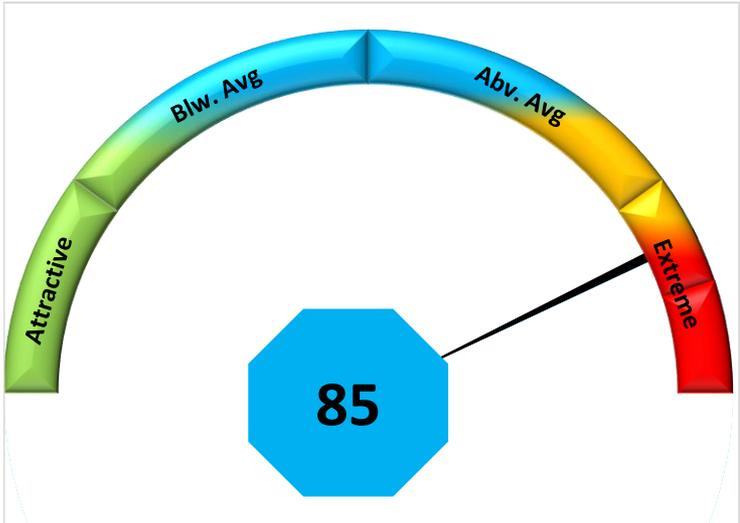
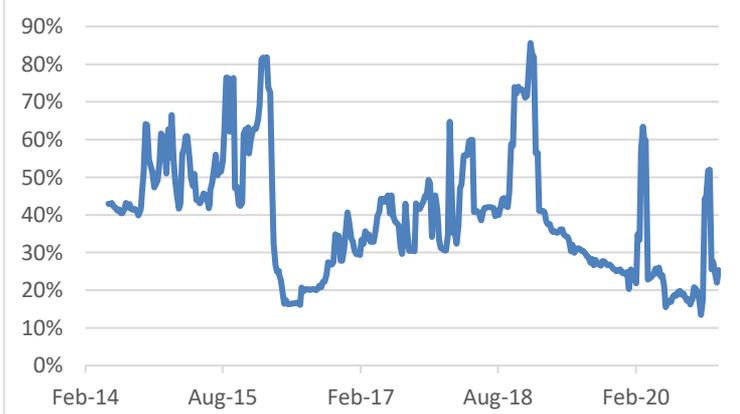


# BMO Tactical Dividend ETF Fund Highlights

Defense Core Beta: 65.8% Offense



## Net Beta (Core - Protection)



When the PRO EYES indicator is at elevated levels, we will incorporate additional downside protection in the portfolio as an overlay to the core "BEST IDEAS" holdings. The current correction risk is modest and we are protected to 3400 on the S&P 500 with upside potential to 3800 through Feb expiry.

As of: 01/15/21	01/15/21	01/08/21	Change
FX (USD)	56.5%	54.1%	2.3%
Beta <sup>2</sup>	65.8%	63.0%	2.8%
Protection	-40.5%	-41.0%	0.5%
Correlation	64.3%	20.6%	43.6%
Yield <sup>3</sup>	5.07%	5.01%	0.05%
ETF Holdings	13	13	0
Volatility <sup>4</sup>	10.01%	10.02%	-0.01%
CAD	1.2732	1.2702	0.2%

## Performance Metrics (A-Class)

Total Return	Net	Gross	Upside/Downside <sup>5</sup>
YTD	0.61%	0.69%	Upside 31%
Previous Quarter	-0.09%	0.39%	Downside 49%
Previous Year	-11.01%	-9.09%	Months Up 58
3-Year	-1.37%	0.55%	Months Dn 30
5-Year	4.03%	5.95%	
Annualized SI	3.60%	5.52%	Sharpe Ratio 0.45

