



BMO Tactical Dividend ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments

Looking into 2024 and reflecting on 2023, the markets are now even more overbought and the inevitable recession keeps getting kicked out. The FOMC told us last week they probably have reached nirvana where the most aggressive rate hike cycle in history will end with a Goldilocks outcome. We will continue to bet on the hard landing at the end of a business cycle like history tells us is prudent. That said, we rolled the portfolio protection for 2024 with a cap at 5200 and protection below 4700. Last week we rolled exposure in Europe back to having some currency exposure buying ZWP and selling ZWP. We harvested over 3% gain on the trade on a 14% position or about 45bps. we also continue to reduce EM exposure harvesting huge gains in EDIV. We are still overweight EM and look to reduce more in the coming weeks. Sector exposures added recently in ZWB, ZWEN, and ZWHC are adding some value.

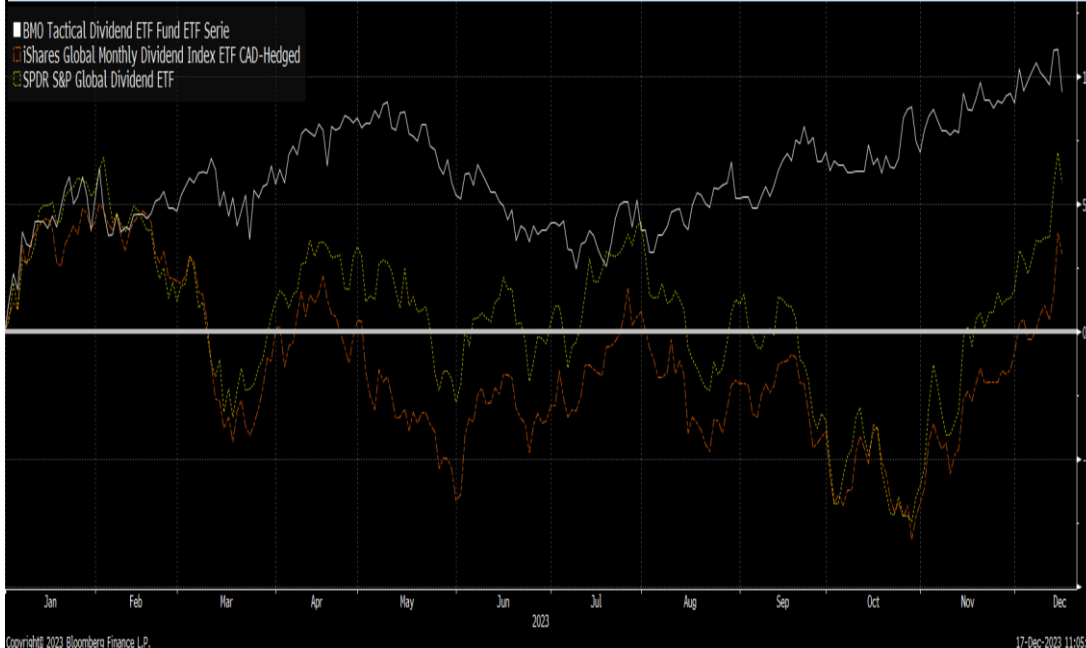
Top Holdings

| Ticker | Name | Position |
|--------|--|----------|
| ZWU | BMO Covered Call Utilities ETF | 19.1% |
| ZWE | BMO Europe High Dividend Covered Call Hedged to CAD ETF | 14.1% |
| ZWP | BMO Europe High Dividend Covered Call ETF | 14.0% |
| DEM | WisdomTree Emerging Markets High Dividend Fund | 12.1% |
| ZPAY | BMO Premium Yield ETF | 11.6% |
| DGS | Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Divid | 10.9% |
| ZWC | BMO Canadian High Dividend Covered Call ETF | 9.7% |
| EDIV | SPDR S&P Emerging Markets Dividend ETF | 2.1% |
| ZWEN | BMO Covered Call Energy ETF | 2.0% |
| ZWHC | BMO Covered Call Health Care ETF | 1.0% |
| ZWB | BMO Covered Call Canadian Banks ETF | 0.6% |

