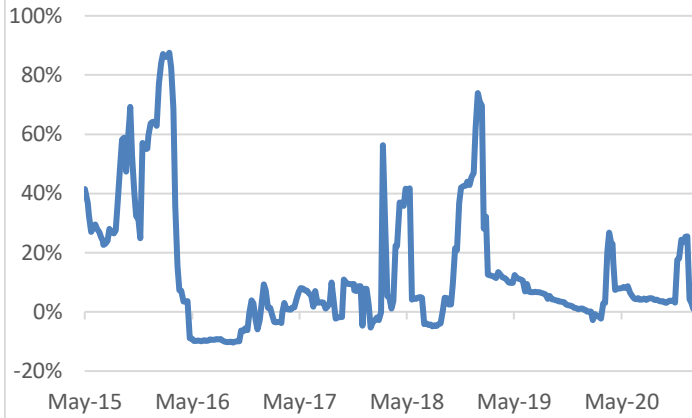


BMO Tactical Balanced ETF Fund Highlights

Defense BETA SCORE Offense



Beta (risk) Metrics



Market Strategy (Risk Management)

DEFENSE: The current beta is 1.0% vs. the benchmark of 59.0% down from 3.0% last week. The current extreme valuations suggest that forward expected returns will likely be lower than average. Most of our shorter-term tactical indicators suggests extreme caution. Historical seasonality in the first few months of a new US President is a negative along with the extreme sentiment and trend deviation. So our current beta is very low. But given the willingness and ability of the central bank printing presses, corrections (for now), should be shallow(ish). We are (beta) dip buyers from a tactical perspective in EM and in Europe (better relative value) and will reduce (expensive) US exposure on strength. Our goals for 2021 are to emphasize a high core yield in the portfolio with about 50% of the exposure (ZWP, ZPAY, EMLC, ZPR) will be core exposures (unless valuations improve dramatically). On the bond side, with the prospect for negative real yields to hold, we see significant tactical opportunity between credit and duration. As the curve steepened, we recently extended duration (ZTL/U). We see more need for tactical on the bond side given lack of yield. As for beta risks, we currently have put protection for the seasonality risks we see, but we also see potential for an infrastructure bill in Feb-Mar that the Fed would monetize in the MMT world we are moving towards. This could further boost an already high risk valuation.

