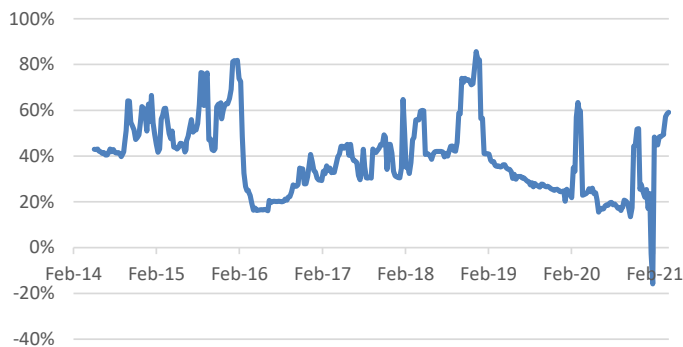


# BMO Tactical Dividend ETF Fund Highlights

Defense Core Beta: 69.8% Offense



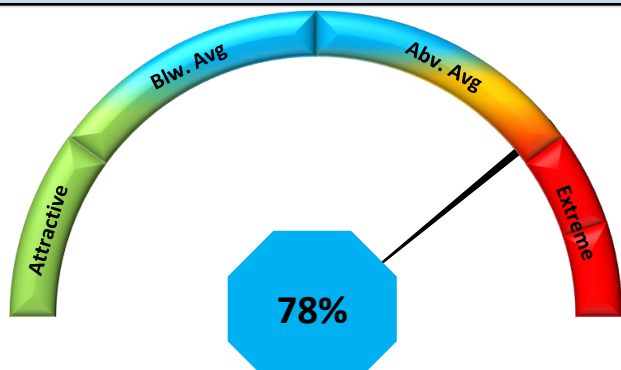
Net Beta (Core - Protection): 59.1%



## Market Strategy (Risk Management)

Modest Defense: The current core beta is 69.8% vs. the benchmark of 101% and up from 69.1% last week. The current degree of beta protection is about -11%. The major shift this week was from ZDI to ZDH as the weakness in the C\$ prior to the BoC announcement this week was an opportunity to shift currency exposure. While we believe the Canadian economy is much more vulnerable than the data shows, the re-opening theme should keep the C\$ in the strength mode for now. We see a risk off event in the coming months and currency exposure will be a good tool to add value. We also marginally trimmed back gold equity (ZGD) exposure as it strengthens while adding to EM exposure. We see dividends from EM markets as a good relative growth source in the coming years on far better valuations. See small cap EM (DGS) versus small cap US (DES) dividend performance chart on page 2 over past 5 years. 100 bps more yield too!

## PRO EYEs Macro Risk Model



When the PRO EYEs indicator is at elevated levels (>75), we will incorporate additional downside protection in the portfolio as an overlay to the core "BEST IDEAS" holdings. The current correction risk is rising and we look to add to downside protection. We see a summer rally peak in the 4200-4300 range, where we look to shift to protection mode.

## Top Holdings

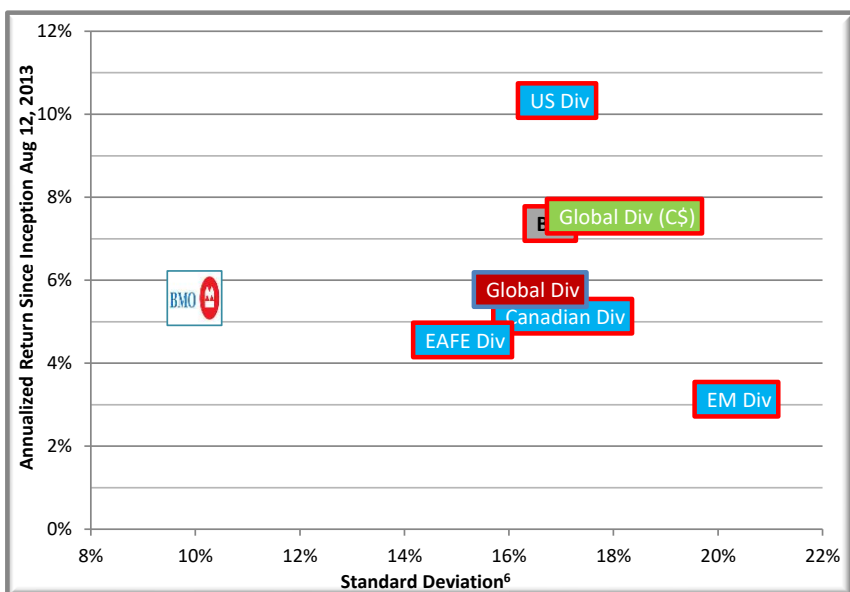
Ticker	Name	Position
ZGD	BMO Equal Weight Global Gold Index ETF	17.5%
ZWP	BMO Europe High Dividend Covered Call ETF	16.0%
ZDH	BMO International Dividend Hedged to CAD ETF	11.9%
ZDI	BMO International Dividend ETF	11.9%
ZPAY	BMO Premium Yield ETF	11.3%
EDIV	SPDR S&P Emerging Markets Dividend ETF	6.4%
ZUD	BMO US Dividend Hedged to CAD ETF	4.5%
AMPL	Alerian MLP ETF	4.3%
ZPAY/F	BMO Premium Yield ETF	4.1%
DEM	WisdomTree Emerging Markets High Dividend Fund	3.0%
DVYE	iShares Emerging Markets Dividend ETF	2.6%
DGS	Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Dividend	2.4%
ZWU	BMO Covered Call Utilities ETF	2.3%