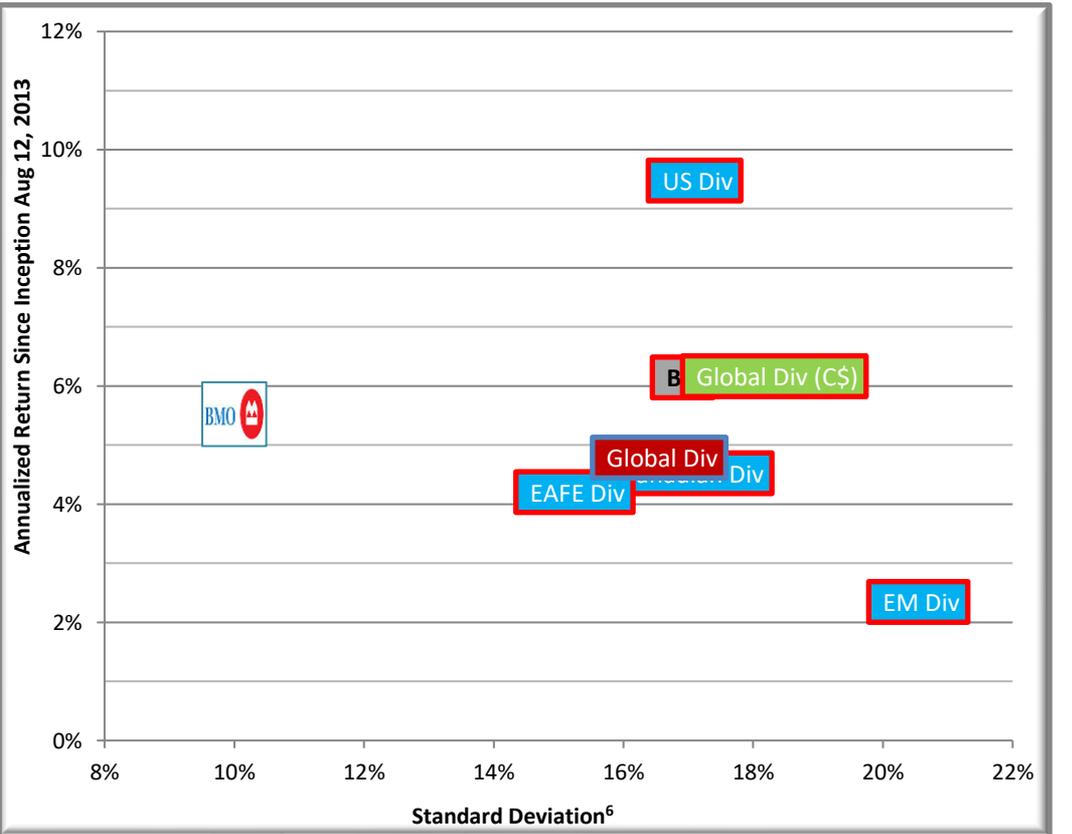
Fund Codes: Advisor BMO99734; Low Load BMO98734; F-Class BMO95734; F6 BMO36734; ETF ZZSD; No Load Retail: BMO70734

