



BMO Tactical Dividend ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments

Our PRO-EYES tactical risk monitor is showing another dip into the opportunity range and with the S&P 500 closing at the lowest level of the year, we have a deep oversold condition. But it is also clear we are in a bear market and rallies will most certainly be to lower highs until the FOMC pivots. We do not see that until they break something. We did not make any trades last week.

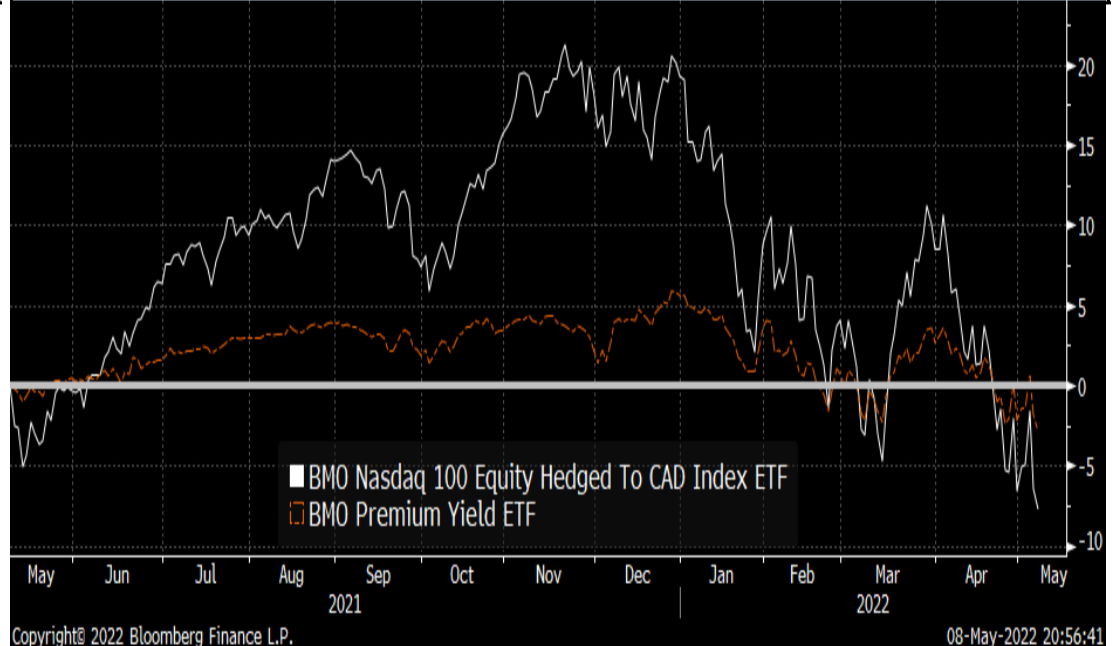
Top Holdings

Ticker	Name	Position
ZDI	BMO International Dividend ETF	31.3%
ZWP	BMO Europe High Dividend Covered Call ETF	22.2%
ZQQ	BMO Nasdaq 100 Equity Hedged To CAD Index ETF	19.7%
EDIV	SPDR S&P Emerging Markets Dividend ETF	9.0%
DEM	WisdomTree Emerging Markets High Dividend Fund	8.8%
DGS	Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Dividend	3.5%
DVYE	iShares Emerging Markets Dividend ETF	3.1%

Macro Market Strategy

We think this is a very two-way market for the next few quarters with a bearish tilt. Better than expected tax receipts should push the negative funding pressure from QT into 2023. Once QT starts, to have an impact, we would be more concerned that equity risk premiums will rise and multiples will contract. The risk of a policy mistake is significant. The Street narrative has turned very hawkish recognizing how far the FOMC is behind the curve. Most FOMC members have confirmed the more aggressive path of tightening. The most aggressive since the early 1980s. 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. The current FOMC update should clarify the policy path. The soft Q1 GDP likely walks back some of the hawkishness. We also could see peak inflation prints in May.

Chart of the Week



PRO-EYES - Berman's Call

Risk Level High

The core portfolio beta is 84.1%. The degree of delta protection is 0% while the value of beta protection is 0%.

