



BMO Tactical Dividend ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments

We continue to add to EM and EAFE exposure and reduce gold and US exposure. We have also trimmed ZWU on the recent rally with an eye to reducing a bit from the energy pipeline exposure. We also covered the protection overlay as we hit key oversold levels in the US markets on Friday's options expiry. We likely see a bounce into large cap tech earnings, but we will be quick to add the portfolio buffer again on a rally.

Macro Market Strategy

We expect the FOMC to tread carefully this week as global equity markets fear a more hawkish Fed. We have 7 rate hikes priced in through 2023 and doubt we see that many. This suggests that we do not see a major equity market correction or a very strong move in the US dollar beyond what we already have seen versus EM currencies. Make no mistake, the bullish backdrop for equities is in the rear-view mirror for 2022 for overvalued high growth equities. Value and dividend exposure should have a decent year.

PRO-EYES - Berman's Call

Risk Level High

The current core portfolio beta is 67.6% The current degree of beta protection is about 0%.

When the PRO EYES indicator is at elevated levels (above 75%), we will have a maximum hedge on the portfolio. When it's above 70% in the cautionary zone, we will have a partial hedge on the portfolio. Current readings are neutral. We are expecting that risk factors will increase in January as earnings expectations are improving and high market levels increase risk factors. For details of the [PRO-EYES-Berman's Call](#) Tactical Risk Models click link above.

Performance Metrics (A-Series) as of (01/21/22)

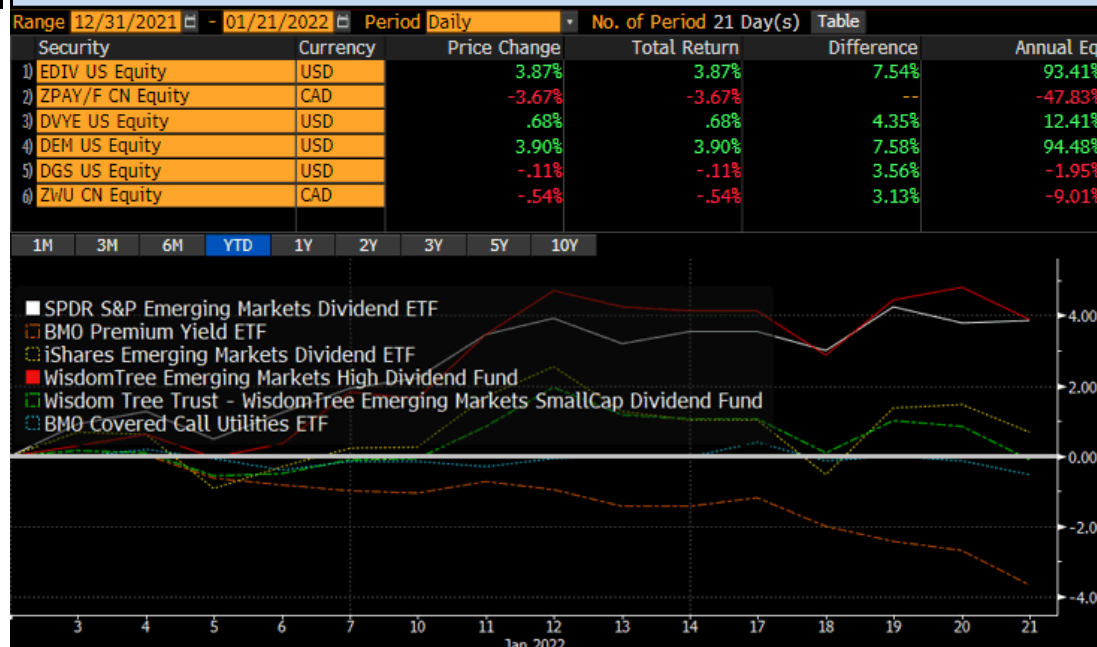
Total Return	Net	Gross	Upside/Downside ⁵	
YTD	-0.14%	-0.03%	Upside	24%
Previous Quarter	1.50%	1.98%	Downside	49%
Previous Year	4.76%	6.68%	Months Up	66
3-Year	-0.10%	1.82%	Months Dn	34
5-Year	1.14%	3.06%		
Ann. SI (08/12/13)	3.59%	5.51%	Sharpe Ratio	0.46

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

Top Holdings

Ticker	Name	Position
ZPAY/F	BMO Premium Yield ETF	19.6%
ZDH	BMO International Dividend Hedged to CAD ETF	15.5%
ZDI	BMO International Dividend ETF	15.3%
ZWE	BMO Europe High Dividend Covered Call Hedged to CAD ETF	10.6%
ZWP	BMO Europe High Dividend Covered Call ETF	10.6%
EDIV	SPDR S&P Emerging Markets Dividend ETF	8.5%
DEM	WisdomTree Emerging Markets High Dividend Fund	4.5%
GDX	VanEck Gold Miners ETF/USA	4.1%
ZWU	BMO Covered Call Utilities ETF	3.5%
DVYE	iShares Emerging Markets Dividend ETF	3.4%
DGS	Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Dividend	3.2%

