BMO Tactical Dividend ETF Fund Highlights

BMO Mutual Funds

ETF CAPITAL MANAGEMENT

Core Tactical/Strategic Portfolio Outlook/Adjustments

We have felt for a while that the economic risks to the rapid FOMC tightening would eventually have a hard landing impact. SIVB was one of the first real economy unintended consequences. The Crypto related failures are relatively inconsequential. We have avoided direct exposure to banks, but now that the valuations are improving again, banks are coming back on the radar. We are not there yet, but we are starting to sniff. While there are bank exposures in the broader ETFs we own, the regional bank risks are low. Thus, we have seen good relative performance this year. We look to step in as the dust settles. As for overall market risks, a retest of the 2022 lows is almost a virtual certainty. A dividend/yield/income focused portfolio is going to have a natural exposure to financials as they historically have been very good income payers. There is some evident of bearishness in our indicators, but a reminder that it was only a few wees ago that the soft/no landing scenario was being spouted by Wall Street. It's still too early to look for a material bottom. We expect more unintended consequences to elevate risk premiums and will remove our portfolio protection sleeve when there is evidence the baby is getting thrown out with the bathwater. This liquidity bubble likely needs a cleansing before a real bull cycle can develop.

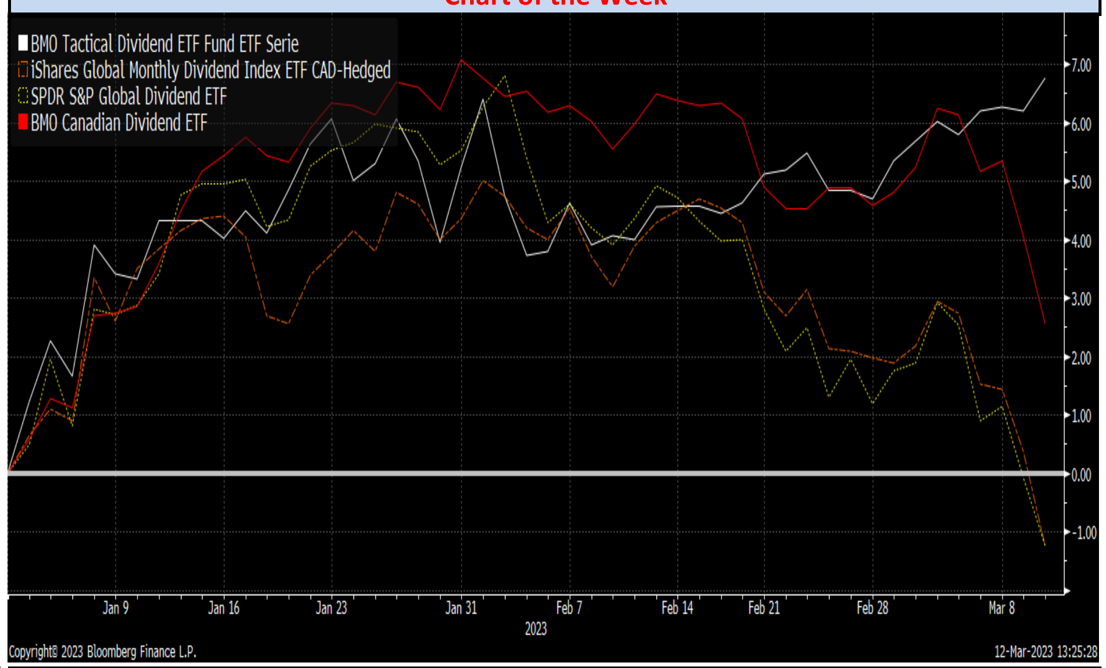
Top Holdings

Ticker	Name	Position
ZDH	BMO International Dividend Hedged to CAD ETF	26.1%
ZWE	BMO Europe High Dividend Covered Call Hedged to CAD ETF	12.9%
ZPAY	BMO Premium Yield ETF	10.9%
EDIV	SPDR S&P Emerging Markets Dividend ETF	9.8%
DEM	WisdomTree Emerging Markets High Dividend Fund	9.7%
ZPAY/F	BMO Premium Yield ETF	9.6%
ZWU	BMO Covered Call Utilities ETF	9.0%
DGS	Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Divide	3.8%
DVYE	iShares Emerging Markets Dividend ETF	3.0%

Macro Market Strategy

We think this is a very two-way market for the next few quarters with a bearish tilt. QT should start to weigh on risk premiums going forward, but there is massive cash balances sitting in the RRP to offset a significant impact. The FOMC's more aggressive path (higher for longer) has caught them up to the curve and the terminal rate is now expected in Q3/23 around 5.25%. We have a strong probability of a recession in 2023. The odds that we see EPS growth in a recession is close to zero. Based on history of the post WW2 period, we can expect a decline in earnings of about 10%. So we are working off a $200 EPS number for 2023 as best case and with a 16x multiple, a test of 3200 seems likely at some point. We are prudently protecting risk to this point in our options protection for 2023.

