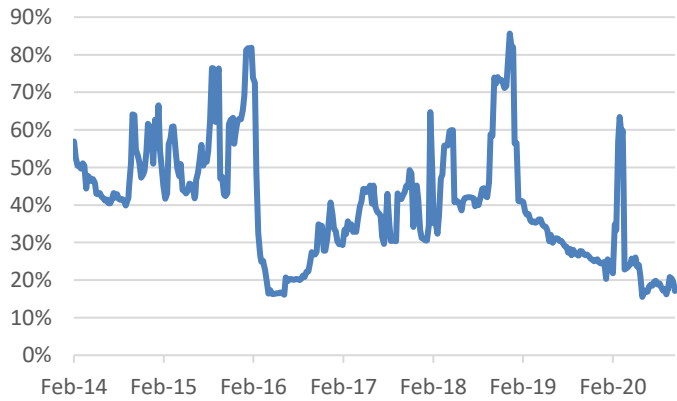


# BMO Tactical Dividend ETF Fund Highlights

Defense BETA SCORE Offense



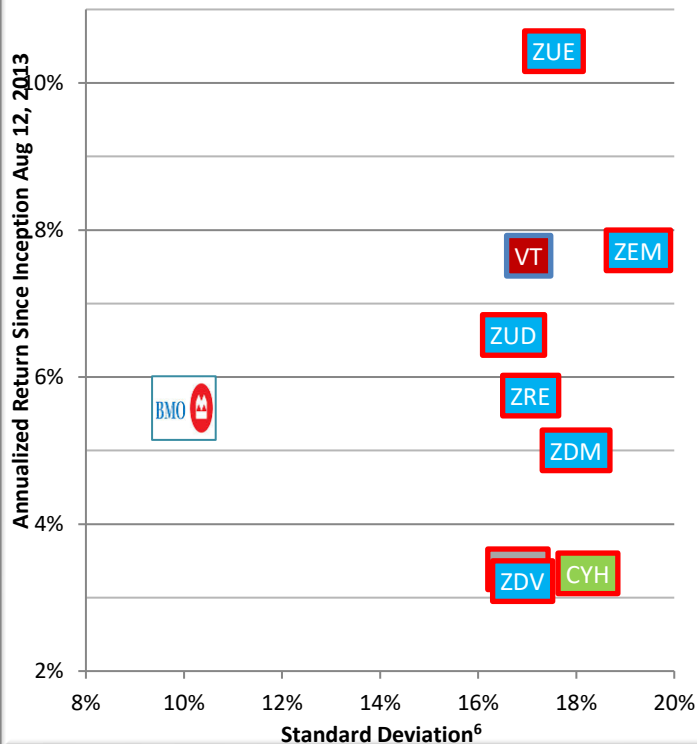
## Beta (risk) Metrics



As of: 10/30/20	10/30/20	10/23/20	Change
FX (USD)	53.4%	51.6%	1.8%
Beta <sup>2</sup>	17.1%	19.6%	-2.5%
Correlation	45.8%	45.8%	0.0%
Yield <sup>3</sup>	5.54%	5.38%	0.16%
ETF Holdings	19	19	0
Volatility <sup>4</sup>	10.00%	10.00%	0.00%
CAD	1.3321	1.3125	1.5%

## Performance Metrics (A-Class)

Total Return	Net	Gross	Upside/Downside <sup>5</sup>	
YTD	-10.73%	-9.18%	Upside	40%
Previous Quarter	-5.84%	-5.36%	Downside	49%
Previous Year	-9.89%	-7.97%	Months Up	56
3-Year	-1.06%	0.86%	Months Dn	30
5-Year	1.82%	3.74%		
Annualized SI	3.65%	5.57%	Sharpe Ratio	0.46