Macro Market Strategy

The FOMC believes they have accomplished their mission. The market believes a soft landing is likely. The market is fully priced for this outcome. What could go wrong with expectations so perfect? The geopolitical risk has rarely been higher and the market could care less. Crude oil tells us a recession is coming and geopolitical risks are negligible, but equities are priced for perfection. What could go wrong? Demographics suggests that labour markets remain tight for the next decade, yet inflation will get back to 2%. What could go wrong? Deficit expectations are catastrophic for decades. Bond yields are crashing lower. What could go wrong? 2024 will not likely be meet current expectations.

Chart of the Week



PRO-EYES - Berman's Call

Risk Level **Low**

The core portfolio beta is 62.8%. The degree of delta protection is -51% while the value of beta protection is 69% of the portfolio. The weighted average cap is: 5200. The weighted average collar is: 4700. The weighted average floor is: 0.

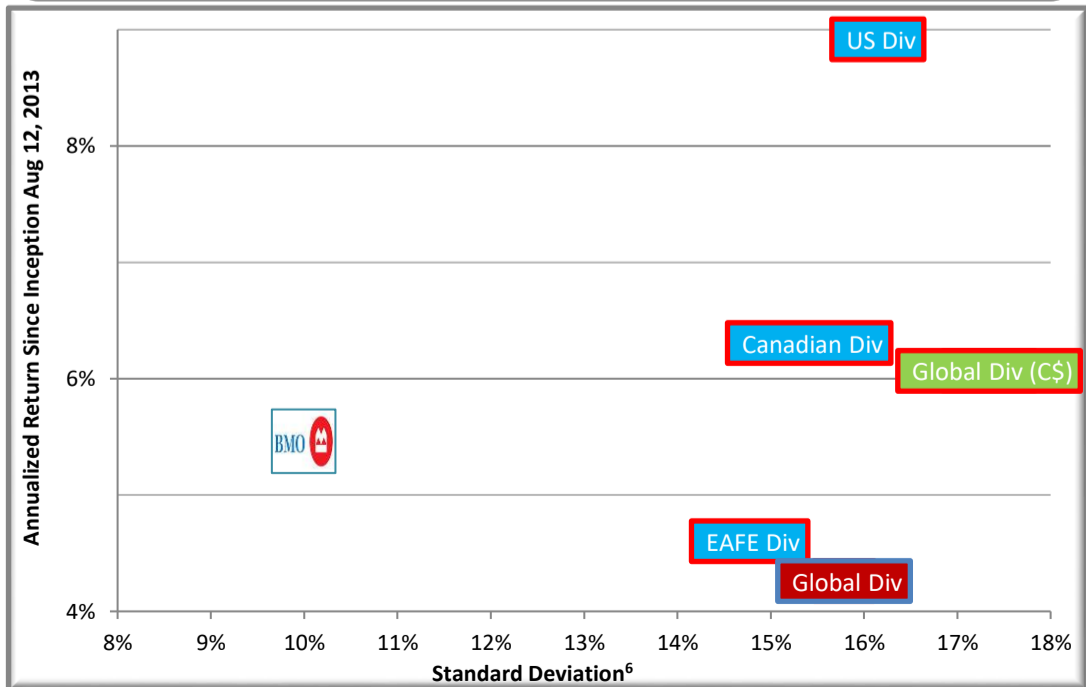
The overall PRO-EYES factors suggest that we are in a very high risk position and we should have maximum defense in portfolios.

