



# BMO Tactical Dividend ETF Fund Highlights

### Core Tactical/Strategic Portfolio Outlook/Adjustments

Since we swapped into ZQQ from ZPAY/F, the return difference has been zero. ZQQ is obviously a bit more volatile. The trade was made to get a bit more growth in the exposure if inflation expectations were going to peak. The alternative was the ZWT (covered call technology, which has benefitted from an elevated volatility reading. We did note a divergence in that the June low was not tech led and was far more broad-based, which can often mark an important low. We do not believe the bear market is over. Our overweight in EM and EAFE value has not paid off at all and sentiment has turned outright bearish. Almost nobody we speak to thinks either performs well. The under owned nature of both regions tells us we are in the right place for the future, but to say it's been frustrating is an understatement.

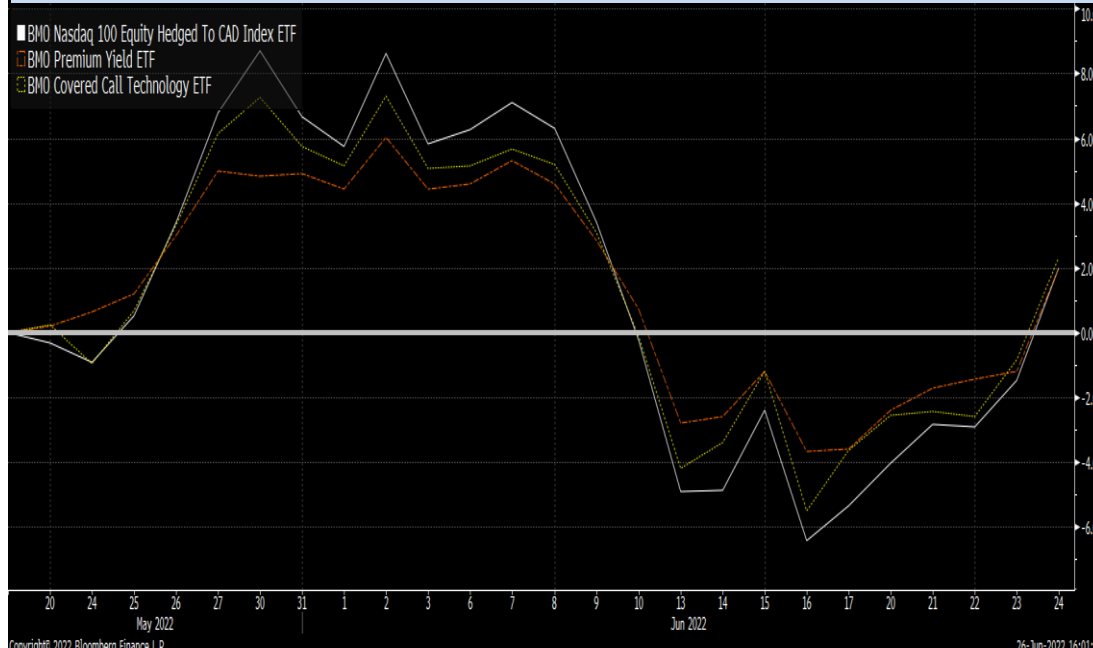
### Macro Market Strategy

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	32.1%
ZWP	BMO Europe High Dividend Covered Call ETF	22.8%
ZQQ	BMO Nasdaq 100 Equity Hedged To CAD Index ETF	19.8%
EDIV	SPDR S&P Emerging Markets Dividend ETF	9.1%
DEM	WisdomTree Emerging Markets High Dividend Fund	8.7%
DGS	Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Dividend	3.4%
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 75.6%. 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.

