



# BMO Tactical Dividend ETF Fund Highlights

## Core Tactical/Strategic Portfolio Outlook/Adjustments

A strong bounce in ZWU and a correction in ZWEN was an opportunity for us to shift back into some direct energy exposure this week. The replenishment of the SPR should put a floor under the weakness we are seeing in crude oil and nat gas. Energy markets are suggesting weak global economy and hard landing while looking at the NASDAQ QQQ one would think Risk-On is the only outcome. We are always a buy low sell high tactical thinker. We are also close to swapping back to some ZWP over the ZWE with about 3% currency outperformance in recent weeks.

## Top Holdings

Ticker	Name	Position
ZWE	BMO Europe High Dividend Covered Call Hedged to CAD ETF	28.0%
ZWU	BMO Covered Call Utilities ETF	19.1%
DEM	WisdomTree Emerging Markets High Dividend Fund	11.9%
ZPAY	BMO Premium Yield ETF	11.6%
DGS	Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Divide	10.7%
ZWC	BMO Canadian High Dividend Covered Call ETF	9.6%
EDIV	SPDR S&P Emerging Markets Dividend ETF	6.6%
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

While it appears now that we are much closer to the terminal rate, we do not see an easing until the market and Main Street feels more pain. The FOMC does not expect inflation to return to target until 2025, which suggests that higher for longer is here well into 2024. Main street has felt no pain yet given the employment situation is still relatively strong. Historically, we do not see the bottom is in until Main Street feels the recession. It does not have to be deep, but no cycle in history has ever bottomed at full employment. Inflation is unlikely to get back towards the Feds target without some labour market pain that the FOMC is willing to endure to make sure inflation expectations are grounded. A soft landing is an extremely low probability that is fully priced in.

## Chart of the Week



## PRO-EYES - Berman's Call

Risk Level **Low**

The core portfolio beta is 64.6%. The degree of delta protection is -43% while the value of beta protection is 87% of the portfolio. The weighted average cap is: 4400. The weighted average collar is: 4300. The weighted average floor is: 3800.

The overall PRO-EYES factors suggest that we are in a neutral period with longer-term caution concerns. The recent oversold condition as been neutralized in 3 trading days.