As of: 04/23/21	04/23/21	04/16/21	Change
FX (USD)	31.7%	31.6%	0.1%
Beta <sup>2</sup>	69.8%	69.1%	0.8%
Protection	-10.7%	-10.6%	-0.2%
Correlation	75.9%	75.2%	0.7%
Yield <sup>3</sup>	4.24%	4.17%	0.07%
ETF Holdings	13	12	1
Volatility <sup>4</sup>	9.98%	9.99%	-0.01%
CAD	1.2476	1.2508	-0.3%

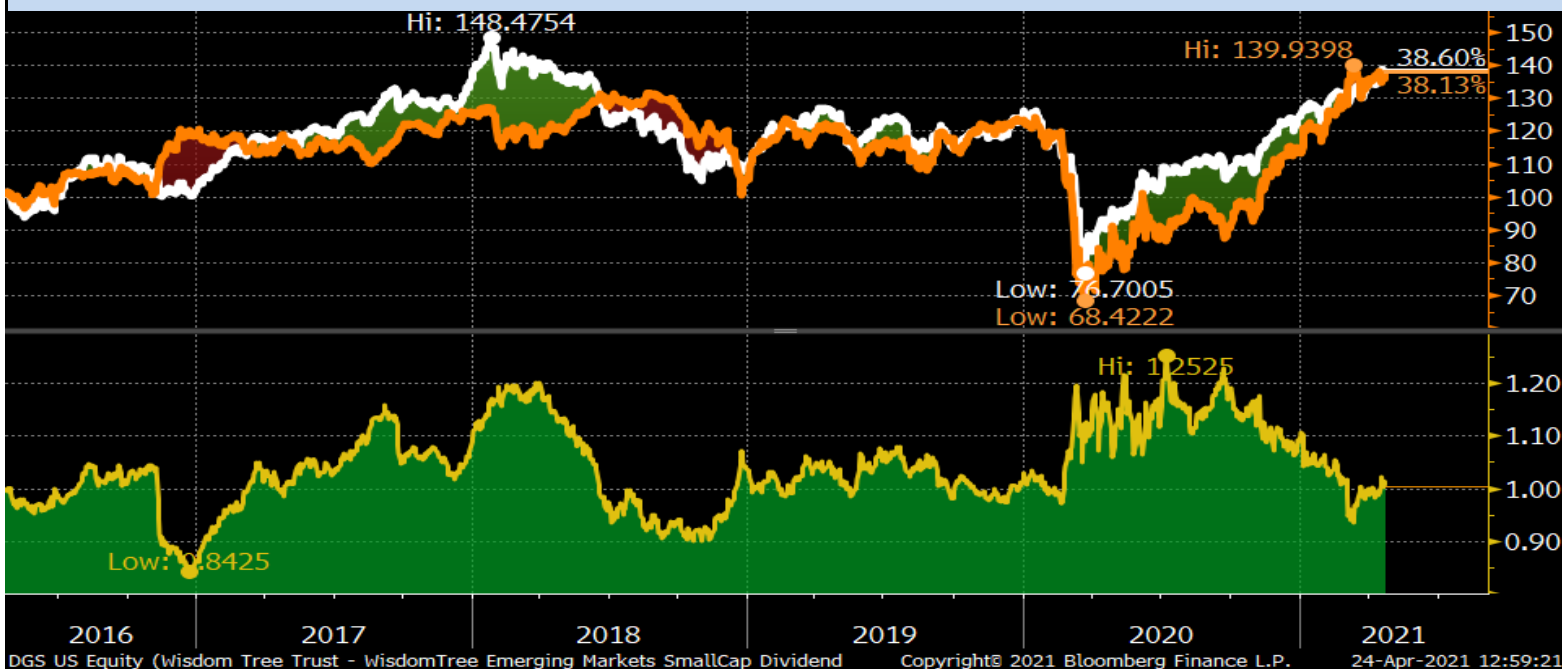
## Performance Metrics (A-Class)