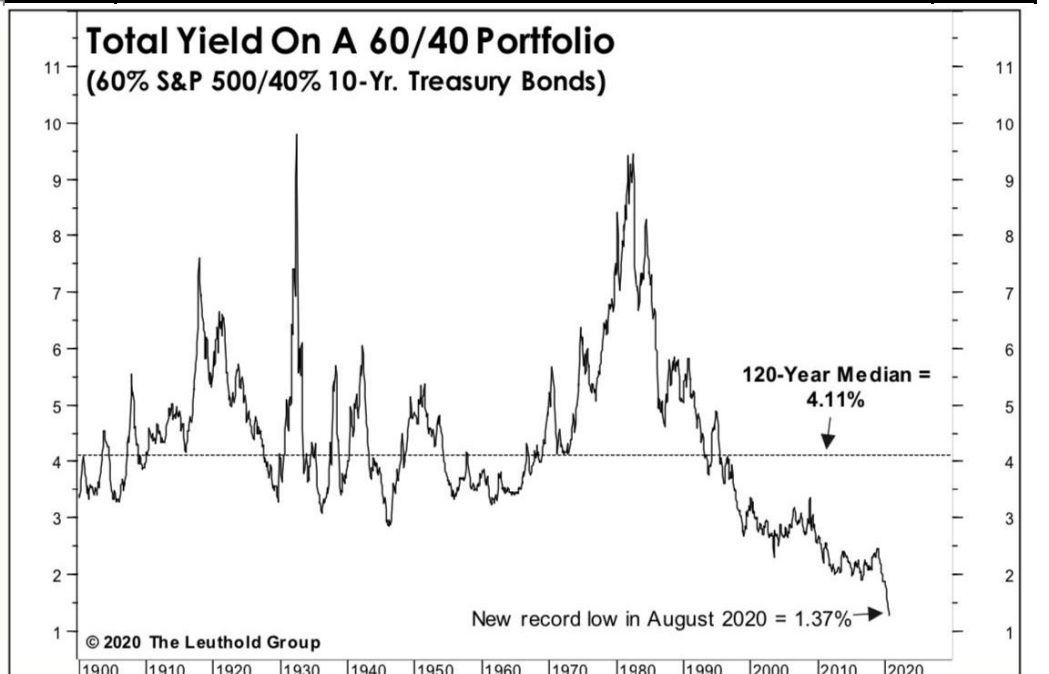
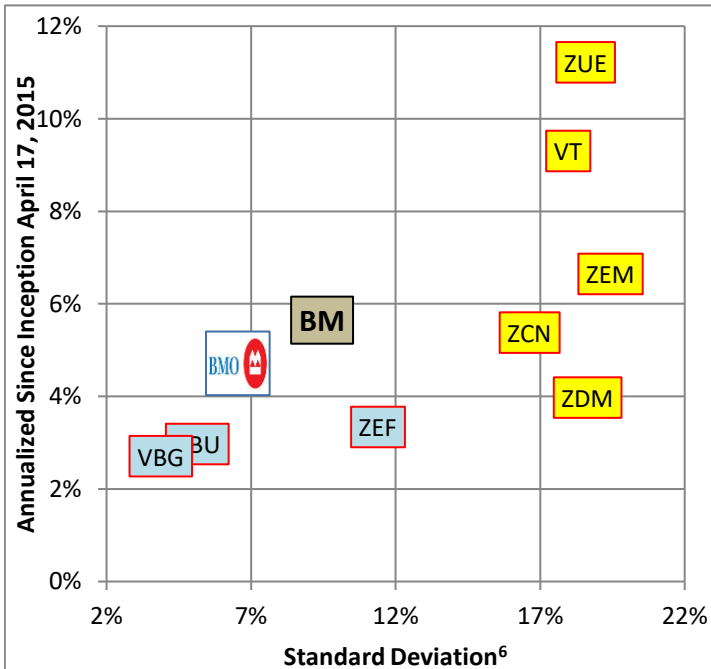
As of: 12/31/20	12/31/20	12/24/20	Change
FX (USD)	52.1%	52.5%	-0.4%
Beta ²	1.0%	3.0%	-2.0%
Correlation	31.6%	33.6%	-2.0%
Yield ³	4.47%	4.54%	-0.07%
ETF Holdings	14	14	0
Volatility ⁴	6.55%	6.55%	0.00%
CAD	1.2725	1.2863	-1.1%

