



BMO Tactical Dividend ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments

We see weakness in EM as a buying opportunity. We added to DEM last week on relative weakness to the US markets. We also hedged US\$ exposure (ZPAY/F) and look to actively shift exposure as the C\$ likely settles into a range around 80 cents (1.25) over the next year or so. Long US\$ above and hedged below. EM currencies look to be good value as well and we will continue to build dividend exposure on relative weakness.

Macro Market Strategy

US dividend exposure remains very overvalued relative to EM and EAFE yields. We see a good tactical opportunity developing in Q3 to add to EM dividends. We nibbled at DEM last week as the feature chart shows its relative weakness to the S&P 500 in the lower yellow chart. The underperformance of EM to the US in the past month has been a drag on the portfolio. Still, Non-US market offer better value. For now, low yielding US technology is driving markets.

Top Holdings

Ticker	Name	Position
ZDI	BMO International Dividend ETF	26.3%
ZWP	BMO Europe High Dividend Covered Call ETF	17.5%
ZPAY/F	BMO Premium Yield ETF	17.0%
ZGD	BMO Equal Weight Global Gold Index ETF	8.3%
EDIV	SPDR S&P Emerging Markets Dividend ETF	6.8%
ZWU	BMO Covered Call Utilities ETF	6.3%
ZUD	BMO US Dividend Hedged to CAD ETF	5.1%
DEM	WisdomTree Emerging Markets High Dividend Fund	3.7%
DVYE	iShares Emerging Markets Dividend ETF	2.7%
DGS	Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Dividend	2.7%
ZWK	BMO Covered Call US Banks ETF	1.0%

Chart of the Week



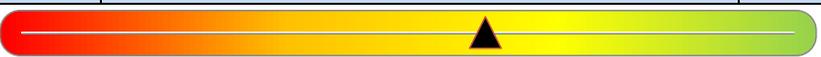
PRO-EYES - Berman's Call

Risk Level **High**

The current core portfolio beta is 71.0% The current degree of beta protection is about -32%.

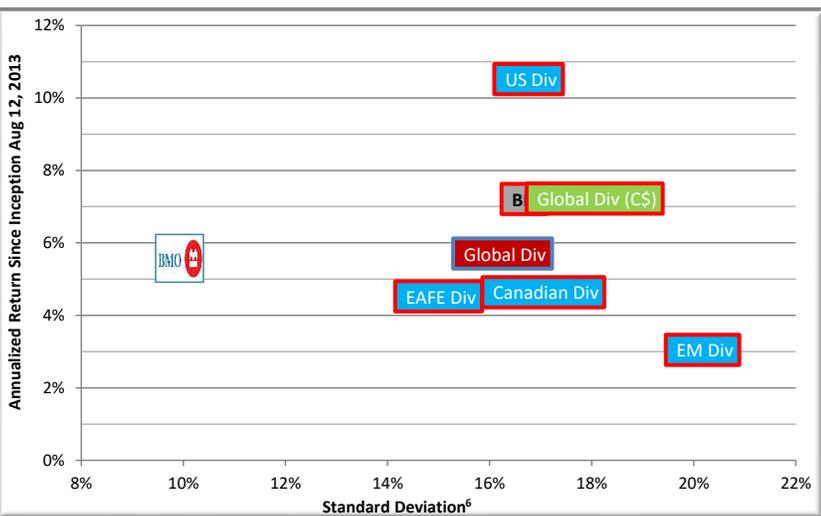
When the PRO EYES indicator is at elevated levels (above 75%), as it is recently hit, we will have higher degree of beta protection on the portfolio. Historically, corrections that follow have a median of 7.3% and an average of 11.1% over the past 20 years. We have our downside hedge on the S&P 500 in place from 4200-3750 with a covered call at 4400 through Sept 30th. This is a tactical hedge and is actively adjusted as opportunities develop. For details of the [PRO-EYES-Berman's Call](#) Tactical Risk Models click link above.