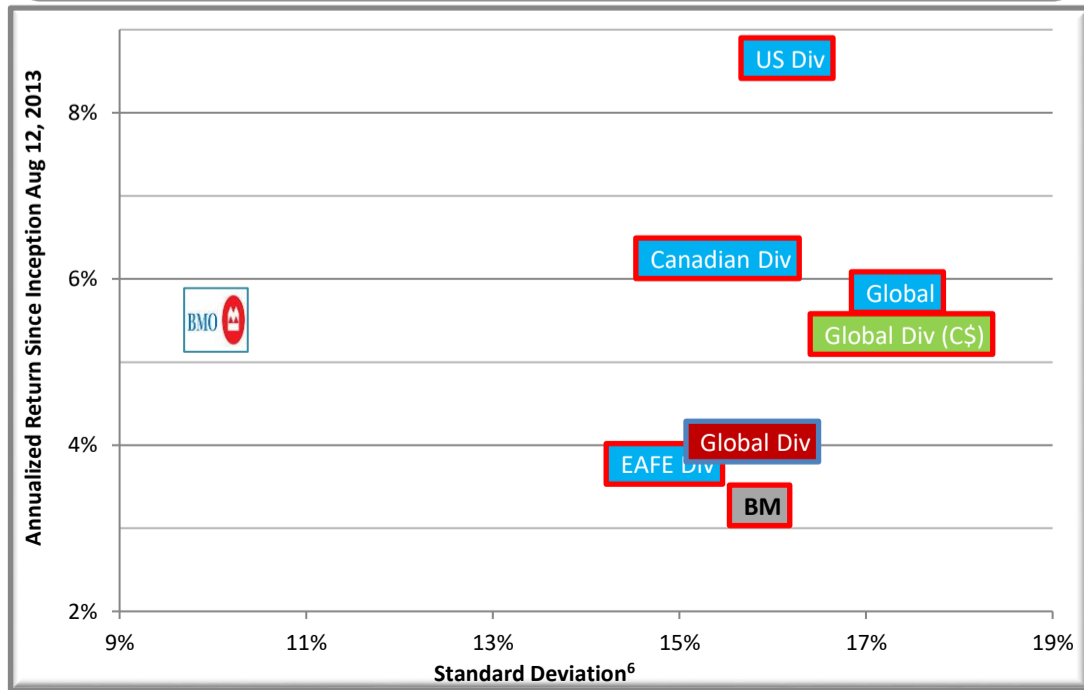
Defense **Core Beta: 64.6%** Offense



## Performance Metrics (A-Series) as of (12/08/23)

Total Return	Net	Gross	Upside/Downside <sup>5</sup>	
YTD	8.29%	10.04%	Upside	17%
Previous Quarter	3.78%	4.26%	Downside	35%
Previous Year	8.47%	10.39%	Months Up	71
3-Year	3.28%	5.20%	Months Dn	51
5-Year	1.68%	3.60%		
Ann. SI (08/12/13)	3.58%	5.50%	Sharpe Ratio	0.45

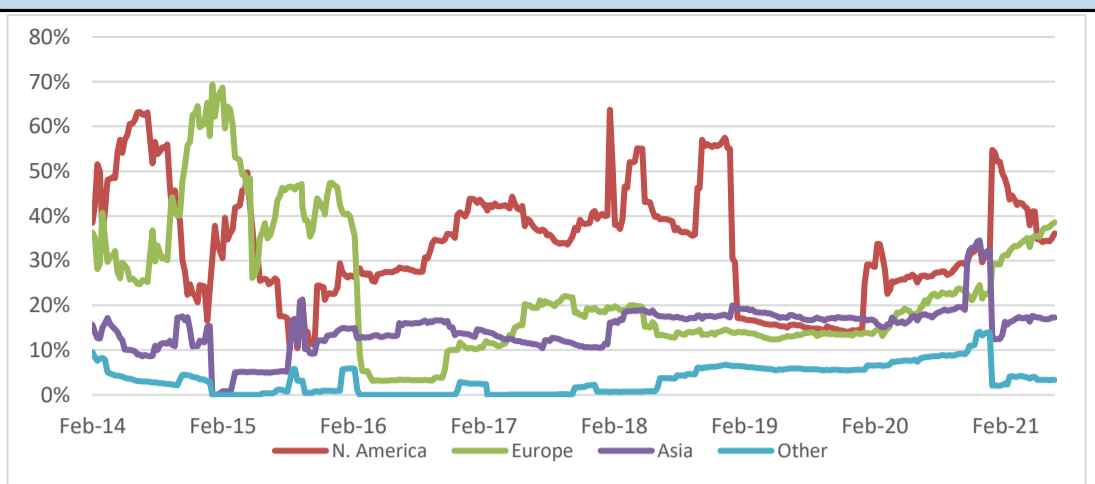
Fund Codes: Advisor BMO99734; F-Class BMO95734; F6 BMO36734; ETF



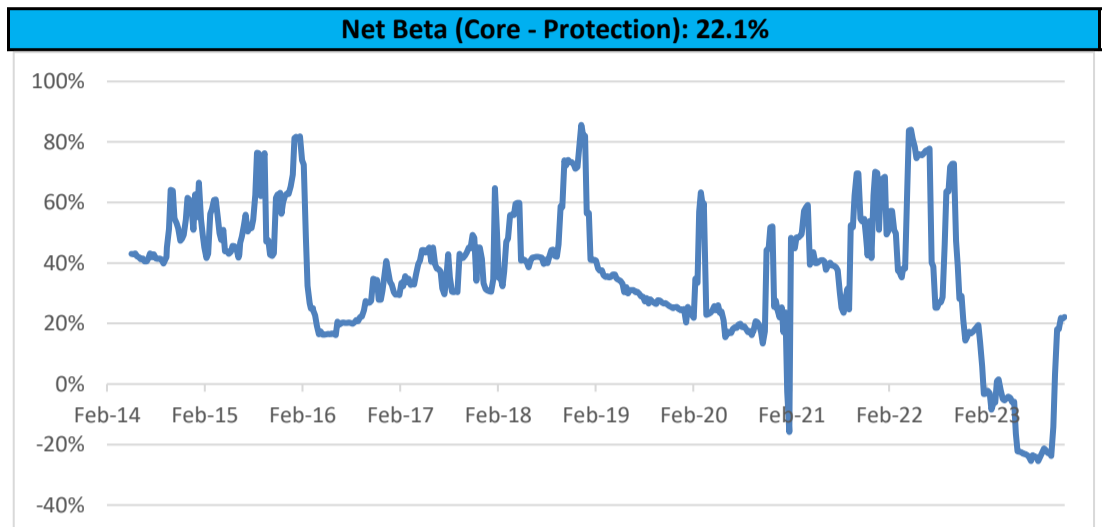
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## Tactical Asset Allocation

