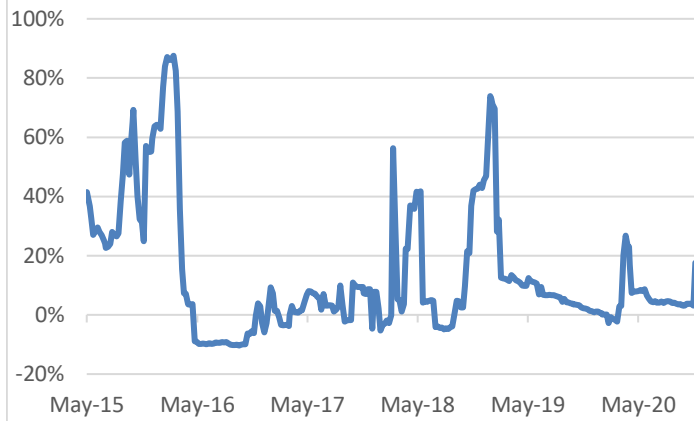


# BMO Tactical Balanced ETF Fund Highlights

Defense BETA SCORE Offense



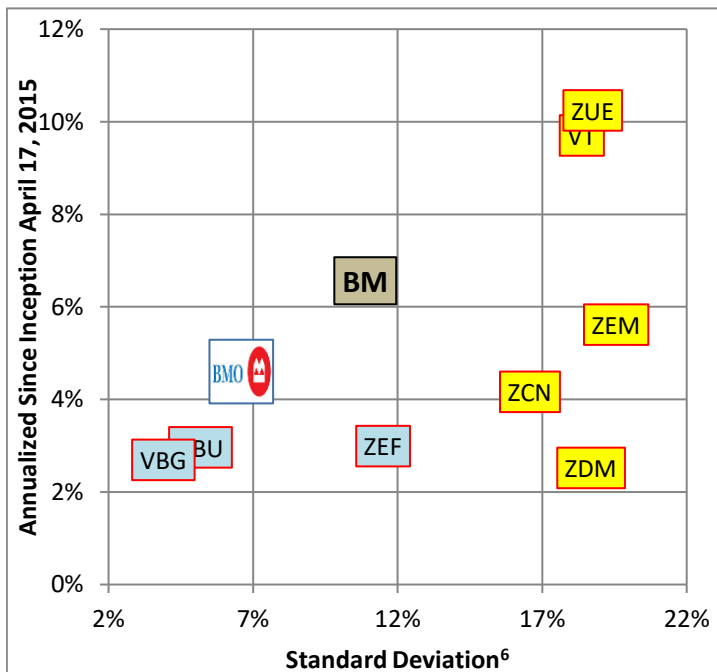
Beta (risk) Metrics



As of: 11/06/20	11/06/20	10/30/20	Change
FX (USD)	51.7%	46.4%	5.3%
Beta <sup>2</sup>	17.6%	3.1%	14.5%
Correlation	53.4%	22.5%	31.0%
Yield <sup>3</sup>	4.74%	2.92%	1.82%
ETF Holdings	15	14	1
Volatility <sup>4</sup>	6.59%	6.60%	-0.01%
CAD	1.3050	1.3321	-2.0%

Performance Metrics

Total Return	Net	Gross	Up/Downside <sup>5</sup>
YTD	2.01%	3.60%	Upside 14%
Prev. Month	0.48%	0.64%	Down 5%
Prev. Quarter	-1.40%	-0.92%	Mths Up 41
Prev. Year	2.40%	4.32%	Mths Dn 26
Annualized SI	2.68%	4.60%	
Sharpe Ratio	0.70		

