors J.P. Morgan EM Local Currency Bond ETF              | 11.9%        |
| BWZ          | SPDR Bloomberg Barclays Short Term International Treasury Bond ETF | 9.3%         |
| ZGD          | BMO Equal Weight Global Gold Index ETF                             | 5.8%         |
| ZPR          | BMO Laddered Preferred Share Index ETF                             | 3.1%         |
| GLD          | SPDR Gold Shares   | 2.4%         |
| XLE          | Energy Select Sector SPDR Fund                                     | 1.3%         |
| SPY 12       | SPDR S&P 500 ETF Trust SPY 12/18/20 P309                           | 1.1%         |
| ZWU          | BMO Covered Call Utilities ETF                                     | 0.8%         |
| AML          | Alerian MLP ETF  | 0.7%         |
| ZWC          | BMO Canadian High Dividend Covered Call ETF                        | 0.7%         |
| GDV          | VanEck Vectors Gold Miners ETF                                     | 0.6%         |
| ZUP          | BMO US Preferred Share Index ETF                                   | 0.4%         |
| ZRR          | BMO Real Return Bond Index ETF                                     | 0.3%         |
| SPY 12       | SPDR S&P 500 ETF Trust SPY 12/18/20 C309                           | -0.8%        |
| <b>Total</b> |  | <b>52.6%</b> |



# Chart(s) of The Week

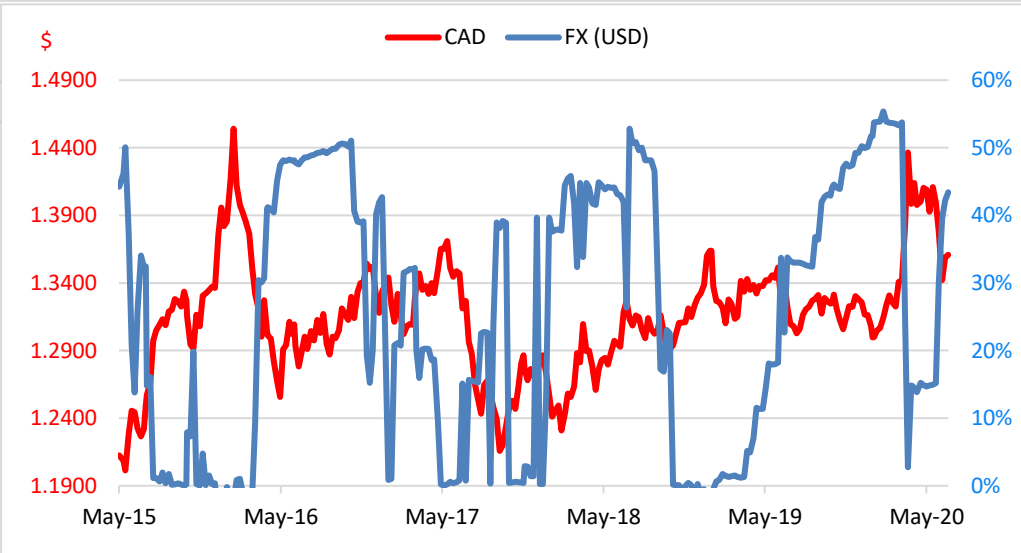
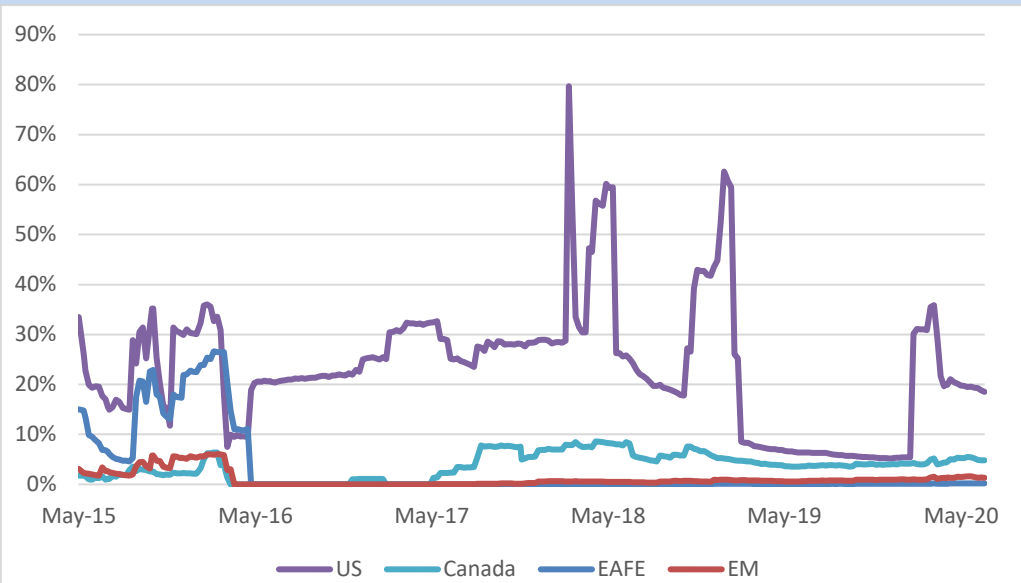