Chart of the Week

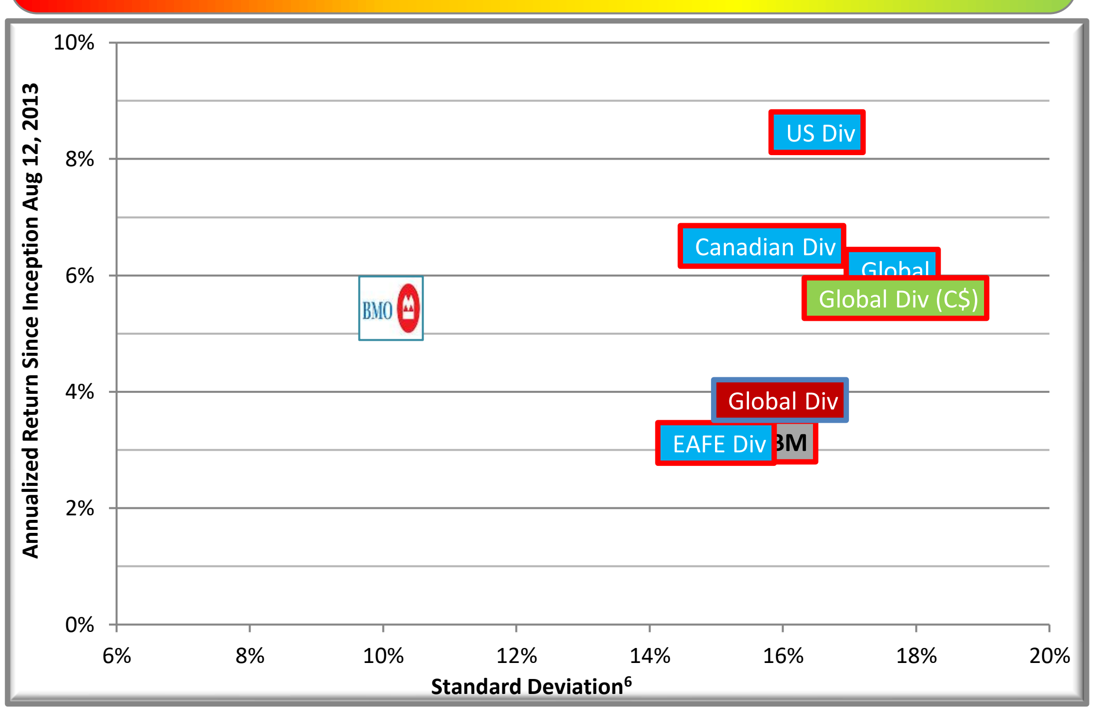


PRO-EYES - Berman's Call	Risk Level	Low

The core portfolio beta is 50.6%. The degree of delta protection is -9% while the value of beta protection is -91%. The weighted average cap is: 4400. The weighted average collar is: 4100. The weighted average floor is: 3200.

The tactical PRO-EYEs factor suggests that while some caution is still warranted on business cycle and valuation and that we are likely in a bear market cycle, the tactical component is well set up for a Q4 rally. This suggests that the tactical protection will become a very important part of managing volatility in the coming quarters. Correlations themselves are increasingly volatile.

Defense	Core Beta: 50.6%	Offense



Performance Metrics (A-Series) as of (03/10/23)

Total Return	Net	Gross	Upside/Downside[5]	
YTD	4.77%	5.13%	Upside	19%
Previous Quarter	4.93%	5.41%	Downside	34%
Previous Year	6.87%	8.79%	Months Up	68
3-Year	1.44%	3.36%	Months Dn	46
5-Year	0.83%	2.75%		
Ann. SI (08/12/13)	3.51%	5.43%	Sharpe Ratio	0.44