Total Return	Net	Gross	Upside/Downside <sup>5</sup>
YTD	1.96%	2.54%	Upside 25%
Previous Quarter	2.16%	2.64%	Downside 49%
Previous Year	-0.28%	1.64%	Months Up 61
3-Year	-0.80%	1.12%	Months Dn 30
5-Year	2.57%	4.49%	
Annualized SI	3.65%	5.57%	Sharpe Ratio 0.46

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



## Chart(s) of The Week

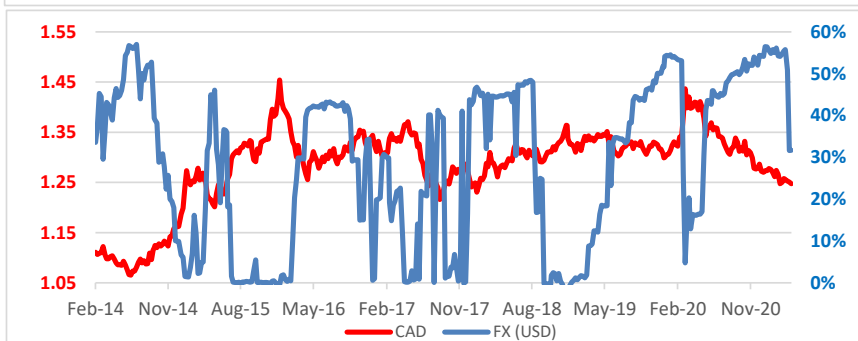
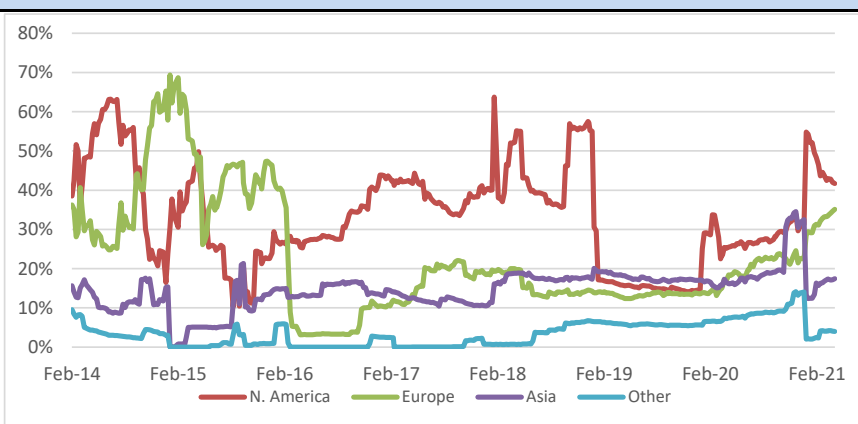


DGS US Equity (Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Dividend) Copyright© 2021 Bloomberg Finance L.P. 24-Apr-2021 12:59:21

## Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
04/23/21	41.7%	35.1%	17.4%	4.0%
04/16/21	42.0%	34.6%	17.2%	4.0%
Change	-0.3%	0.5%	0.3%	-0.1%
Benchmark	67.1%	17.6%	13.1%	2.2%

Sector	4/23/21	4/16/21	Change	BM
Basic Materials	23.21%	23.94%	-0.7%	8.3%
Communications	5.08%	4.98%	0.1%	8.8%
Consumer, Cyclical	6.61%	6.57%	0.0%	4.9%
Consumer, Non-cyclical	15.99%	15.80%	0.2%	8.3%
Energy	6.28%	6.13%	0.1%	9.2%
Financial	12.56%	12.52%	0.0%	31.3%
Government	11.40%	11.07%	0.3%	0.0%
Industrial	6.56%	6.49%	0.1%	6.2%
Technology	3.97%	3.92%	0.0%	2.6%
Utilities	6.30%	6.15%	0.2%	0.0%



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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.