



BMO Tactical Dividend ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments

Global dividend stocks are performing well in general versus growth stocks. That probably continues in 2023. With a global recession a high probability, we see earnings challenges and likely some dividend cuts. At some point, when the FOMC actually pivots to easing mode, growth stocks may lead again. For now, more mature dividend payers are likely to do relatively well. We added an additional tranche to the portfolio protection last week at 4025 (SPX). We do not see much sustainable upside from here.

Top Holdings

Ticker	Name	Position
ZDH	BMO International Dividend Hedged to CAD ETF	16.4%
ZDI	BMO International Dividend ETF	15.2%
ZWT	BMO Covered Call Technology ETF	10.6%
ZPAY/F	BMO Premium Yield ETF	10.2%
ZWU	BMO Covered Call Utilities ETF	9.9%
DEM	WisdomTree Emerging Markets High Dividend Fund	9.3%
EDIV	SPDR S&P Emerging Markets Dividend ETF	9.0%
ZWP	BMO Europe High Dividend Covered Call ETF	6.4%
ZWE	BMO Europe High Dividend Covered Call Hedged to CAD ETF	6.4%
DGS	Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Dividend	3.6%
DVYE	iShares Emerging Markets Dividend ETF	2.9%

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 q1/23 around 4.75-5.00%. Powell could not have been more HAWKISH at the recent press conference. But post weaker CPI, most members are open to slowing the pace. The curve is looking for 50, 25, 25, pause through March. But pricing in 2 cuts in the back half of the year and if the recession is that bad, then equities are in trouble with an EPS recession too that is not priced into markets at SPX 4000.

Chart of the Week



PRO-EYES - Berman's Call

Risk Level High

The core portfolio beta is 61.9%. The degree of delta protection is -48% while the value of beta protection is 61%.

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.

Performance Metrics (A-Series) as of (11/25/22)

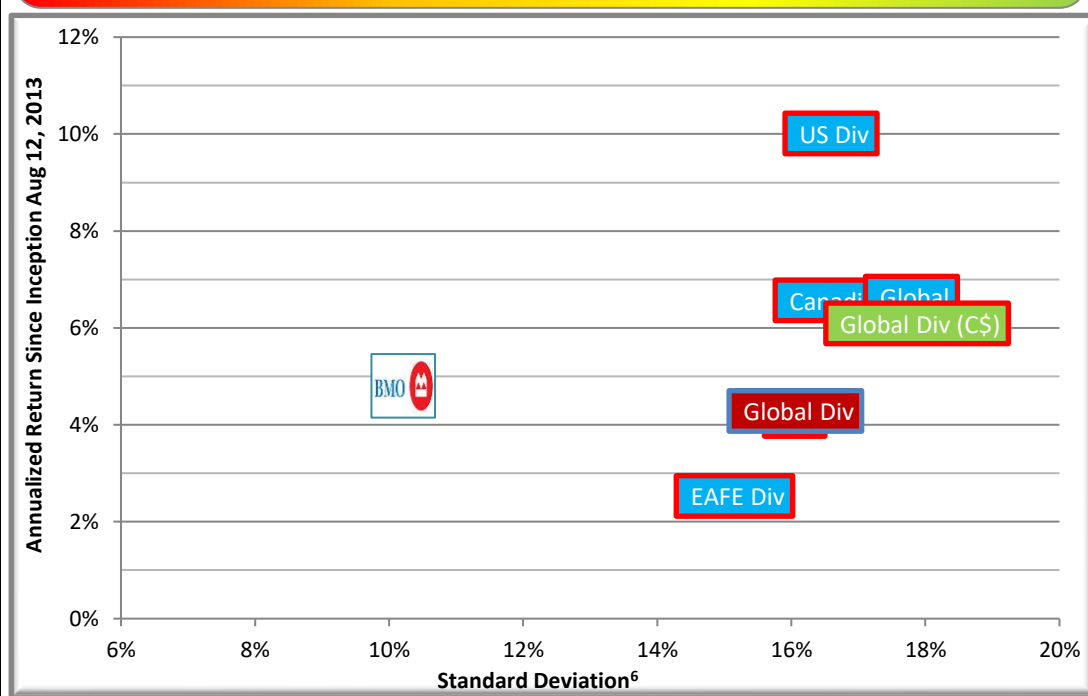
Total Return	Net	Gross	Upside/Downside ⁵	
YTD	-3.46%	-1.78%	Upside	17%
Previous Quarter	5.12%	5.60%	Downside	48%
Previous Year	-1.95%	-0.03%	Months Up	67
3-Year	-3.24%	-1.32%	Months Dn	42
5-Year	-0.58%	1.34%		
Ann. SI (08/12/13)	2.88%	4.80%	Sharpe Ratio	0.37