Performance Metrics

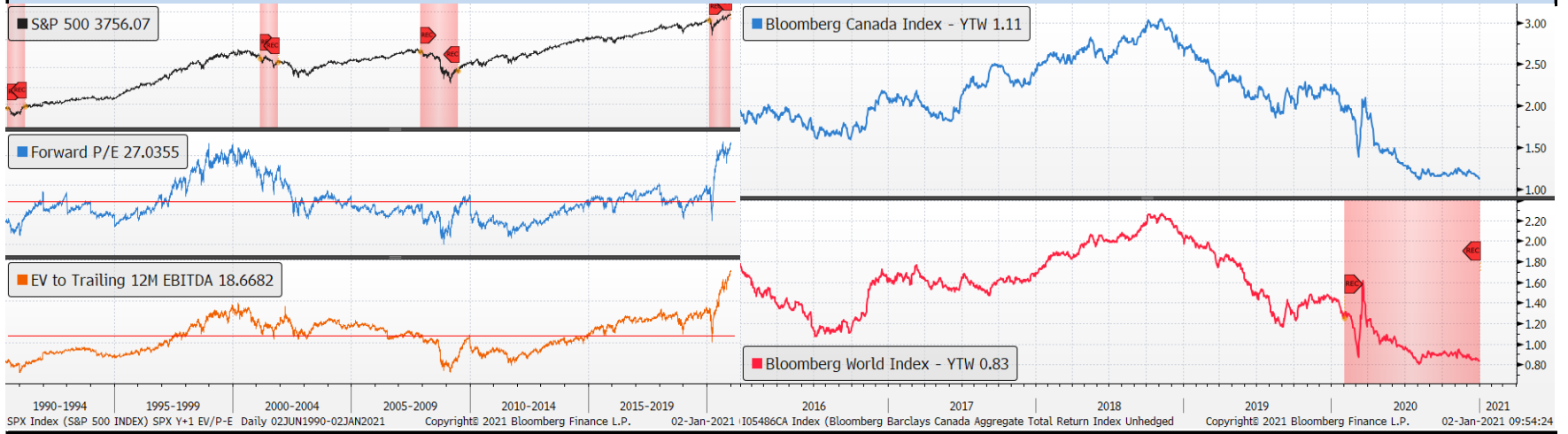
Total Return	Net	Gross	Up/Downside ⁵
YTD	3.08%	4.94%	Upside 13%
Prev. Month	-0.15%	0.01%	Down 5%
Prev. Quarter	1.21%	1.69%	Mths Up 43
Prev. Year	3.08%	5.00%	Mths Dn 26
Annualized SI	2.79%	4.71%	
Sharpe Ratio	0.72		

Top Holdings

Ticker	Name	Position
ZWP	BMO Europe High Dividend Covered Call ETF	22.2%
ZPAY	BMO Premium Yield ETF	20.1%
EMLC	VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	11.2%
ZGD	BMO Equal Weight Global Gold Index ETF	9.2%
ZUS/U	BMO Ultra Short-Term US Bond ETF	8.4%
ZPR	BMO Laddered Preferred Share Index ETF	5.6%
ZTL/U	BMO Long-Term US Treasury Bond Index ETF	5.0%
XLE	Energy Select Sector SPDR Fund	1.1%
ZWU	BMO Covered Call Utilities ETF	0.8%
ZWC	BMO Canadian High Dividend Covered Call ETF	0.7%
AMLP	Alerian MLP ETF	0.6%
ZUP	BMO US Preferred Share Index ETF	0.4%
ZRR	BMO Real Return Bond Index ETF	0.3%
EWU	iShares MSCI United Kingdom ETF	0.1%
Total		85.6%