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: 84.1%

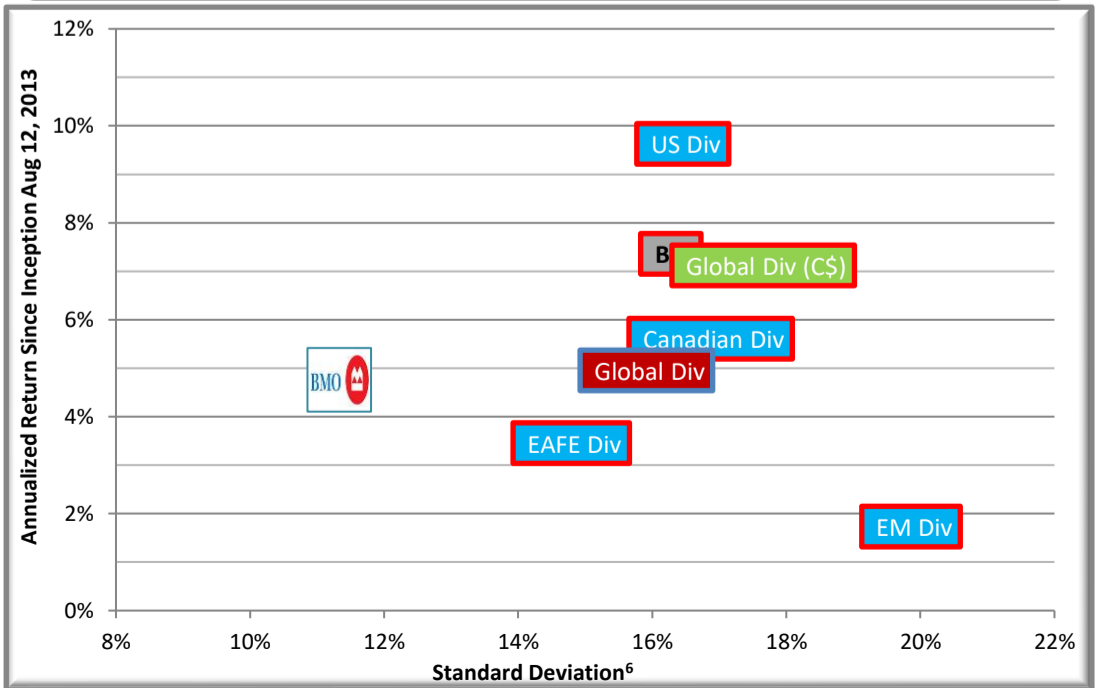
Offense



Performance Metrics (A-Series) as of (05/13/22)

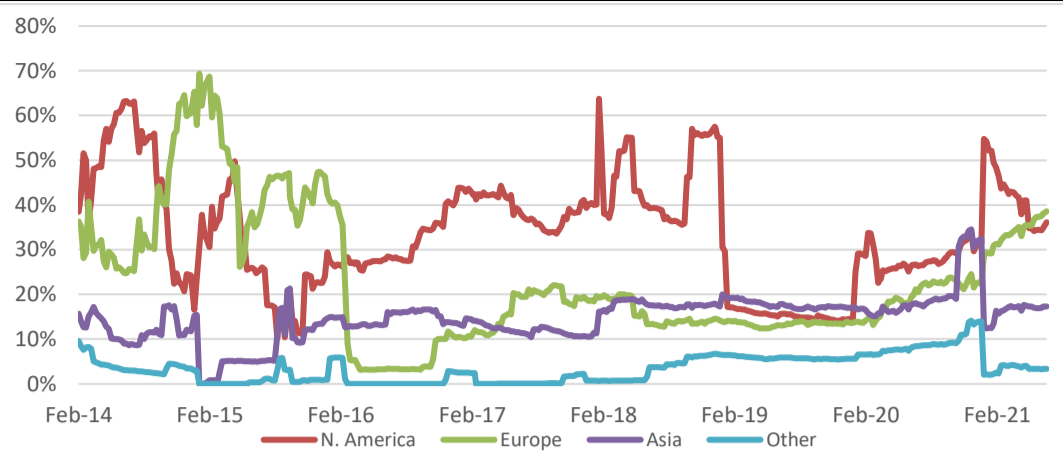
Total Return	Net	Gross	Upside/Downside ⁵
YTD	-5.26%	-4.58%	Upside 23%
Previous Quarter	-6.55%	-6.07%	Downside 52%
Previous Year	-1.51%	0.41%	Months Up 68
3-Year	-2.60%	-0.68%	Months Dn 36
5-Year	-0.63%	1.29%	
Ann. SI (08/12/13)	2.84%	4.76%	Sharpe Ratio 0.33

