



# BMO Tactical Dividend ETF Fund Highlights

## Core Tactical/Strategic Portfolio Outlook/Adjustments

As the market has bounced, we do not see a strong fundamental reason for it. We see that investors got very bearish near recent lows and are getting chased back in with the tone of the war not getting worse and expectations for earnings to be OK in Q1. As always, it's about the go forward and the very hawkish FOMC is most likely going to make a big policy mistake in May. Possibility the tone remains OK for a few more weeks, but once into the meat of earnings and outlooks, we see that changing. Margin pressures are building and fighting supply side inflation with demand side tools is a recipe for margin stress. Last week, EM and EAFE underperformed the US markets, which was a drag on the portfolio. On the currency front, the hedge on the US dollar exposure helped, but our exposure to EM and EAFE currencies was a drag as well. We added tactically to the insurance shock absorber (10% upside covered by 10% downside protection) on the equity exposure.

## Macro Market Strategy

The rally back up to resistance zones has us adding back some volatility protection to the portfolio. We look to add more on strength and reduce on weakness. We think this is a very two-way market for the next few months. Once QT starts, we would be more concerned that equity risk premiums will rise and multiples will contract. For now, the FOMC tells us they have the tools to navigate a soft landing and the market believes them. The risk of a policy mistake is significant. But positions got very defensive and so market is capable of recovering some of the damage.

## Top Holdings

Ticker	Name	Position
ZDI	BMO International Dividend ETF	31.7%
ZWP	BMO Europe High Dividend Covered Call ETF	21.7%
ZPAY/F	BMO Premium Yield ETF	20.6%
DEM	WisdomTree Emerging Markets High Dividend Fund	8.7%
EDIV	SPDR S&P Emerging Markets Dividend ETF	8.6%
DGS	Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Divid	3.4%
DVYE	iShares Emerging Markets Dividend ETF	3.0%

## Chart of the Week



## PRO-EYES - Berman's Call

Risk Level High

The core portfolio beta is 65.5%. The degree of delta protection is -28% while the value of beta protection is 51%.

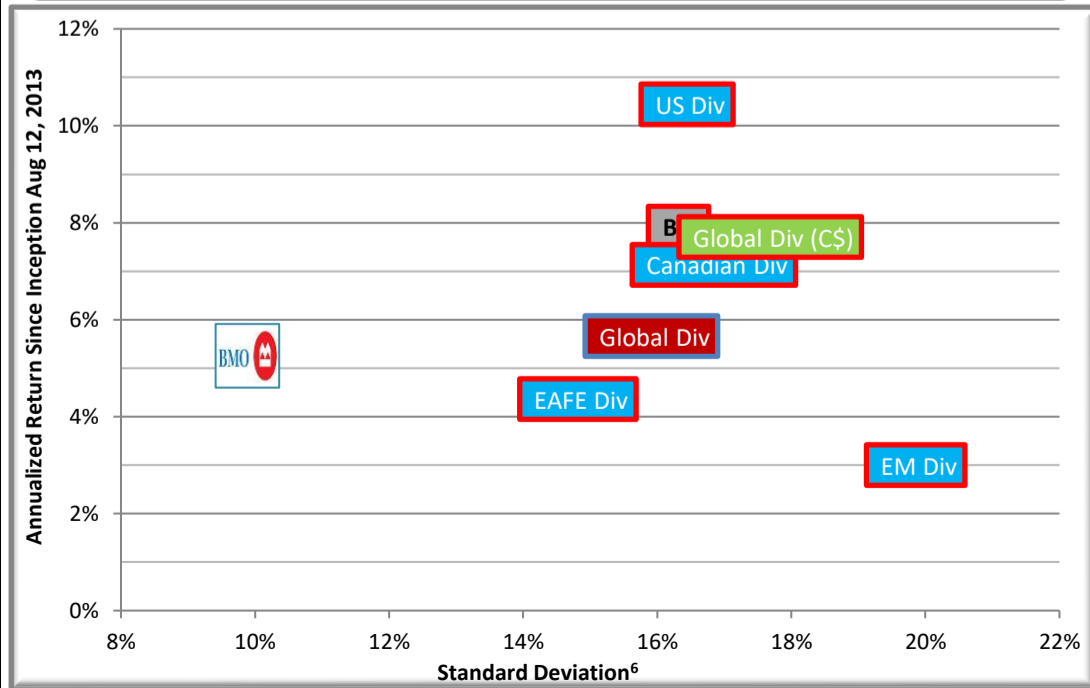
The tactical PRO-EYES factor remains the most oversold since the extremes of COVID, but the big picture suggests end of cycle risks which means rallies should be sold and the market can offer good two-way trade opportunities. Increase the tactical focus and bring out the end of cycle playbook until inflation cools and there is visibility to the end of the rate hike cycle. Forward money market curves suggest easing in 2024 and beyond. The next year or two will likely be extremely choppy.