Chart(s) of The Week

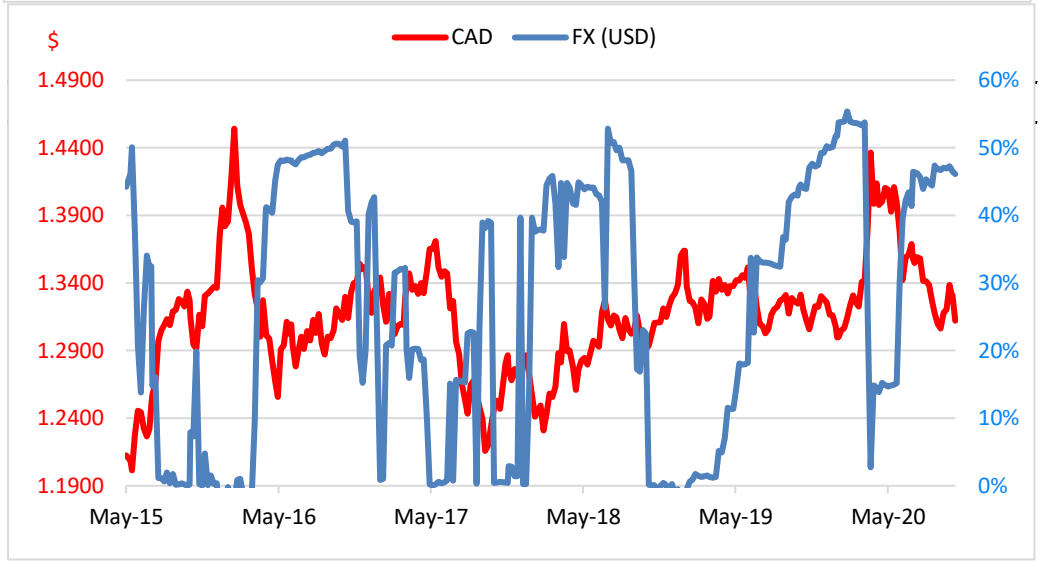
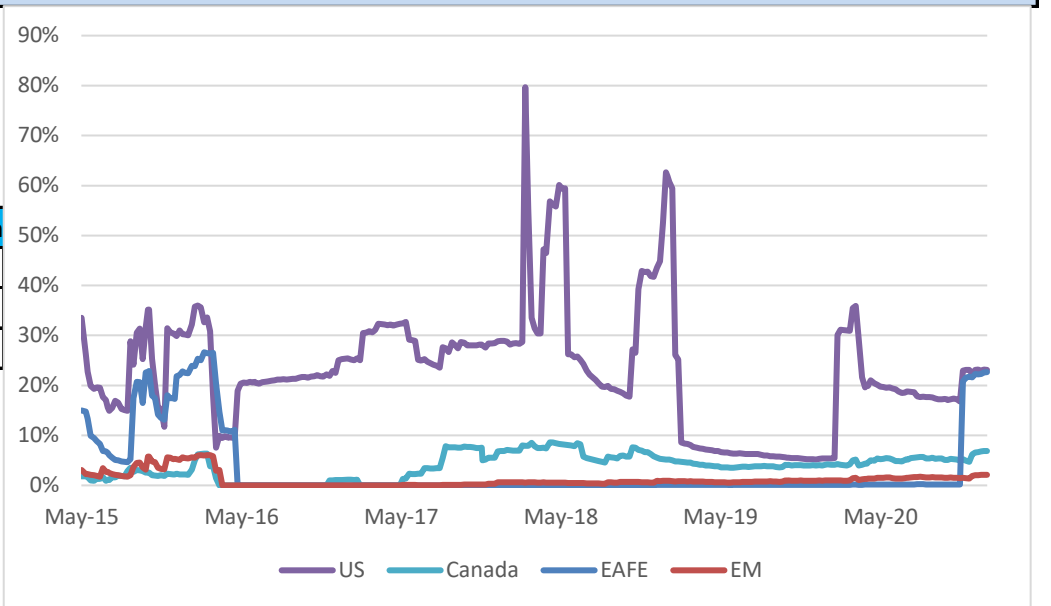


Tactical Asset Allocation

Equity	US	Canada	EAFE	EM
12/31/20	23.1%	6.9%	22.7%	2.1%
12/24/20	23.2%	6.9%	22.6%	2.1%
Change	0.0%	0.0%	0.1%	0.0%

Bonds	Corp.	Govt.	Pref.	Cash	Duration
12/31/20	8.8%	16.0%	6.0%	14.4%	5.29
12/24/20	8.8%	16.1%	6.0%	14.1%	5.38
Change	-0.1%	0.0%	0.0%	0.3%	-0.09

Sector	12/31/20	12/24/20	Change
Financials	5.73%	5.71%	0.0%
Energy	3.56%	3.58%	0.0%
Health Care	7.04%	7.02%	0.0%
Technology	8.08%	8.07%	0.0%
Industrials	5.44%	5.43%	0.0%
Discretionary	2.64%	2.64%	0.0%
Real Estate	0.80%	0.79%	0.0%
Staples	5.98%	5.97%	0.0%
Telecom	2.57%	2.57%	0.0%
Utilities	1.21%	1.20%	0.0%
Materials	11.81%	11.82%	0.0%
Government	16.04%	16.06%	0.0%
Corporate	8.76%	8.81%	-0.1%
C\$ Cash	11.61%	11.32%	0.3%
U\$ Cash	2.80%	2.81%	0.0%
Preferred	6.02%	5.98%	0.0%
Commodity	0.00%	0.00%	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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