Fund Codes: No Load Retail: BMO70734



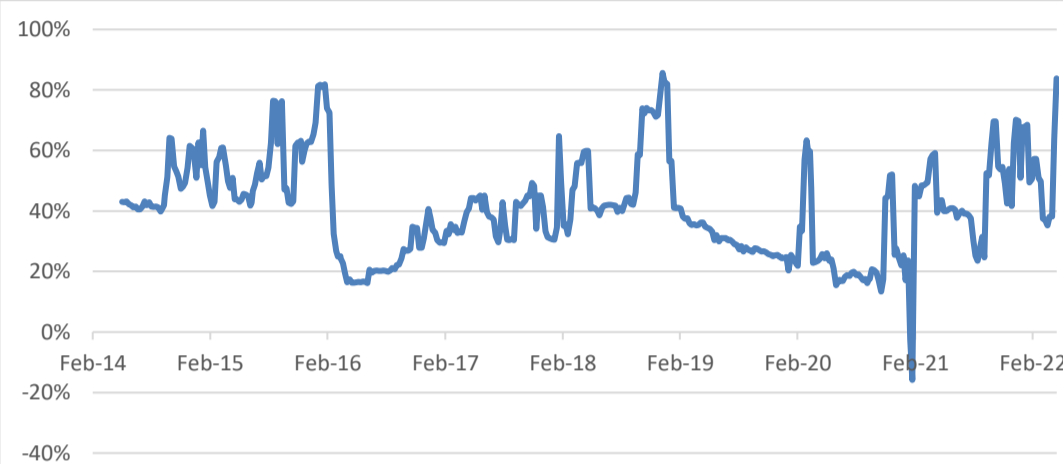
Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
05/13/22	20.1%	46.4%	25.2%	5.9%
04/29/22	20.3%	46.2%	24.5%	6.1%
Change	-0.2%	0.2%	0.7%	-0.2%
Benchmark	70.2%	13.6%	12.2%	4.0%



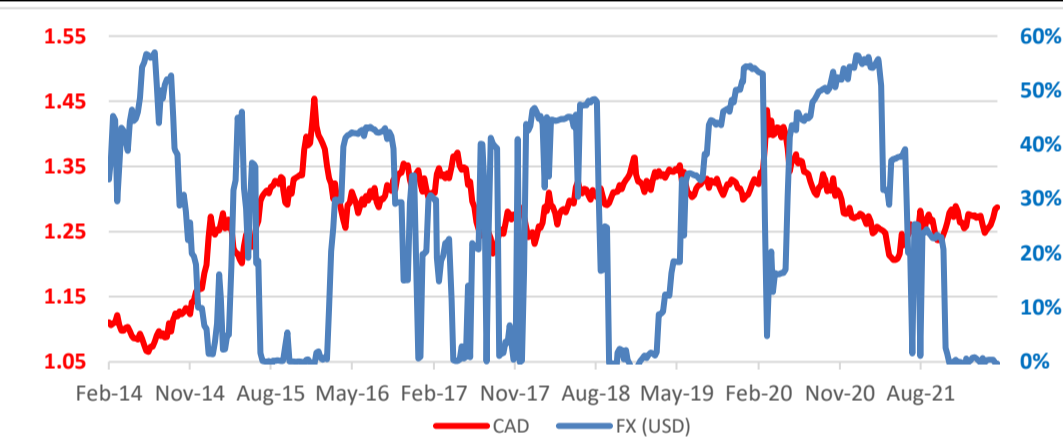
Sector	5/13/22	4/29/22	Change	BM
Basic Materials	7.54%	7.56%	0.0%	9.6%
Communications	11.06%	9.13%	1.9%	7.1%
Consumer, Cyclical	10.19%	10.31%	-0.1%	5.5%
Consumer, Non-cyclical	21.32%	24.53%	-3.2%	9.2%
Energy	3.52%	3.43%	0.1%	9.2%
Financial	19.15%	21.53%	-2.4%	27.7%
Industrial	7.50%	8.52%	-1.0%	0.0%
Technology	11.87%	6.86%	5.0%	2.6%
Utilities	4.47%	4.18%	0.3%	0.0%

Net Beta (Core - Protection): 84.1%



As of: 05/13/22	05/13/22	04/29/22	Change
FX (USD)	-0.2%	-0.2%	0.0%
Beta ²	84.1%	63.9%	20.2%
Protection	0.0%	0.0%	0.0%
Correlation	91.6%	88.3%	3.2%
Yield ³	4.01%	5.15%	-1.14%
ETF Holdings	7	7	0
Volatility ⁴	11.33%	10.11%	1.22%
CAD	1.2929	1.2848	0.6%

Tactical FX Exposure (USD)



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