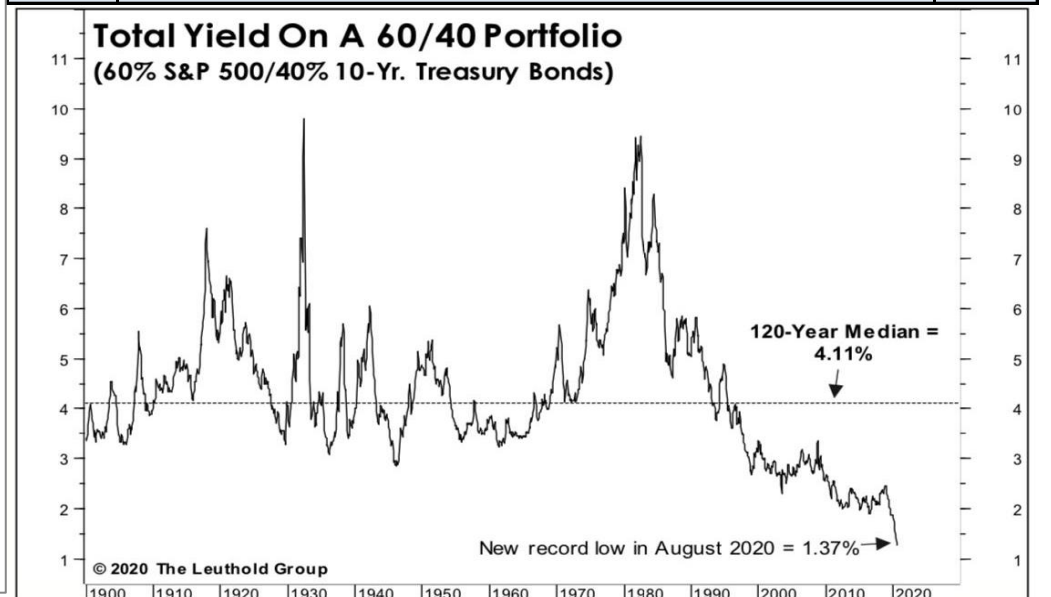


## Market Strategy (Risk Management)

DEFENSE: The current beta is 17.6% vs. the benchmark of 59.0% up from 3.1% last week. As noted last week, we added 20% exposure to one of the cheapest asset classes globally (ZWP - European Dividends) prior to the election. We also like the currency exposure versus Europe and specifically the UK as they inch closer to a BREXIT deal. The US market remains extremely expensive and we increasingly see better potential outside North America. With that in mind, we also increased exposure to emerging market local currency debt (EMLC). It's basically the highest positive yielding sovereign debt in the world. We like it from a yield perspective and we like it from a currency perspective in the next few years as the US dollar loses longer-term momentum with its mess of fiscal and monetary largesse. To also add yield to the portfolio, we added some floating rate exposure to preferred (ZPR) earlier in the week. These adjustments boosted the portfolio yield from about 3% to over 4.7%. There are not many balanced portfolios with a very low risk level yielding anywhere near this amount. Despite the election result and likely less fiscal spending, we still expect bond supply in Q1'21 to push yields a bit higher. We will add bond duration with US 10-yr above 1%. The 'AAA' US 10-Yr is yielding more than the 'BB-' Greek 10-Yr. In what universe does that make any sense at all. So while yields are challenged to be sure, the HIGH YIELD US Treasury market is a buy on supply pressure. Neg Debt > \$17T again. See chart page 2.

