



# BMO Tactical Dividend ETF Fund Highlights

### Core Tactical/Strategic Portfolio Outlook/Adjustments

We made no adjustment to the portfolio last week. We continue to expect international markets to perform better than US markets over the next few years. The Russia-Ukraine war has complicated the outcome, but increasingly it looks like a stagflation period develops. Higher dividend exposure in this environment should add value. We generally are tilted more defensively with overall market risk.

### Top Holdings

Ticker	Name	Position
ZDI	BMO International Dividend ETF	31.7%
ZWP	BMO Europe High Dividend Covered Call ETF	22.3%
ZPAY/F	BMO Premium Yield ETF	20.4%
DEM	WisdomTree Emerging Markets High Dividend Fund	9.0%
EDIV	SPDR S&P Emerging Markets Dividend ETF	8.9%
DGS	Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Dividend	3.5%
DVYE	iShares Emerging Markets Dividend ETF	3.1%

### 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 was capable of recovering some of the damage. The Street narrative has turned very hawkish recognizing how far the FOMC is behind the curve. The eurodollar curve shows aggressive tightening into mid 2023 followed by an easing cycle. This means the money market sees a recession. The stock market multiple clearly does not. Which market is correct?

### Chart of the Week



**Have a Happy (and Hoppy) Easter or Passover!**

### PRO-EYES - Berman's Call

**Risk Level High**

The core portfolio beta is 63.9%. The degree of delta protection is -26% while the value of beta protection is 52%.

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.

**Defense**

**Core Beta: 63.9%**

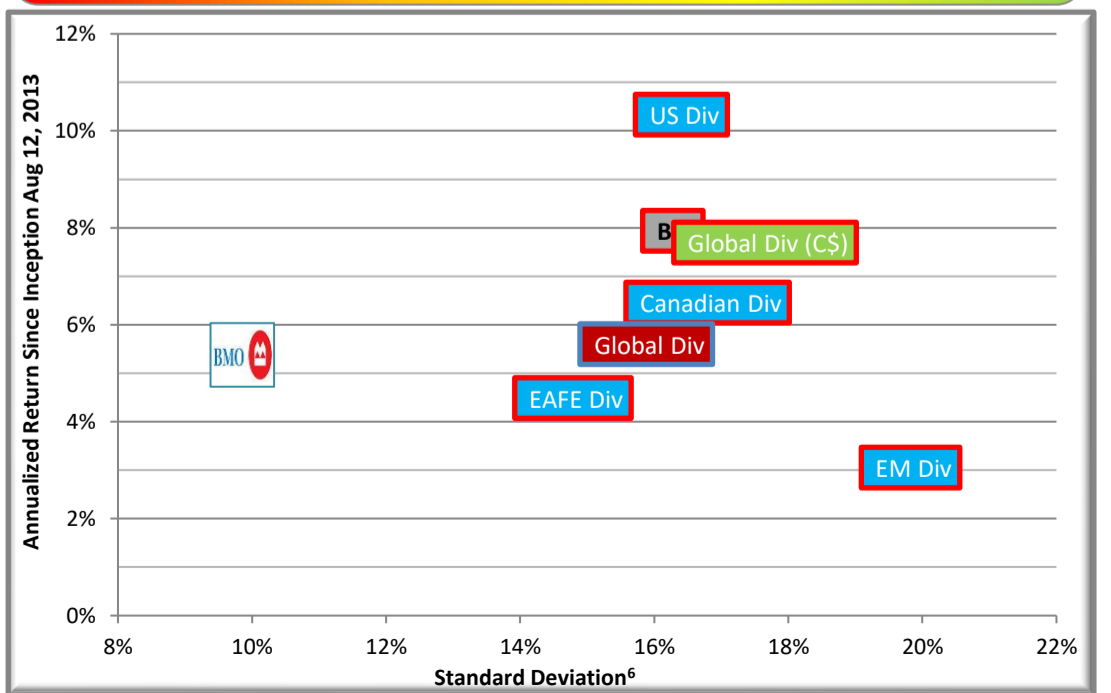
**Offense**



### Performance Metrics (A-Series) as of (04/14/22)

Total Return	Net	Gross	Upside/Downside <sup>5</sup>	
<b>YTD</b>	-0.46%	0.07%	Upside	23%
<b>Previous Quarter</b>	-1.27%	-0.79%	Downside	51%
<b>Previous Year</b>	3.65%	5.57%	Months Up	68
<b>3-Year</b>	-1.57%	0.35%	Months Dn	35
<b>5-Year</b>	0.54%	2.46%		
<b>Ann. SI (08/12/13)</b>	3.45%	5.37%	Sharpe Ratio	0.44