## Market Strategy (Risk Management)

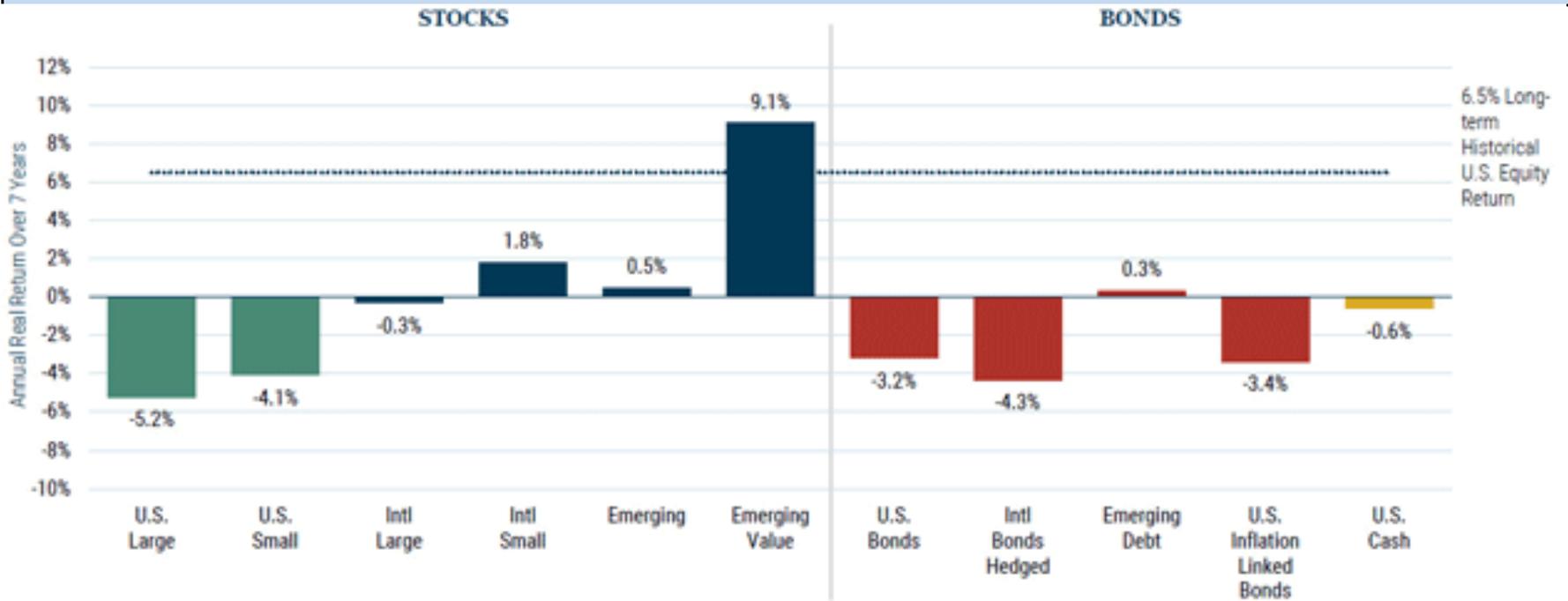
DEFENSE: The current core beta is 65.8% vs. the benchmark of 85% and up from 63.0% last week. The current degree of protection is about -41%. We trimmed exposure to the reflation trade in energy last week and added a bit to emerging Asian markets. We remain focused on yield generation and low risk at this point in the cycle. Our PRO EYES indicator is in the extreme range and we see near-term correction risk of 5%+ as reasonable high. The degree of beta protection in the portfolio should mitigate most downside risk outside the gold sector volatility. The gold sector remains very attractive, but we do look to trim it back into another expected good year in 2021. US earnings season started with a sell the news trade in US banks. We like the sector on a steeper yield curve scenario, but will have to re-enter on a pullback. Recall we added to the sector in Q3 and took profits late in Q4. Banks in Europe remain in a value trap and we do not see value in Canada at the moment. Best risk-adjusted value for dividend payers remains in emerging markets. We look to build exposure during periods of weakness.

## Top Holdings

Ticker	Name	Position
ZWP	BMO Europe High Dividend Covered Call ETF	24.3%
ZGD	BMO Equal Weight Global Gold Index ETF	19.6%
ZPAY	BMO Premium Yield ETF	17.5%
ZWU	BMO Covered Call Utilities ETF	11.2%
AMPL	Alerian MLP ETF	6.2%
EDIV	SPDR S&P Emerging Markets Dividend ETF	4.9%
DXJ	WisdomTree Japan Hedged Equity Fund	4.2%
ZDI	BMO International Dividend ETF	3.5%
DEM	WisdomTree Emerging Markets High Dividend Fund	2.2%
DVYE	iShares Emerging Markets Dividend ETF	2.0%
DGS	WisdomTree Emerging Markets SmallCap Dividend Fund	1.8%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	1.4%
XLE	Energy Select Sector SPDR Fund	1.3%