Defense **Core Beta: 62.8%** Offense



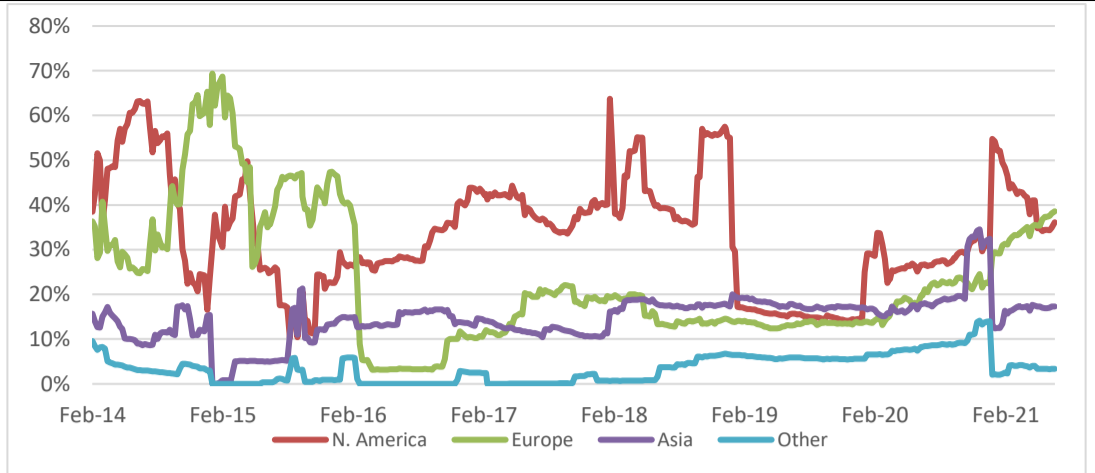
Performance Metrics (A-Series) as of (12/15/23)

| Total Return | Net | Gross | Upside/Downside ⁵ |
|--------------------|-------|--------|------------------------------|
| YTD | 7.91% | 9.70% | Upside 17% |
| Previous Quarter | 1.81% | 2.29% | Downside 47% |
| Previous Year | 8.28% | 10.20% | Months Up 73 |
| 3-Year | 3.76% | 5.68% | Months Dn 49 |
| 5-Year | 1.70% | 3.62% | |
| Ann. SI (08/12/13) | 3.54% | 5.46% | Sharpe Ratio 0.45 |