Defense

Core Beta: 75.6%

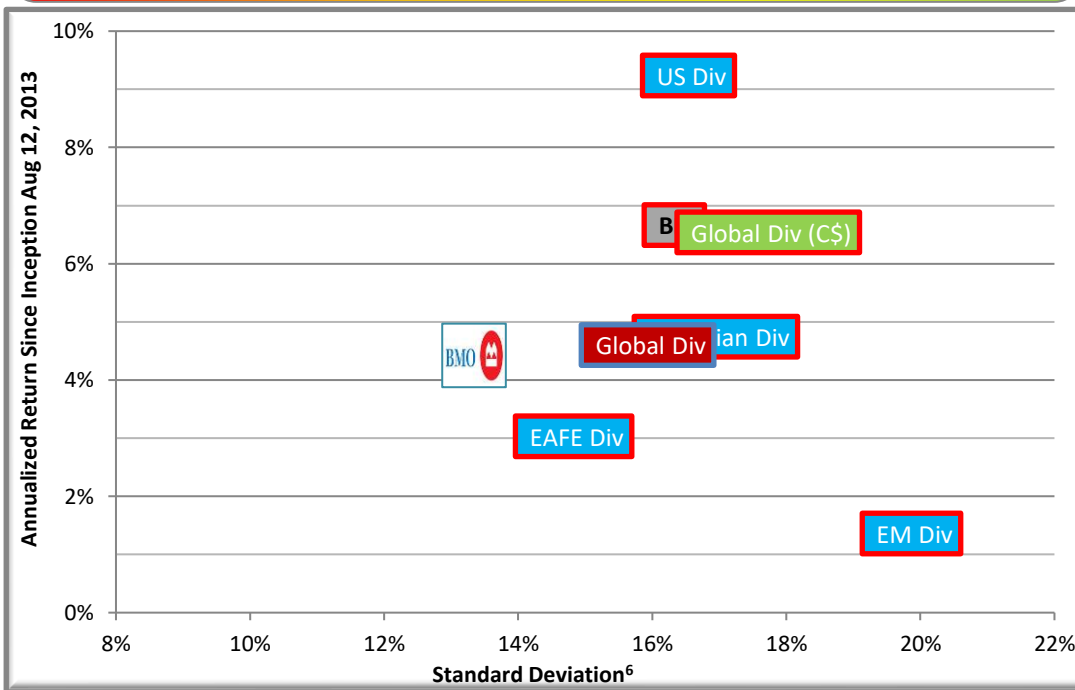
Offense



### Performance Metrics (A-Series) as of (06/24/22)

Total Return	Net	Gross	Upside/Downside <sup>5</sup>	
YTD	-7.72%	-6.83%	Upside	22%
Previous Quarter	-6.54%	-6.06%	Downside	52%
Previous Year	-6.45%	-4.53%	Months Up	69
3-Year	-4.21%	-2.29%	Months Dn	36
5-Year	-1.19%	0.73%		
Ann. SI (08/12/13)	2.50%	4.42%	Sharpe Ratio	0.26