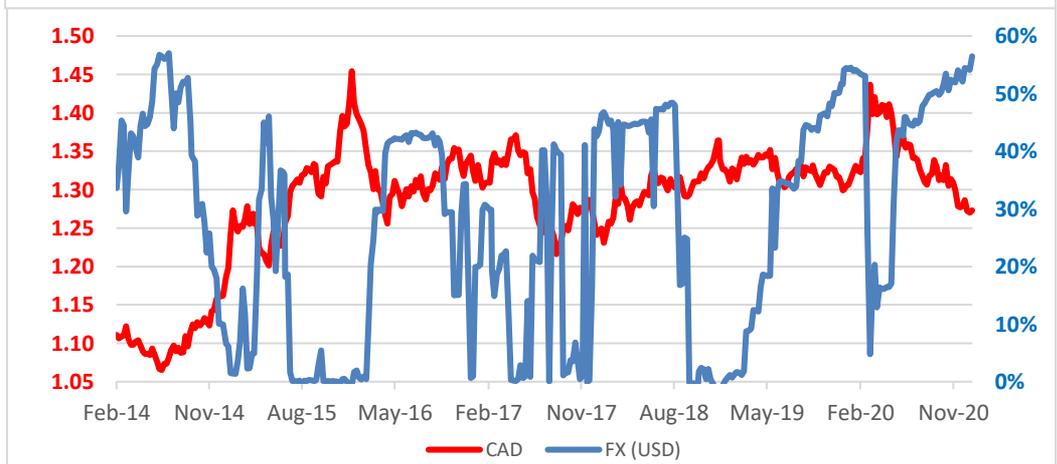
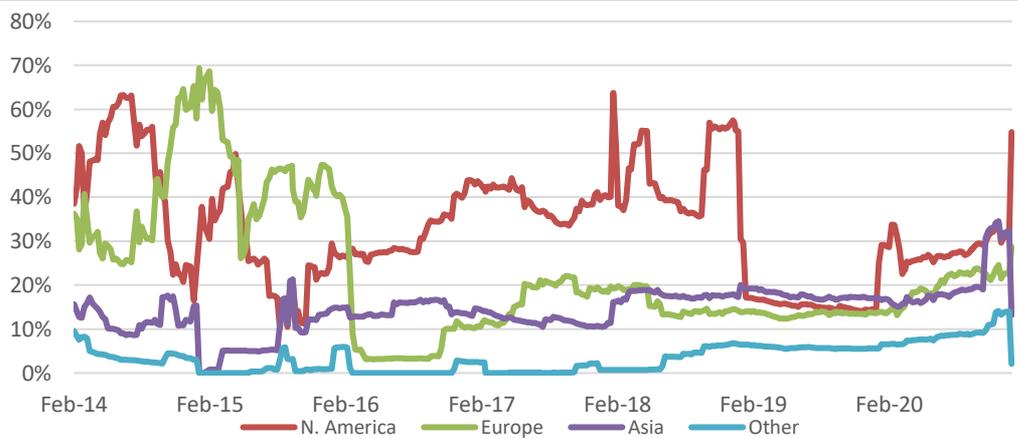
# Chart(s) of The Week



## Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
01/15/21	54.8%	28.7%	13.2%	2.1%
01/08/21	31.3%	22.4%	32.5%	14.0%
Change	23.5%	6.3%	-19.3%	-12.0%

Sector	01/15/21	01/08/21	Change
Basic Materials	28.26%	1.25%	27.0%
Communications	5.74%	7.57%	-1.8%
Consumer, Cyclical	4.59%	25.97%	-21.4%
Consumer, Non-cyclical	11.76%	0.00%	11.8%
Energy	10.85%	8.92%	1.9%
Financial	8.35%	6.90%	1.5%
Government	13.13%	0.00%	13.1%
Industrial	5.26%	6.07%	-0.8%
Technology	3.52%	7.48%	-4.0%
Utilities	8.62%	5.55%	3.1%



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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.