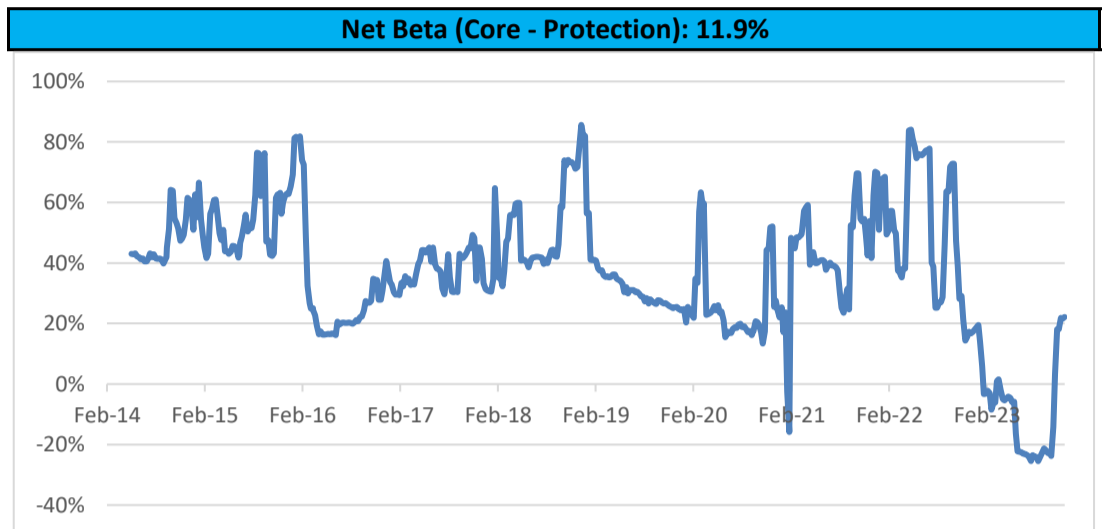


Tactical Asset Allocation

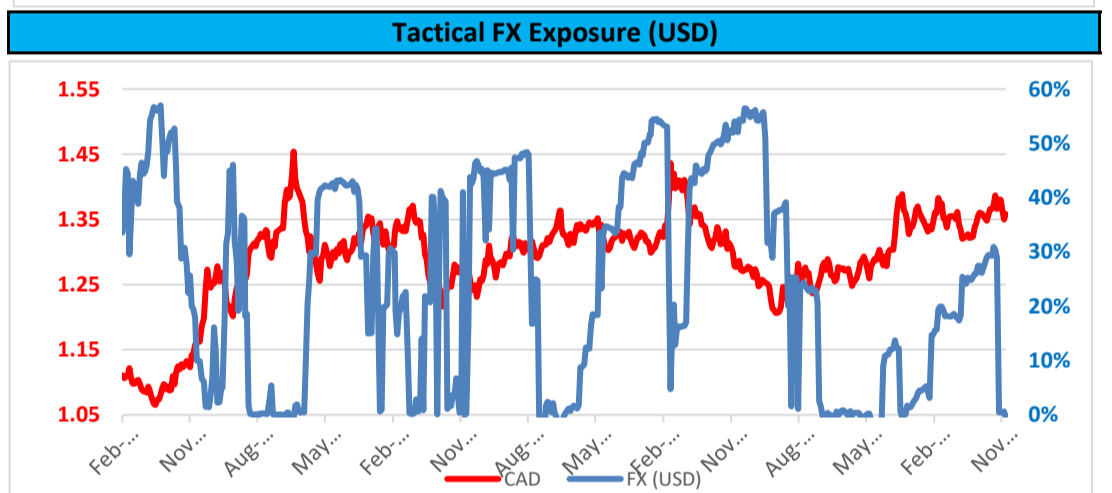
| Equity | N. America | Europe | Asia | Other |
|-----------|------------|--------|-------|-------|
| 12/15/23 | 44.3% | 29.8% | 17.2% | 5.8% |
| 12/01/23 | 44.4% | 28.8% | 21.2% | 6.3% |
| Change | -0.1% | 1.0% | -4.0% | -0.5% |
| Benchmark | 66.8% | 14.0% | 15.0% | 4.1% |



| Sector | 12/15/2023 | 12/1/2023 | Change | BM |
|------------------------|------------|-----------|--------|-------|
| Basic Materials | 5.89% | 6.12% | -0.2% | 10.2% |
| Communications | 8.39% | 9.58% | -1.2% | 6.6% |
| Consumer, Cyclical | 6.86% | 7.76% | -0.9% | 6.6% |
| Consumer, Non-cyclical | 15.42% | 16.05% | -0.6% | 7.5% |
| Energy | 13.14% | 12.05% | 1.1% | 10.4% |
| Financial | 18.18% | 20.31% | -2.1% | 27.6% |
| Industrial | 8.52% | 6.59% | 1.9% | 0.0% |
| Technology | 3.12% | 3.59% | -0.5% | 3.1% |
| Utilities | 12.83% | 14.48% | -1.7% | 18.2% |



| As of: 12/15/23 | 12/15/23 | 12/01/23 | Change |
|-------------------------|----------|----------|--------|
| FX (USD) | -0.4% | 0.6% | -1.0% |
| Beta ² | 62.8% | 65.0% | -2.2% |
| Protection | -50.9% | -43.4% | -7.5% |
| Correlation | 98.6% | 103.2% | -4.7% |
| Yield ³ | 6.63% | 6.81% | -0.18% |
| ETF Holdings | 9 | 7 | 2 |
| Volatility ⁴ | 10.00% | 10.03% | -0.03% |
| CAD | 1.3380 | 1.3497 | -0.9% |



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