## Performance Metrics (A-Series) as of (03/25/22)

Total Return	Net	Gross	Upside/Downside <sup>5</sup>	
<b>YTD</b>	-1.66%	-1.23%	Upside	24%
<b>Previous Quarter</b>	-1.36%	-0.88%	Downside	51%
<b>Previous Year</b>	4.42%	6.34%	Months Up	67
<b>3-Year</b>	-1.83%	0.09%	Months Dn	35
<b>5-Year</b>	0.43%	2.35%		
<b>Ann. SI (08/12/13)</b>	3.33%	5.25%	Sharpe Ratio	0.43

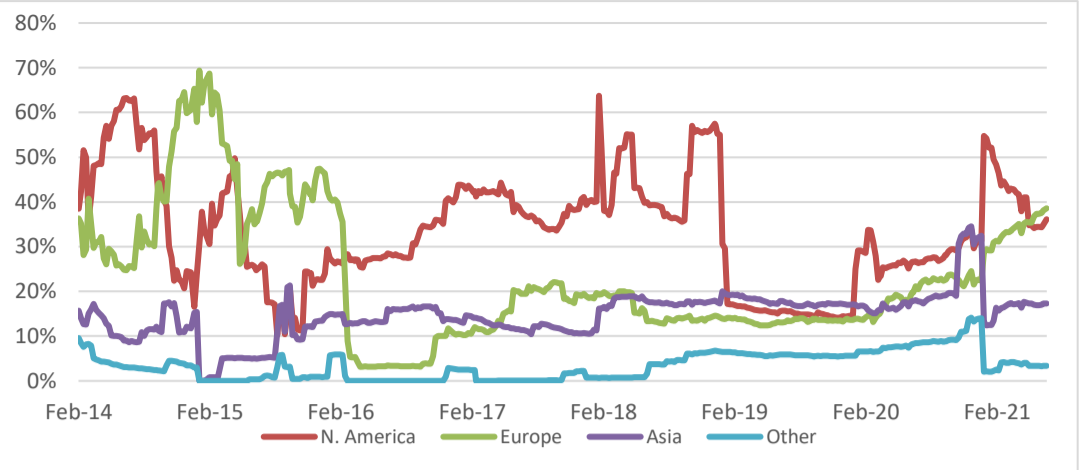
Fund Codes: No Load Retail: BMO70734

Defense Core Beta: 65.5% Offense

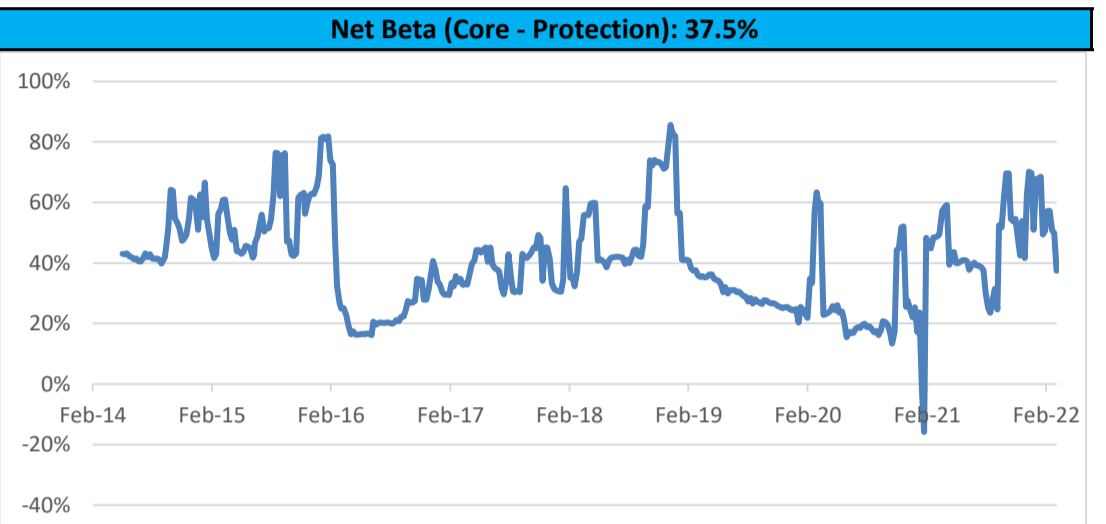


## Tactical Asset Allocation

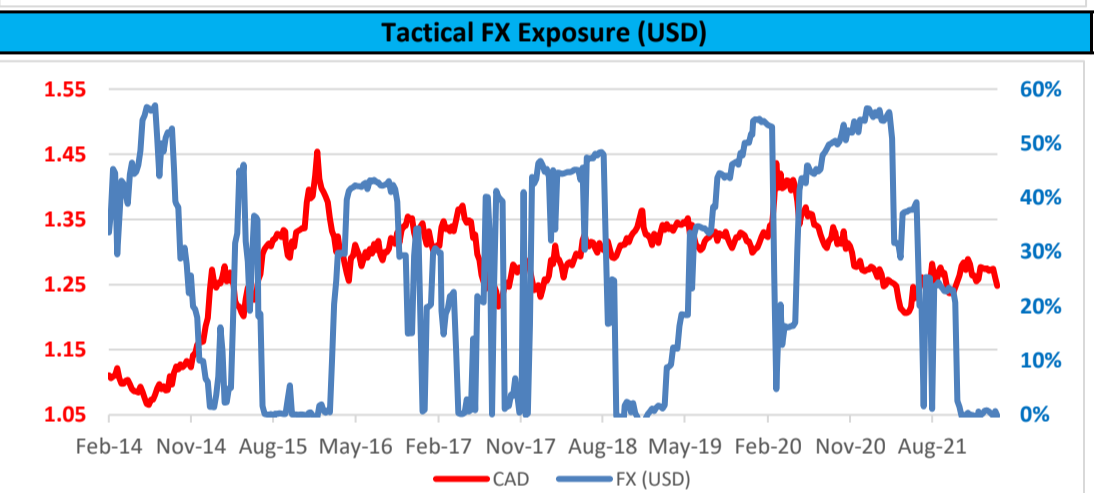
Equity	N. America	Europe	Asia	Other
03/25/22	21.4%	45.9%	25.0%	5.5%
03/18/22	21.0%	45.6%	24.8%	5.5%
Change	0.4%	0.3%	0.3%	0.0%
Benchmark	70.8%	15.6%	11.7%	1.9%



Sector	3/25/22	3/18/22	Change	BM
Basic Materials	7.46%	7.29%	0.2%	7.6%
Communications	9.33%	9.31%	0.0%	8.6%
Consumer, Cyclical	10.91%	10.72%	0.2%	4.4%
Consumer, Non-cyclical	24.03%	23.98%	0.1%	8.7%
Energy	3.58%	3.57%	0.0%	11.2%
Financial	21.36%	21.20%	0.2%	30.0%
Industrial	8.96%	8.86%	0.1%	0.0%
Technology	7.28%	7.14%	0.1%	2.5%
Utilities	4.03%	4.01%	0.0%	0.0%



As of: 03/25/22	03/25/22	03/18/22	Change
FX (USD)	-0.2%	0.7%	-0.8%
Beta <sup>2</sup>	65.5%	68.2%	-2.7%
Protection	-28.0%	-18.3%	-9.7%
Correlation	89.6%	92.1%	-2.5%
Yield <sup>3</sup>	4.99%	5.09%	-0.10%
ETF Holdings	7	7	0
Volatility <sup>4</sup>	9.89%	9.86%	0.03%
CAD	1.2477	1.2603	-1.0%



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