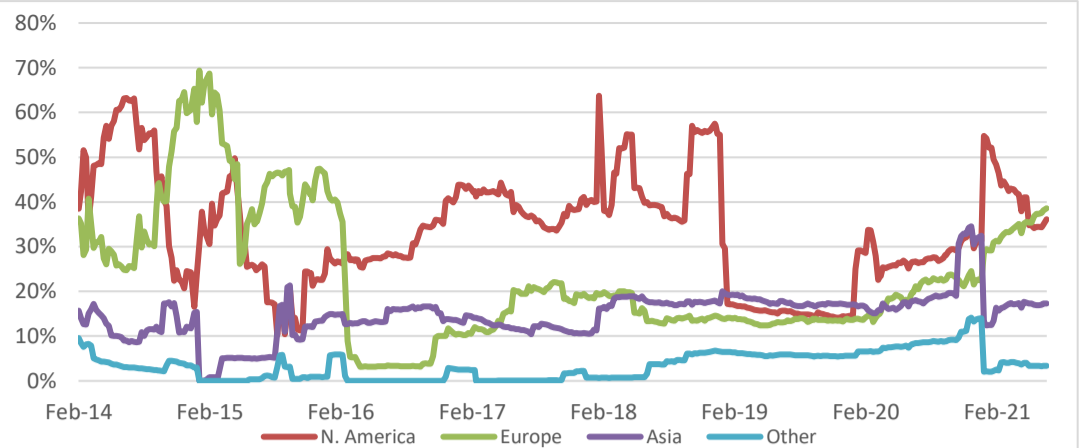
Fund Codes: No Load Retail: BMO70734



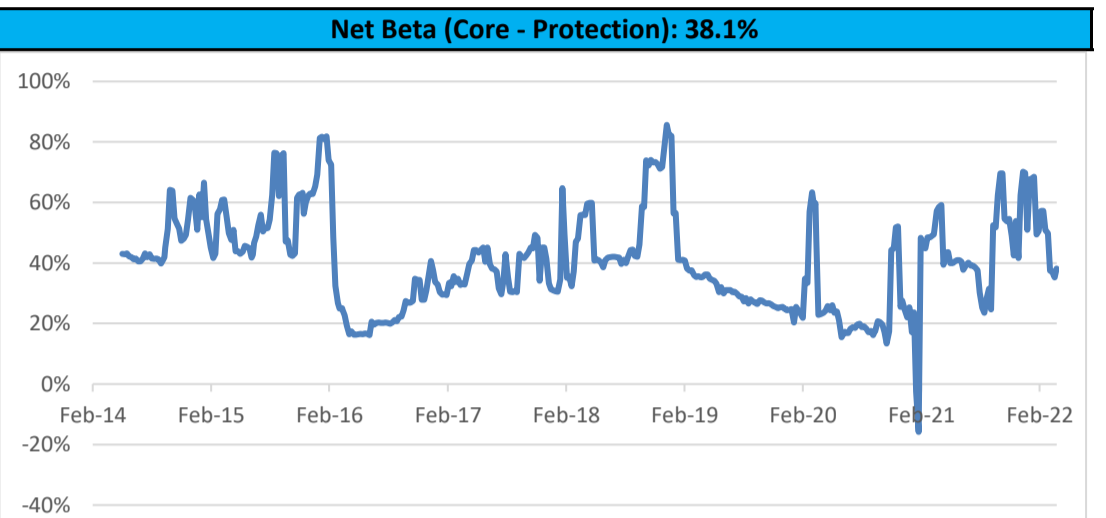
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## Tactical Asset Allocation

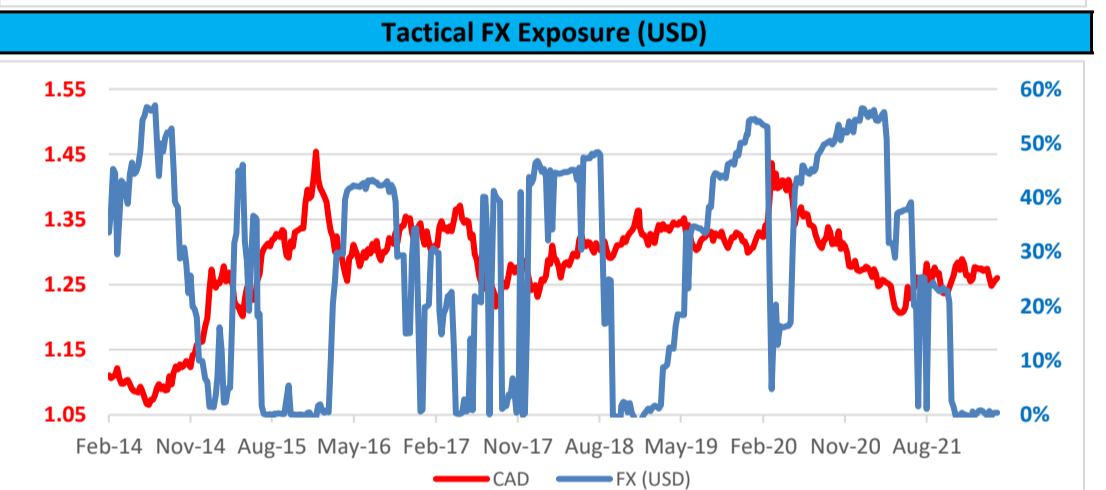
Equity	N. America	Europe	Asia	Other
04/14/22	21.2%	46.9%	24.7%	6.2%
04/08/22	21.4%	46.8%	24.9%	6.2%
Change	-0.2%	0.2%	-0.2%	-0.1%
Benchmark	68.7%	13.9%	12.7%	4.6%



Sector	4/14/22	4/08/22	Change	BM
Basic Materials	8.04%	8.13%	-0.1%	10.1%
Communications	9.30%	9.29%	0.0%	7.3%
Consumer, Cyclical	10.49%	10.56%	-0.1%	5.5%
Consumer, Non-cyclical	24.85%	24.67%	0.2%	8.9%
Energy	3.45%	3.42%	0.0%	8.2%
Financial	21.94%	22.14%	-0.2%	28.4%
Industrial	8.63%	8.68%	0.0%	0.0%
Technology	7.24%	7.33%	-0.1%	2.6%
Utilities	4.17%	4.18%	0.0%	0.0%



As of: 04/15/22	04/14/22	04/08/22	Change
FX (USD)	0.4%	0.4%	-0.1%
Beta <sup>2</sup>	63.9%	62.9%	1.0%
Protection	-25.8%	-27.7%	1.9%
Correlation	88.6%	87.8%	0.7%
Yield <sup>3</sup>	5.04%	5.02%	0.02%
ETF Holdings	7	7	0
Volatility <sup>4</sup>	9.86%	9.87%	-0.01%
CAD	1.2603	1.2572	0.2%



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