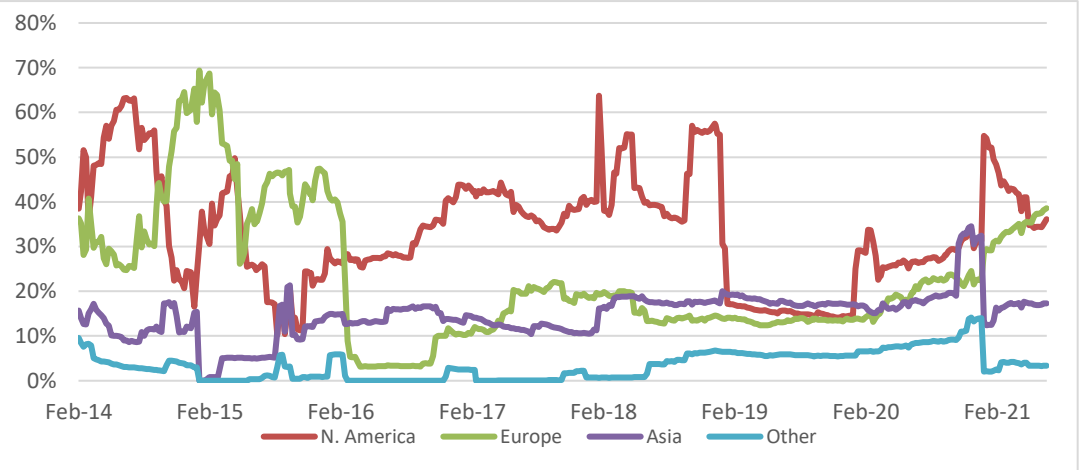
Fund Codes: No Load Retail: BMO70734



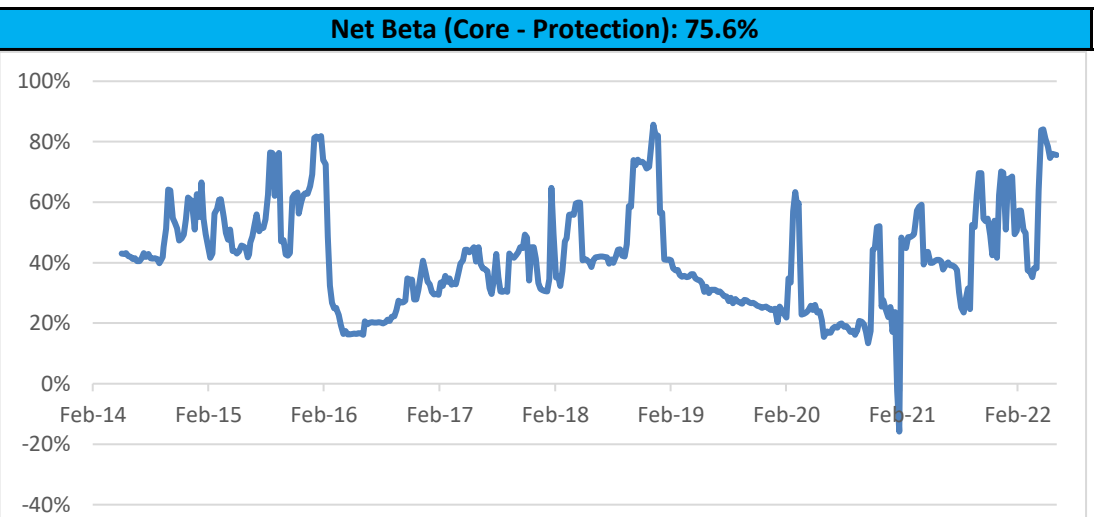
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## Tactical Asset Allocation

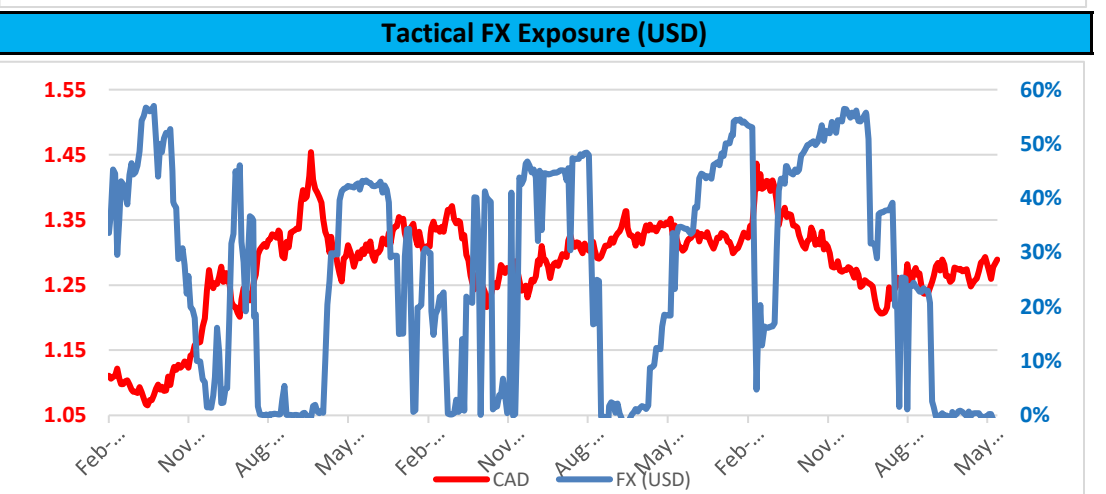
Equity	N. America	Europe	Asia	Other
06/24/22	0.0%	1.4%	25.1%	4.8%
06/10/22	19.6%	47.6%	25.5%	5.9%
Change	-19.6%	-46.2%	-0.4%	-1.1%
Benchmark	#REF!	14.0%	12.5%	3.9%



Sector	6/24/22	6/10/22	Change	BM
Basic Materials	#REF!	7.83%	#REF!	#N/A
Communications	3.59%	10.27%	-6.7%	6.8%
Consumer, Cyclical	10.48%	10.53%	-0.1%	5.3%
Consumer, Non-cyclical	21.11%	20.49%	0.6%	8.9%
Energy	3.62%	3.79%	-0.2%	9.3%
Financial	20.28%	20.26%	0.0%	28.4%
Industrial	7.95%	8.17%	-0.2%	0.0%
Technology	12.44%	12.20%	0.2%	2.6%
Utilities	4.06%	4.10%	0.0%	18.9%



As of: 06/24/22	06/24/22	06/10/22	Change
FX (USD)	-3.7%	-0.8%	-2.9%
Beta <sup>2</sup>	75.6%	76.0%	-0.4%
Protection	0.0%	0.0%	0.0%
Correlation	82.5%	89.0%	-6.5%
Yield <sup>3</sup>	#VALUE!	4.10%	#VALUE!
ETF Holdings	7	7	0
Volatility <sup>4</sup>	13.34%	12.70%	0.65%
CAD	1.2891	1.2776	0.9%



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