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

Defense

Core Beta: 61.9%

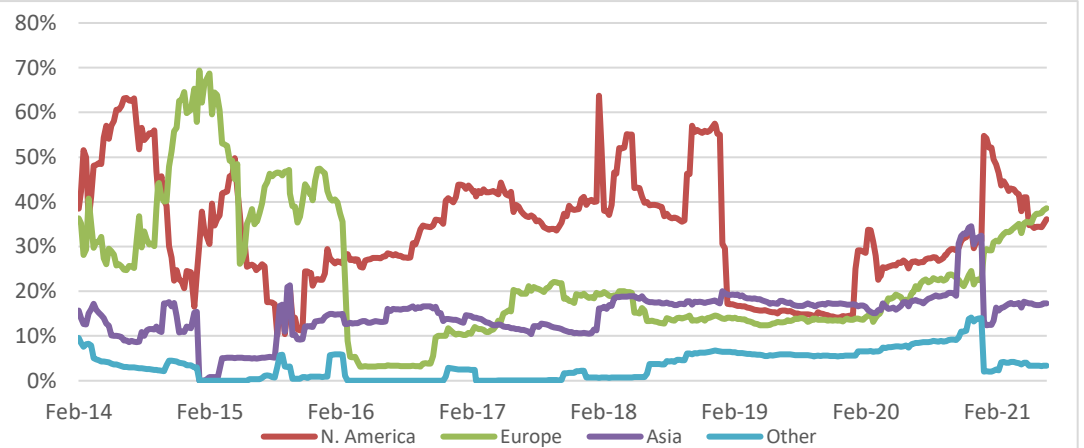
Offense



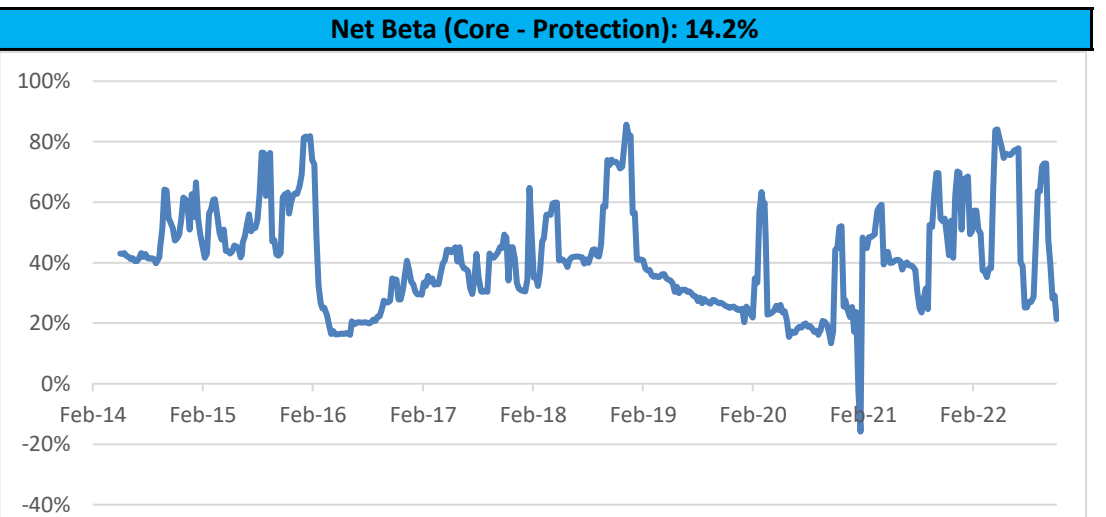
Advisor/Broker Use Only

Tactical Asset Allocation

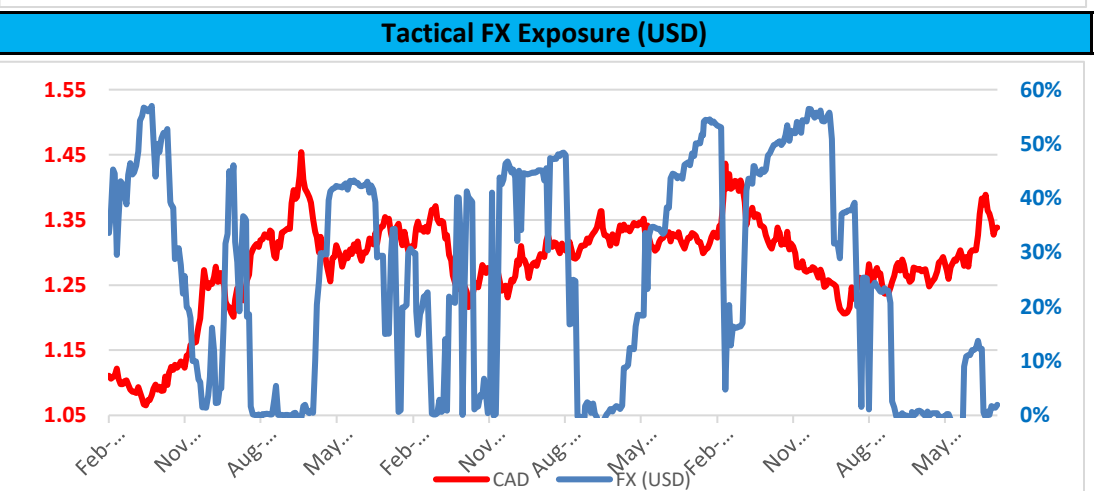
Equity	N. America	Europe	Asia	Other
11/25/22	30.8%	36.7%	26.6%	5.9%
11/18/22	30.7%	36.8%	25.5%	6.5%
Change	0.1%	0.0%	1.1%	-0.6%
Benchmark	72.2%	13.4%	10.7%	3.7%



Sector	11/25/22	11/18/22	Change	BM
Basic Materials	7.39%	7.26%	0.1%	9.0%
Communications	10.60%	10.49%	0.1%	6.5%
Consumer, Cyclical	10.24%	10.18%	0.1%	5.4%
Consumer, Non-cyclical	17.25%	17.56%	-0.3%	9.9%
Energy	7.19%	6.84%	0.3%	11.0%
Financial	16.54%	16.38%	0.2%	28.4%
Industrial	7.25%	7.36%	-0.1%	0.0%
Technology	12.78%	12.52%	0.3%	2.4%
Utilities	8.99%	9.10%	-0.1%	18.1%



As of: 11/25/22	11/25/22	11/18/22	Change
FX (USD)	2.0%	1.4%	0.6%
Beta ²	61.9%	62.4%	-0.5%
Protection	-47.8%	-33.4%	-14.4%
Correlation	91.1%	91.9%	-0.7%
Yield ³	5.95%	6.02%	-0.07%
ETF Holdings	11	11	0
Volatility ⁴	10.22%	10.22%	-0.01%
CAD	1.3380	1.3374	0.0%



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