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

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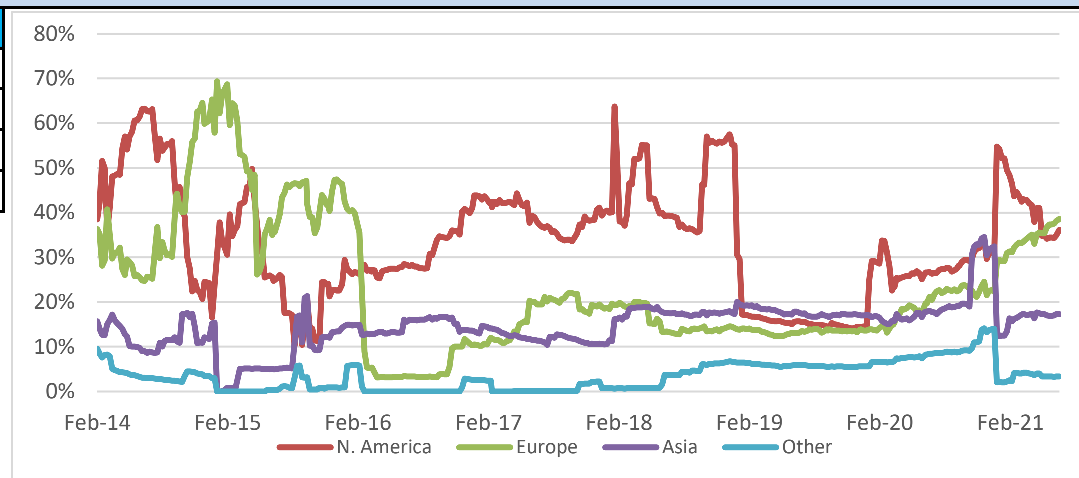
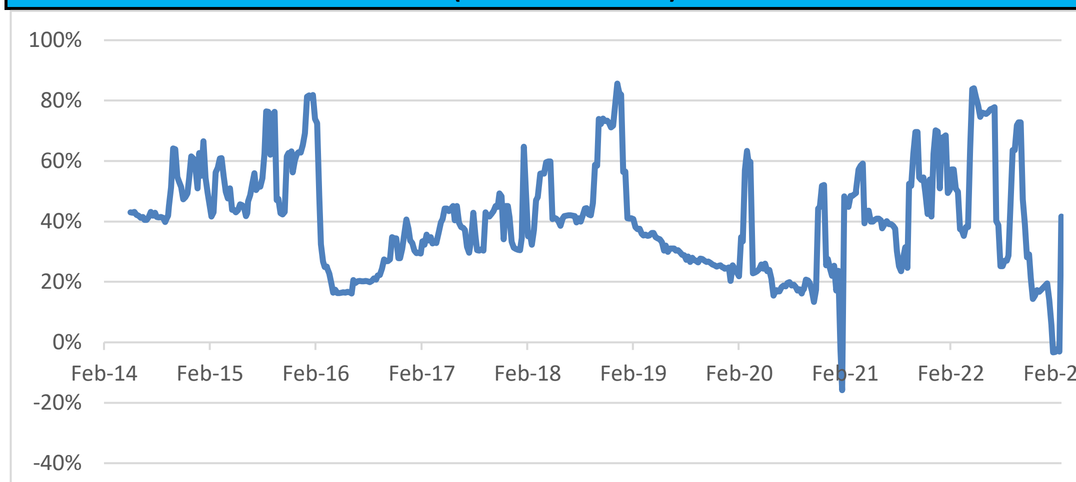
Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
03/10/23	29.6%	32.6%	27.6%	4.9%
03/03/23	30.6%	34.1%	28.3%	5.1%
Change	-1.0%	-1.6%	-0.7%	-0.2%
Benchmark	69.8%	14.4%	11.9%	3.9%



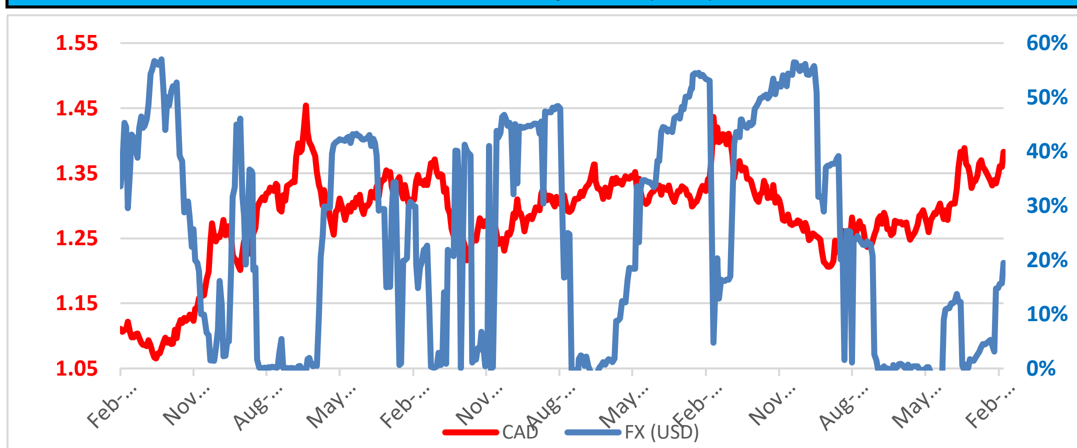
Sector	3/10/23	3/03/23	Change	BM
Basic Materials	6.27%	6.58%	-0.3%	9.9%
Communications	6.94%	7.21%	-0.3%	6.2%
Consumer, Cyclical	9.29%	9.26%	0.0%	5.3%
Consumer, Non-cyclical	16.45%	17.33%	-0.9%	9.9%
Energy	6.50%	6.73%	-0.2%	10.1%
Financial	19.49%	20.18%	-0.7%	28.1%
Industrial	9.09%	9.40%	-0.3%	0.0%
Technology	11.53%	12.05%	-0.5%	2.3%
Utilities	8.63%	8.95%	-0.3%	18.3%

Net Beta (Core - Protection): 41.6%



As of: 03/10/23	03/10/23	03/03/23	Change
FX (USD)	19.4%	15.7%	3.7%
Beta[2]	50.6%	52.3%	-1.7%
Protection	-9.0%	-55.4%	46.4%
Correlation	88.6%	91.2%	-2.5%
Yield[3]	5.86%	5.93%	-0.07%
ETF Holdings	9	9	0
Volatility[4]	10.12%	10.13%	-0.01%
CAD	1.3832	1.3598	1.7%

Tactical FX Exposure (USD)



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