## Tactical Asset Allocation

| Equity   | US    | Canada | EAFE | EM   |
|----------|-------|--------|------|------|
| 06/19/20 | 18.5% | 4.8%   | 0.2% | 1.4% |
| 06/12/20 | 18.8% | 4.9%   | 0.2% | 1.4% |
| Change   | -0.3% | -0.1%  | 0.0% | 0.0% |

| Bonds    | Corp. | Govt. | Pref. | Cash  | Duration |
|----------|-------|-------|-------|-------|----------|
| 06/19/20 | 0.4%  | 21.1% | 3.5%  | 47.4% | 1.23     |
| 06/12/20 | 0.4%  | 21.8% | 3.6%  | 48.4% | 1.24     |
| Change   | 0.0%  | -0.7% | -0.1% | -1.1% | 0.00     |

| Sector        | 06/19/20 | 06/12/20 | Change |
|---------------|----------|----------|--------|
| Financials    | 1.14%    | 1.16%    | 0.0%   |
| Energy        | 2.48%    | 2.55%    | -0.1%  |
| Health Care   | 2.62%    | 2.66%    | 0.0%   |
| Technology    | 5.00%    | 5.07%    | -0.1%  |
| Industrials   | 1.73%    | 1.75%    | 0.0%   |
| Discretionary | 1.61%    | 1.63%    | 0.0%   |
| Real Estate   | 0.19%    | 0.20%    | 0.0%   |
| Staples       | 2.21%    | 2.24%    | 0.0%   |
| Telecom       | 0.99%    | 1.00%    | 0.0%   |
| Utilities     | 0.36%    | 0.37%    | 0.0%   |
| Materials     | 6.52%    | 6.56%    | 0.0%   |
| Government    | 21.11%   | 21.81%   | -0.7%  |
| Corporate     | 0.42%    | 0.43%    | 0.0%   |
| C\$ Cash      | 47.62%   | 48.71%   | -1.1%  |
| U\$ Cash      | -0.26%   | -0.27%   | 0.0%   |
| Preferred     | 3.54%    | 3.59%    | -0.1%  |
| Commodity     | 2.40%    | 2.45%    | 0.0%   |



This communication is intended for information purposes only. This update has been prepared by ETF Capital Management, the portfolio manager of BMO Tactical Balanced ETF Fund and represents their assessment at the time of publication. The views are subject to change without notice as markets change over time. The information contained herein is not, and should not be construed as, investment advice to any party. Investments should be evaluated relative to the individual's investment objectives and professional advice should be obtained with respect to any circumstance. The statistics provided in this presentation are based on information believed to be reliable, but BMO Investments Inc. cannot guarantee they are accurate or complete. BMO Global Asset Management is a brand name that comprises BMO Asset Management Inc., BMO Investments Inc., BMO Asset Management Inc. and BMO's specialized investment management firms. BMO Mutual Funds are offered by BMO Investments Inc., a financial services firm and separate legal entity from the Bank of Montreal. Commissions, management fees and expenses may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

1 Benchmark is the return of the targeted portfolio 60% global equities and 40% global bonds hedged to Canadian dollars; 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.