## Market Strategy (Risk Management)

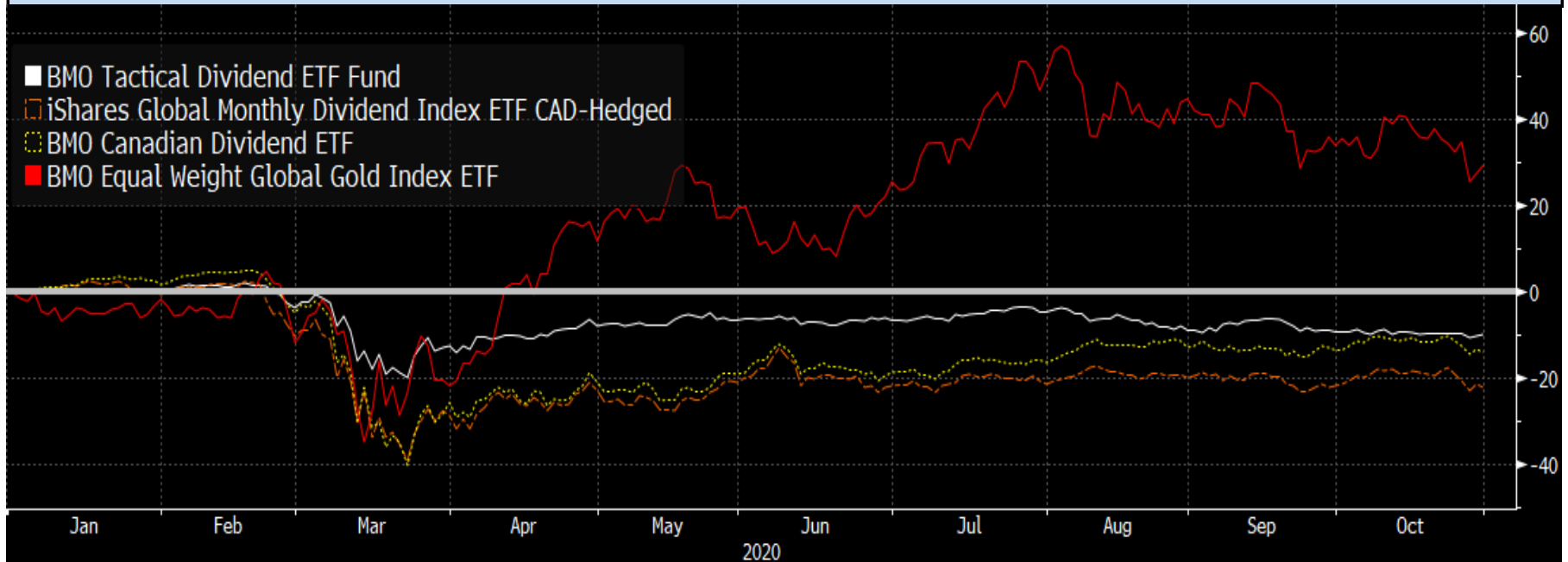
**DEFENSE:** The current beta is 17.1% vs. the benchmark of 102% and down from 19.6% last week. Last week we saw three days where global markets were crushed. One two of those days we were up. We continue to clip coupons in sleep-at-night mode. Global dividend stocks are down 22% YTD and 14% in Canada. We see scope for another liquidity supported rally following the US election. Our goal is to defensively capture that bounce. To be clear, it's only making the bubble bigger. The good news for value and dividend stocks is that 2021 and beyond should see some reflation trade once we get past COVID and governments spend \$\$\$\$ putting people back to work. Reiterating, this is NOT a reason to be bullish. Valuations are stretched in big tech by a huge margin. Value outperformed growth last month by 200 bps. The technology leadership is not over by a long shot, but it's very expensive and mean version is a major theme as economies open up over the next few years. The next few quarters with millions weekly getting COVID-19 and tens of thousand dying will challenge growth and we will see a double dip in GDP, which has already started. This is a buy dips trade for value seekers like us. Global banks look interesting here. Dividend paying industrial and consumer stocks too. The election is too close to call. Blue wave is the likely outcome, but it could be days to weeks before it's confirmed. We expect Trump will go down kicking, screaming, and tweeting in a constitutional fireball.

## Top 20 Holdings

Ticker	Name	Position
ZGD	BMO Equal Weight Global Gold Index ETF	20.9%
ZPAY	BMO Premium Yield ETF	15.7%
EMLC	VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	14.5%
ZWE	BMO Europe High Dividend Covered Call Hedged to CAD ETF	9.4%
ZWU	BMO Covered Call Utilities ETF	8.7%
ZPR	BMO Laddered Preferred Share Index ETF	4.4%
AMLPL	Alerian MLP ETF	4.1%
DXJ	WisdomTree Japan Hedged Equity Fund	3.5%
EDIV	SPDR S&P Emerging Markets Dividend ETF	3.2%
XLE	Energy Select Sector SPDR Fund	3.0%
EWUS	iShares MSCI United Kingdom Small-Cap ETF	2.7%
ZDH	BMO International Dividend Hedged to CAD ETF	2.7%
GLD	SPDR Gold Shares	2.6%
ZWC	BMO Canadian High Dividend Covered Call ETF	1.9%
SPY 12	SPDR S&P 500 ETF Trust SPY 12/18/20 P309	1.5%
DGS	WisdomTree Emerging Markets SmallCap Dividend Fund	1.4%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	1.3%
DVYE	iShares Emerging Markets Dividend ETF	1.1%
ZWK	BMO Covered Call US Banks ETF	0.7%
SPY 12	SPDR S&P 500 ETF Trust SPY 12/18/20 C309	-4.6%
<b>Total</b>		<b>98.8%</b>