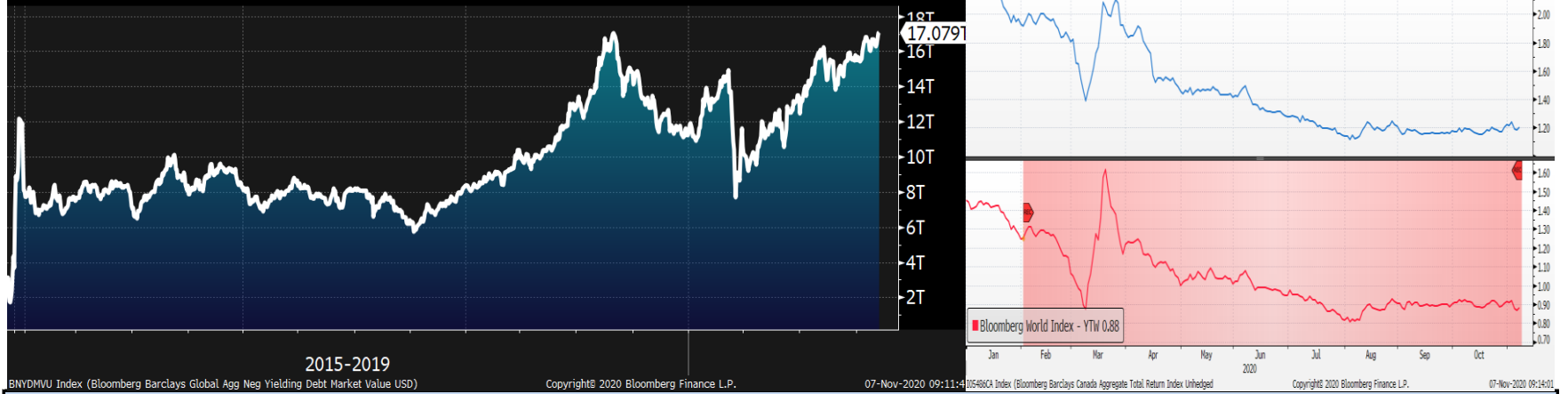
## Top Holdings

Ticker	Name	Position
ZWP	BMO Europe High Dividend Covered Call ETF	20.6%
ZPAY	BMO Premium Yield ETF	19.9%
EMLC	VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	15.6%
ZUS/U	BMO Ultra Short-Term US Bond ETF	8.5%
ZGD	BMO Equal Weight Global Gold Index ETF	6.7%
ZPR	BMO Laddered Preferred Share Index ETF	5.1%
GLD	SPDR Gold Shares	2.4%
XLE	Energy Select Sector SPDR Fund	0.8%
ZWU	BMO Covered Call Utilities ETF	0.8%
GDX	VanEck Vectors Gold Miners ETF	0.7%
ZWC	BMO Canadian High Dividend Covered Call ETF	0.6%
AMLP	Alerian MLP ETF	0.5%
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 P309	0.1%
SPY 12	SPDR S&P 500 ETF Trust SPY 12/18/20 C309	-1.7%
<b>Total</b>		<b>81.3%</b>