Defense **Core Beta: 71.0%** Offense



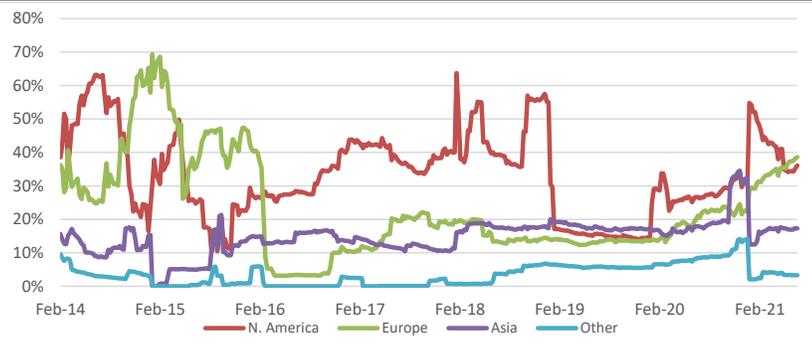
Performance Metrics (A-Series) as of (07/23/21)

Total Return	Net	Gross	Upside/Downside	
YTD	2.91%	3.95%	Upside	26%
Previous Quarter	0.93%	1.41%	Downside	49%
Previous Year	-3.32%	-1.40%	Months Up	63
3-Year	-1.52%	0.40%	Months Dn	31
5-Year	2.02%	3.94%		
Ann. SI (08/12/13)	3.65%	5.57%	Sharpe Ratio	0.46



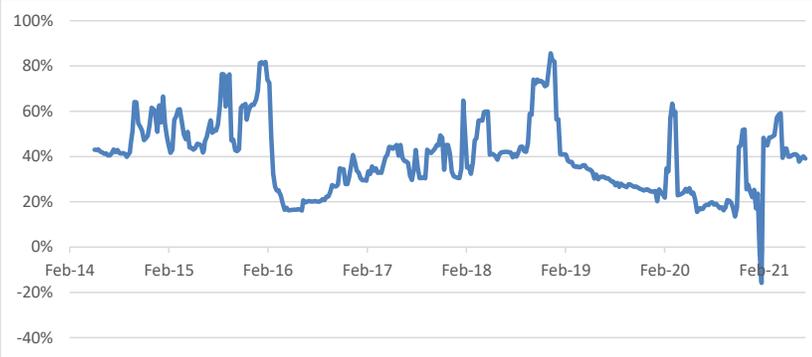
Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
07/23/21	36.6%	39.4%	17.9%	3.4%
07/16/21	35.6%	38.1%	17.2%	3.3%
Change	1.0%	1.3%	0.7%	0.1%
Benchmark	67.6%	17.5%	12.9%	2.0%



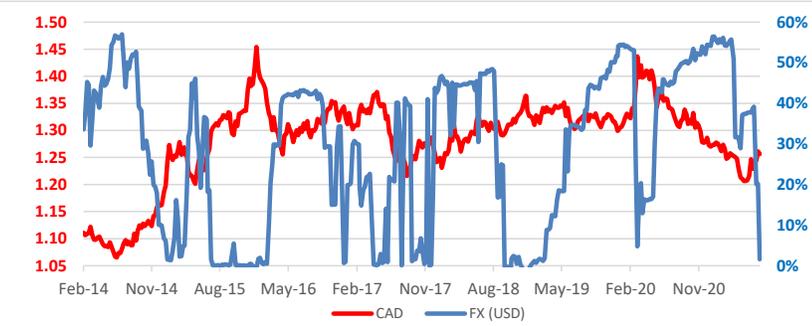
Sector	7/23/21	7/16/21	Change	BM
Basic Materials	14.13%	13.85%	0.3%	8.3%
Communications	7.71%	6.80%	0.9%	9.0%
Consumer, Cyclical	8.08%	7.85%	0.2%	4.8%
Consumer, Non-cyclical	21.73%	21.38%	0.3%	8.8%
Energy	3.25%	3.16%	0.1%	9.1%
Financial	18.81%	18.30%	0.5%	30.2%
Industrial	8.11%	7.76%	0.3%	0.0%
Technology	6.92%	6.80%	0.1%	2.5%
Utilities	8.46%	8.13%	0.3%	0.0%

Net Beta (Core - Protection): 39.2%



As of: 07/23/21	07/23/21	07/16/21	Change
FX (USD)	1.6%	20.2%	-18.6%
Beta ²	71.0%	68.2%	2.8%
Protection	-31.8%	-28.1%	-3.7%
Correlation	94.7%	78.7%	16.0%
Yield ³	4.49%	4.39%	0.11%
ETF Holdings	12	13	-1
Volatility ⁴	9.93%	9.97%	-0.04%
CAD	1.2564	1.2613	-0.4%

Tactical FX Exposure (USD)



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