## Chart(s) of The Week



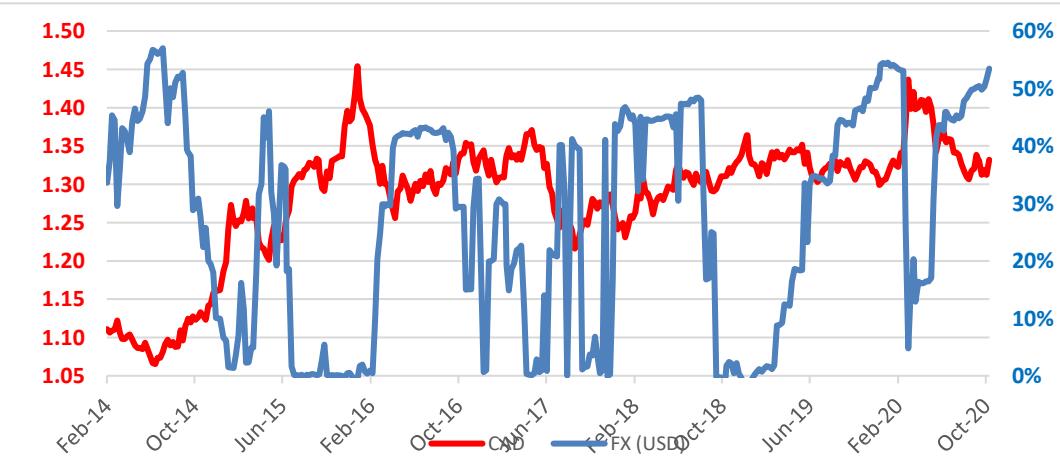
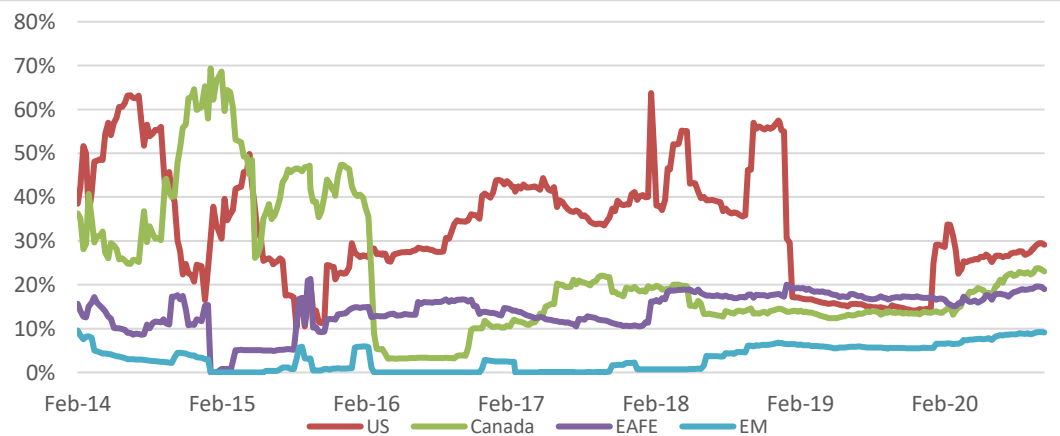
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## Tactical Asset Allocation

Equity	US	Canada	EAFE	EM
10/30/20	29.2%	23.1%	19.0%	9.1%
10/23/20	29.5%	23.5%	19.6%	9.2%
Change	-0.3%	-0.4%	-0.5%	-0.1%

Sector	10/30/20	10/23/20	Change
Financials	6.45%	6.29%	0.2%
Energy	11.49%	11.78%	-0.3%
Health Care	4.83%	4.79%	0.0%
Technology	6.42%	5.95%	0.5%
Industrials	4.88%	4.60%	0.3%
Discretionary	4.48%	4.17%	0.3%
Real Estate	0.71%	0.45%	0.3%
Staples	4.56%	4.46%	0.1%
Telecom	4.46%	4.52%	-0.1%
Utilities	5.01%	5.04%	0.0%
Materials	24.02%	24.20%	-0.2%
Government	14.01%	13.71%	0.3%
Corporate	0.51%	0.50%	0.0%
C\$ Cash	-0.05%	0.75%	-0.8%
US Cash	1.28%	1.95%	-0.7%
Preferred	4.37%	4.32%	0.0%
Commodity	2.57%	2.51%	0.1%



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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.