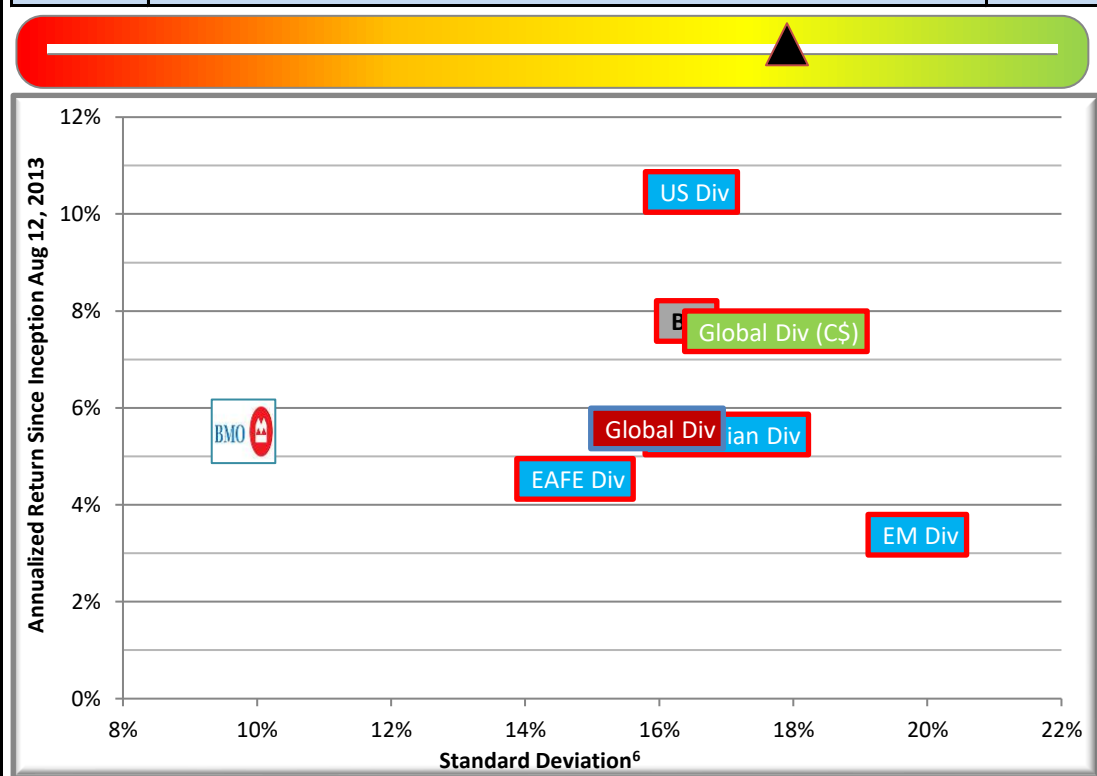
Chart of the Week



Defense

Core Beta: 67.6%

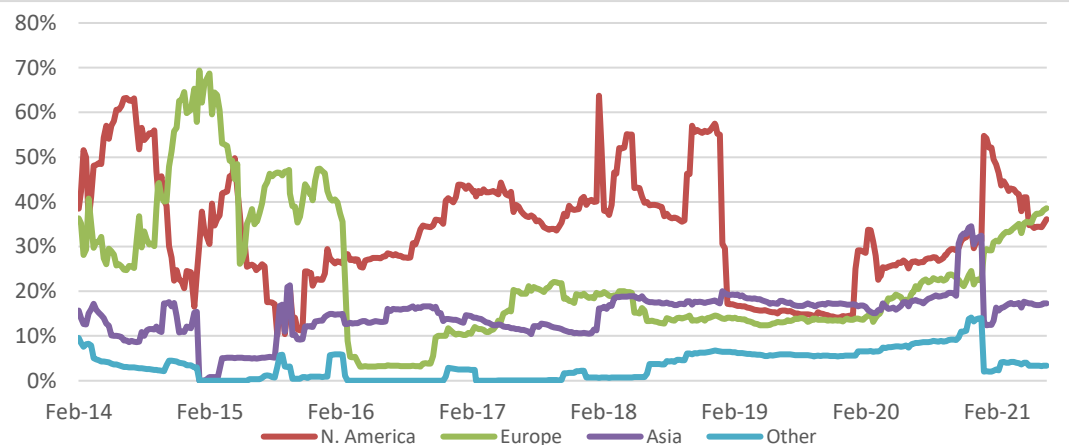
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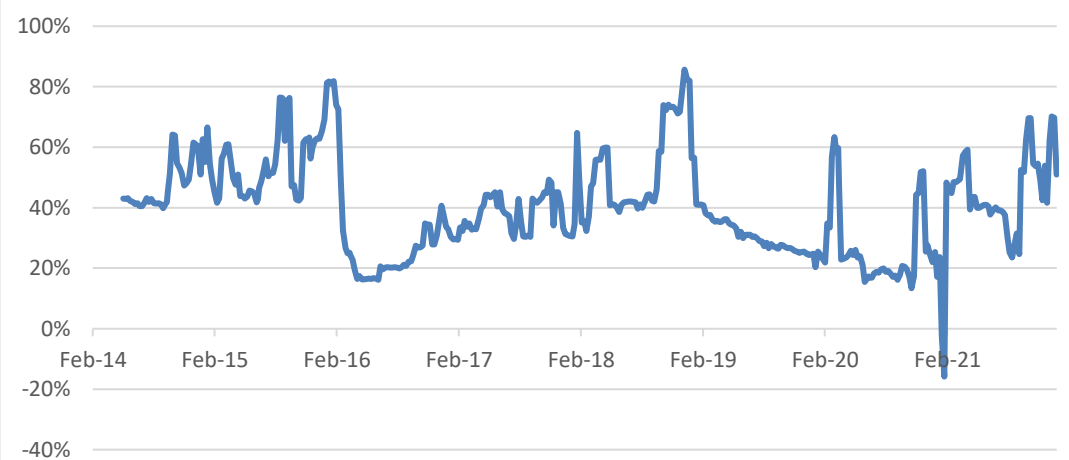
Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
01/21/22	31.1%	48.8%	16.4%	2.2%
01/07/22	27.6%	46.4%	21.6%	3.7%
Change	3.5%	2.4%	-5.2%	-1.5%
Benchmark	69.3%	17.3%	11.8%	1.6%



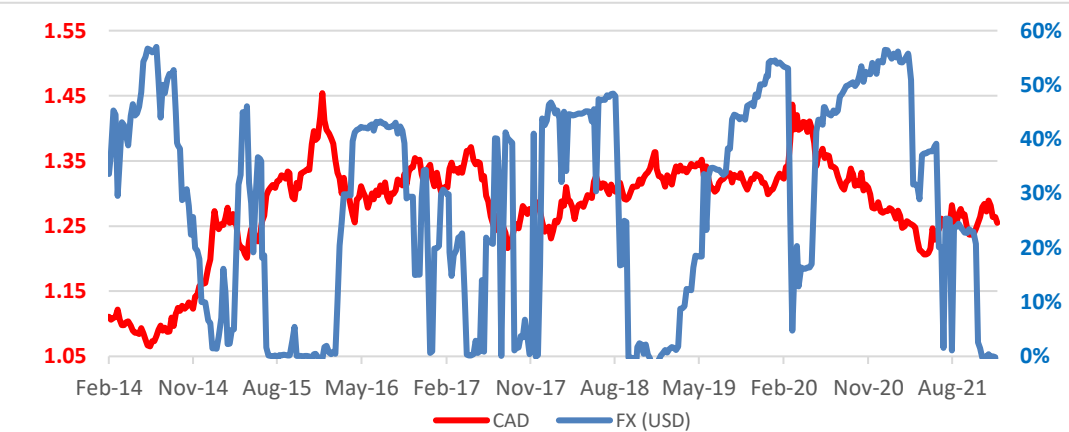
Sector	1/21/22	1/07/22	Change	BM
Basic Materials	9.40%	10.68%	-1.3%	7.7%
Communications	7.83%	7.70%	0.1%	8.6%
Consumer, Cyclical	10.16%	10.03%	0.1%	4.5%
Consumer, Non-cyclical	26.17%	24.65%	1.5%	8.8%
Energy	3.44%	3.61%	-0.2%	10.5%
Financial	18.37%	18.88%	-0.5%	30.9%
Industrial	9.48%	9.94%	-0.5%	0.0%
Technology	6.58%	5.79%	0.8%	2.7%
Utilities	6.72%	7.41%	-0.7%	0.0%

Net Beta (Core - Protection): 67.6%



As of: 01/21/22	01/21/22	01/07/22	Change
FX (USD)	0.6%	-0.1%	0.7%
Beta ²	67.6%	69.8%	-2.2%
Protection	0.0%	0.0%	0.0%
Correlation	102.7%	104.4%	-1.8%
Yield ³	4.89%	4.91%	-0.02%
ETF Holdings	11	11	0
Volatility ⁴	9.80%	9.90%	-0.10%
CAD	1.2581	1.2643	-0.5%

Tactical FX Exposure (USD)



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