



BMO Tactical Dividend ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments

Since we added the ZQQ exposure on May 21, growth has outperformed global dividend by about 1000bps. The flattening of the yield curve has really crushed global banks and other value names in the energy sector. EM is still struggling relative to US markets, but we are beginning to see some stabilization in these trends and peak US dollar flight to safety. EAFE is outperforming, but currency exposure is largely offsetting. There is clear some risk still too come globally, but the dollar's impact has been largely felt in asset prices, but not yet earnings. As earnings season has started, we are starting to hear more about the impact. Companies so far have done a decent job mitigating, the lag will play out over the next few quarters. The ECB message this week that the euro was too weak is important and should put a floor in to relative currency weakness.

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. The FOMC is now telegraphing easing to offset. 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 FOMC more aggressive path has caught them up to the curve and the terminal rate is now expected in December. This suggests a fall earnings related selloff is a very good buying opportunity. That said, we do not expect higher highs (5000+) until after the 2024 elections. We can expect lots of volatility to remain as the global economy rebalances. Anyone suggesting a more bullish path, we'd like to debate. We look to re-establish a volatility buffer in the coming months.

Top Holdings

Ticker	Name	Position
ZDI	BMO International Dividend ETF	32.6%
ZWP	BMO Europe High Dividend Covered Call ETF	21.3%
ZQQ	BMO Nasdaq 100 Equity Hedged To CAD Index ETF	20.8%
EDIV	SPDR S&P Emerging Markets Dividend ETF	9.3%
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	2.9%

Chart of the Week



PRO-EYES - Berman's Call

Risk Level High

The core portfolio beta is 77.8%. The degree of delta protection is 0% while the value of beta protection is 0%.

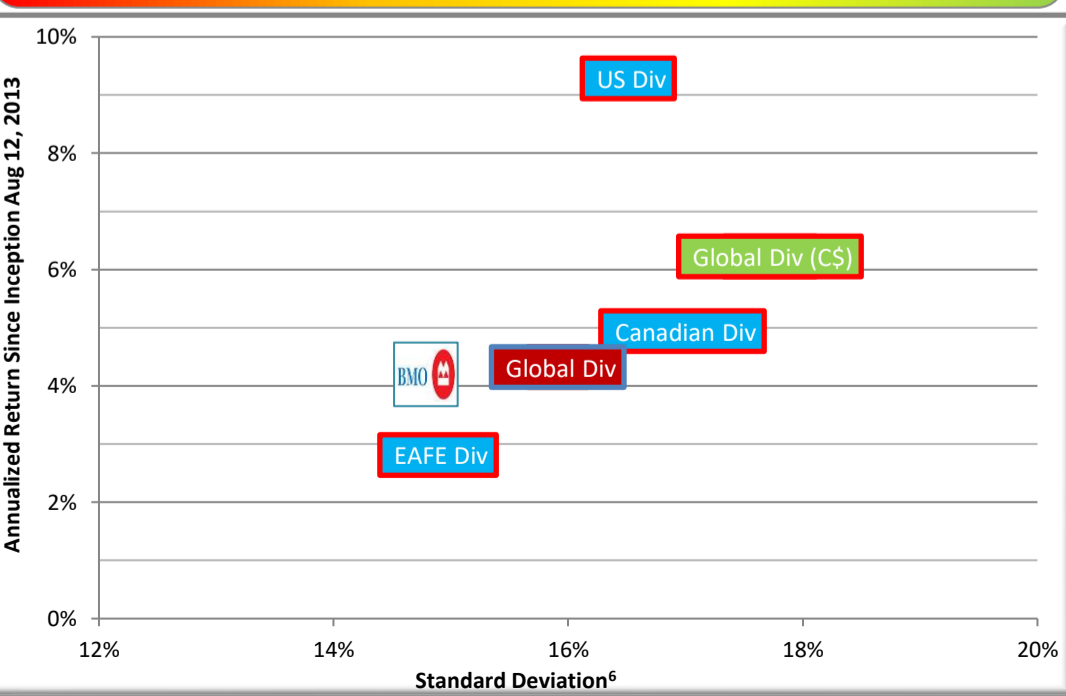
The tactical PRO-EYES factor suggests more dip buying opportunity exists than not. However, the trend of liquidity in business conditions is likely to get worse before it improves. The fact the FOMC has now talked about 2023/24 rate cuts, markets should stabilize. Valuation metrics have yet to reflect a recession and that is the overriding risk. This likely means there will be more two-way opportunities in assets until the inflation cycle is under control. We expect it will be stickier than the market believes and the FOMC will have difficulty with a soft landing scenario.