# Chart(s) of The Week

## Negative Debt Peaks >\$17 Trillion

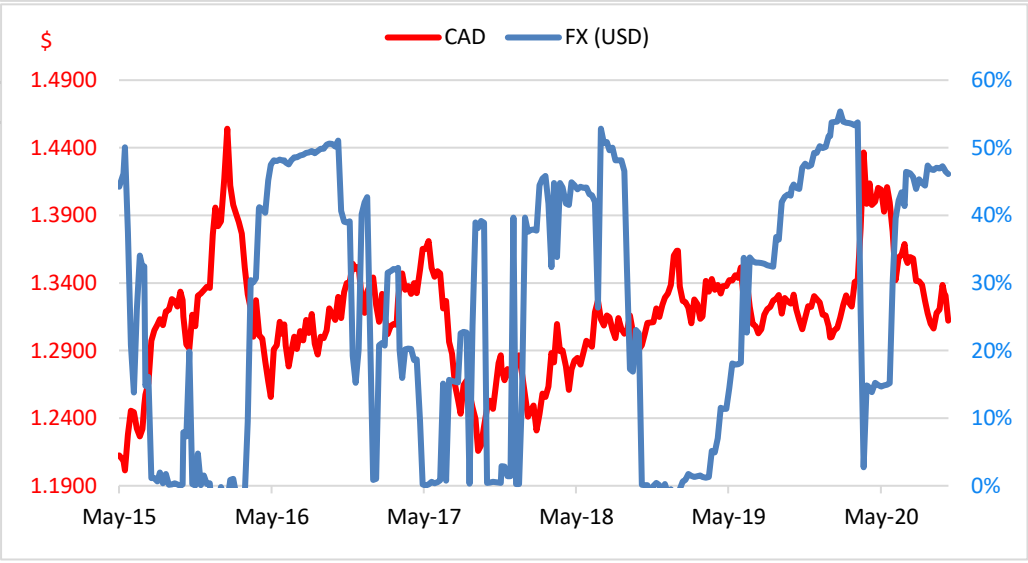
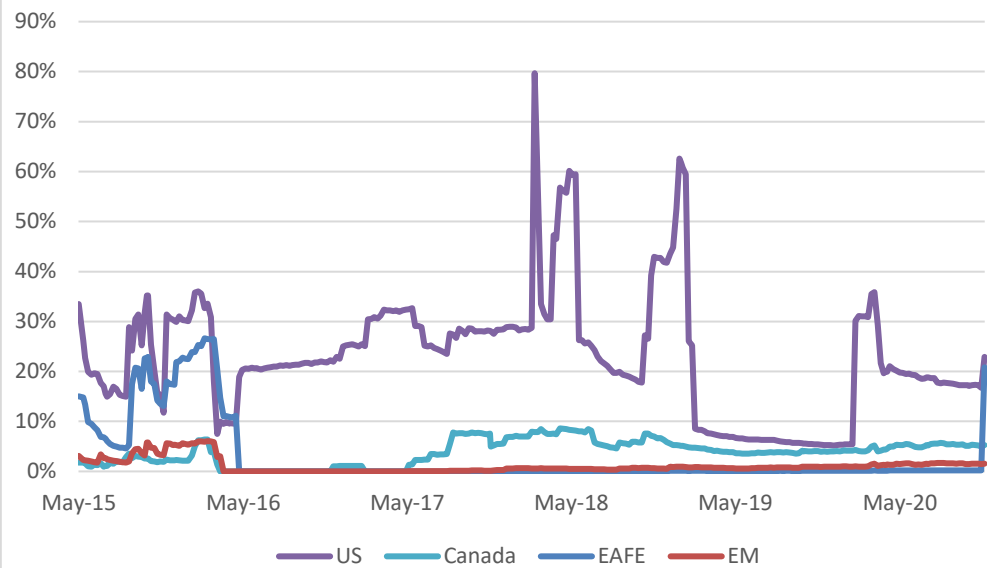


## Tactical Asset Allocation

Equity	US	Canada	EAFE	EM
11/06/20	22.9%	5.2%	20.8%	1.6%
10/30/20	16.8%	4.9%	0.2%	1.4%
Change	6.2%	0.3%	20.6%	0.1%

Bonds	Corp.	Govt.	Pref.	Cash	Duration
11/06/20	9.0%	15.4%	5.5%	18.7%	2.70
10/30/20	9.1%	11.5%	3.6%	50.9%	1.00
Change	-0.1%	3.9%	2.0%	-32.2%	1.69

Sector	11/06/20	10/30/20	Change
Financials	5.36%	1.05%	4.3%
Energy	3.07%	1.80%	1.3%
Health Care	6.73%	2.42%	4.3%
Technology	7.91%	4.62%	3.3%
Industrials	5.17%	1.60%	3.6%
Discretionary	2.57%	1.49%	1.1%
Real Estate	0.75%	0.18%	0.6%
Staples	5.70%	2.04%	3.7%
Telecom	2.45%	0.91%	1.5%
Utilities	1.12%	0.32%	0.8%
Materials	9.73%	6.93%	2.8%
Government	15.41%	11.51%	3.9%
Corporate	9.05%	9.14%	-0.1%
C\$ Cash	16.17%	44.41%	-28.2%
U\$ Cash	2.52%	6.44%	-3.9%
Preferred	5.53%	3.55%	2.0%
Commodity	2.39%	2.36%	0.0%



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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.

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