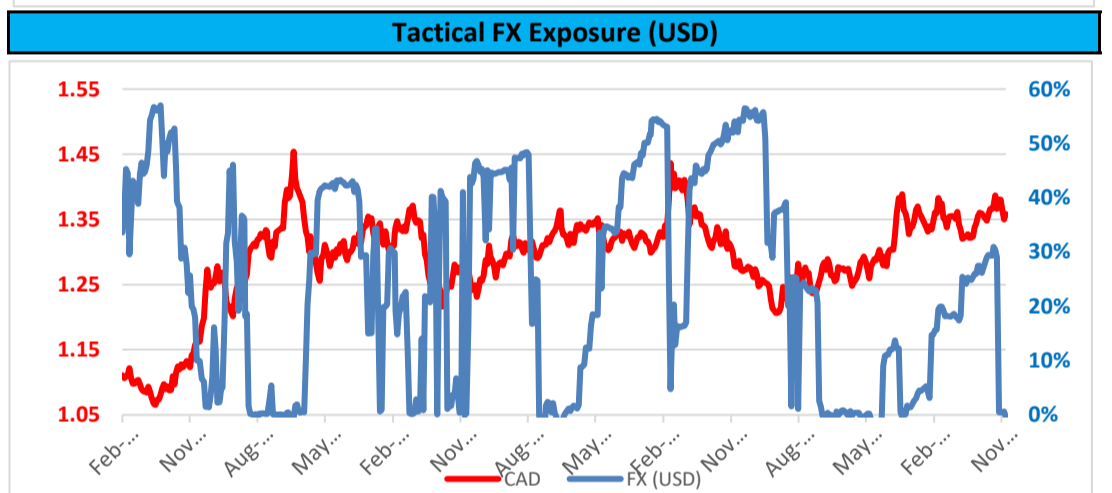
Equity	N. America	Europe	Asia	Other
12/08/23	44.2%	29.8%	20.8%	6.3%
12/01/23	44.4%	28.8%	21.2%	6.3%
Change	-0.2%	1.0%	-0.4%	-0.1%
Benchmark	66.8%	14.0%	15.0%	4.1%



Sector	12/8/2023	12/1/2023	Change	BM
Basic Materials	6.14%	6.12%	0.0%	10.2%
Communications	9.16%	9.58%	-0.4%	6.6%
Consumer, Cyclical	7.80%	7.76%	0.0%	6.6%
Consumer, Non-cyclical	16.21%	16.05%	0.2%	7.5%
Energy	13.65%	12.05%	1.6%	10.4%
Financial	20.28%	20.31%	0.0%	27.6%
Industrial	6.61%	6.59%	0.0%	0.0%
Technology	3.60%	3.59%	0.0%	3.1%
Utilities	13.41%	14.48%	-1.1%	18.2%



As of: 12/08/23	12/08/23	12/01/23	Change
FX (USD)	-0.4%	0.6%	-1.0%
Beta <sup>2</sup>	64.6%	65.0%	-0.3%
Protection	-42.5%	-43.4%	0.9%
Correlation	102.4%	103.2%	-0.9%
Yield <sup>3</sup>	6.82%	6.81%	0.02%
ETF Holdings	8	7	1
Volatility <sup>4</sup>	10.03%	10.03%	0.01%
CAD	1.3583	1.3497	0.6%



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