Performance Metrics (A-Series) as of (07/22/22)

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	-9.31%	-8.28%	Upside	16%
Previous Quarter	-7.81%	-7.33%	Downside	45%
Previous Year	-8.23%	-6.31%	Months Up	66
3-Year	-5.14%	-3.22%	Months Dn	40
5-Year	-1.41%	0.51%		
Ann. SI (08/12/13)	2.28%	4.20%	Sharpe Ratio	0.22

Fund Codes: No Load Retail: BMO70734

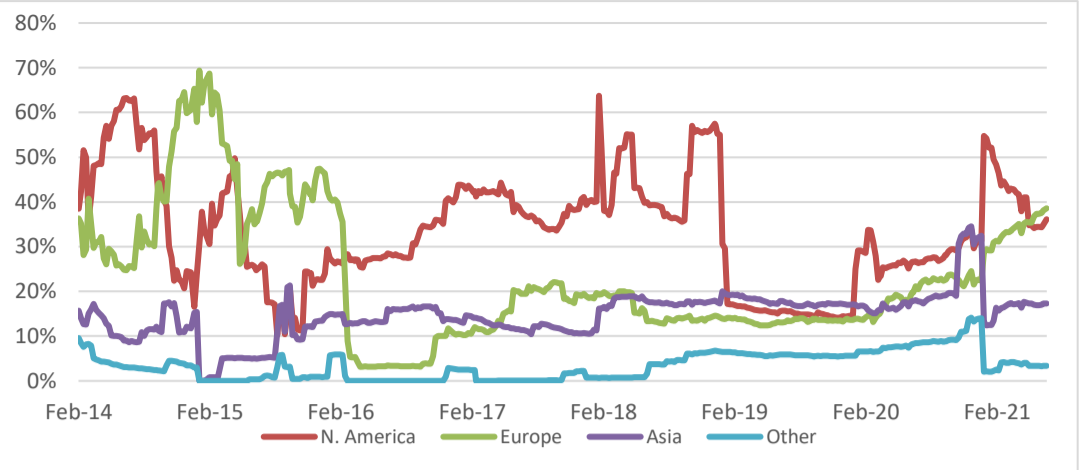
Defense **Core Beta: 77.8%** Offense



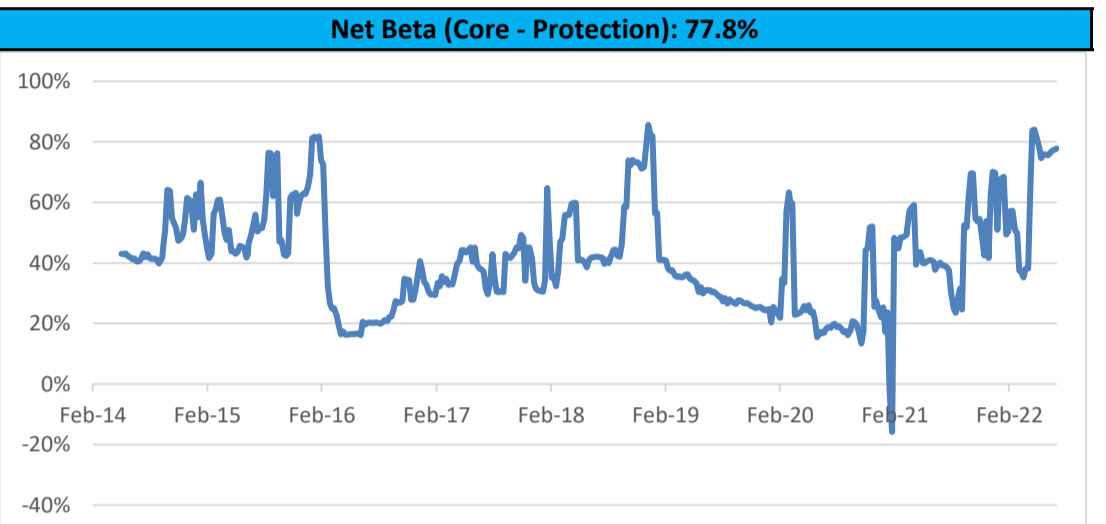
Advisor/Broker Use Only

Tactical Asset Allocation

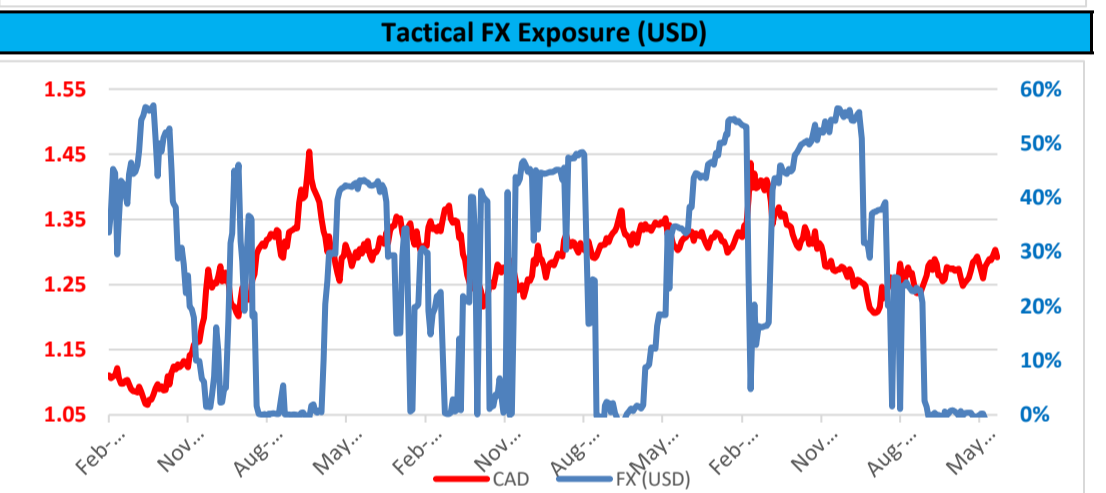
Equity	N. America	Europe	Asia	Other
07/22/22	21.3%	46.5%	25.8%	5.5%
07/15/22	21.3%	46.5%	25.8%	5.5%
Change	0.0%	0.0%	0.0%	0.0%
Benchmark	71.7%	12.9%	11.9%	3.5%



Sector	7/22/22	7/15/22	Change	BM
Basic Materials	6.57%	6.57%	0.0%	8.6%
Communications	10.80%	10.80%	0.0%	7.1%
Consumer, Cyclical	10.70%	10.70%	0.0%	5.4%
Consumer, Non-cyclical	22.01%	22.01%	0.0%	9.3%
Energy	3.48%	3.48%	0.0%	9.5%
Financial	19.92%	19.92%	0.0%	28.0%
Industrial	7.89%	7.89%	0.0%	0.0%
Technology	12.76%	12.76%	0.0%	2.7%
Utilities	3.96%	3.96%	0.0%	0.0%



As of: 07/22/22	07/22/22	07/15/22	Change
FX (USD)	-4.6%	-5.2%	0.5%
Beta ²	77.8%	77.4%	0.4%
Protection	0.0%	0.0%	0.0%
Correlation	93.4%	92.8%	0.5%
Yield ³	4.21%	4.28%	-0.07%
ETF Holdings	7	7	0
Volatility ⁴	14.79%	16.33%	-1.54%
CAD	1.2916	1.3032	-0.9%



This commentary is intended for information purposes only. This update has been prepared by ETF Capital Management, the portfolio manager of BMO Tactical Dividend ETF Fund and represents their assessment at the time of publication. The views are subject to change without notice as markets change over time. The information contained herein is not, and should not be construed as, investment advice to any party. Investments should be evaluated relative to the individual's investment objectives and professional advice should be obtained with respect to any circumstance. Any statement that necessarily depends on future events may be a forward-looking statement. This material may contain forward-looking statements. "Forward-looking statements," can be identified by the use of forward-looking terminology such as "may", "should", "expect", "anticipate", "outlook", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof, or variations thereon, or other comparable terminology. Investors are cautioned not to place undue reliance on such statements, as actual results could differ materially due to various risks and uncertainties. 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. 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. Commissions, trailing commissions (if applicable), management fees and expenses all may be associated with mutual fund investments. Please read the fund facts or prospectus of the relevant mutual fund before investing. The indicated rates of return are the historical annual compounded total returns for the period indicated including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Distributions are not guaranteed and are subject to change and/or elimination. For a summary of the risks of an investment in BMO Mutual Funds, please see the specific risks set out in the prospectus. BMO Mutual Funds are managed by BMO Investments Inc., which is an investment fund manager and a separate legal entity from Bank of Montreal. ®/™Registered trade-marks/trade-mark of Bank of Montreal, used under licence. **Advisor/Broker Use Only**