



BMO Tactical Dividend ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments We trimmed US exposure last week and continue to add to EM and Europe where we see better yield and value. It has been a frustrating position for the past few months, but we are setting up for 2022, where we see these markets materially outperforming the US markets. We are also slowly reducing our gold equity exposure trimming a bit more on the recent rally. We see Omicron pushing the S&P 500 back towards the rising 200-day and September low in the next few weeks. We are well hedged for the move and would look to reduce the hedge on weakness. EM value is compelling over the next few years. We could see exposure closer to 30%. We expect to keep the yield above 4.5% looking forward.

Top Holdings				
Ticker	Name	Position		
ZDI	BMO International Dividend ETF	29.7%		
ZWP	BMO Europe High Dividend Covered Call ETF	20.0%		
ZPAY/F	BMO Premium Yield ETF	19.2%		
EDIV	SPDR S&P Emerging Markets Dividend ETF	8.0%		
ZWU	BMO Covered Call Utilities ETF	6.7%		
GDX	VanEck Gold Miners ETF/USA	5.7%		
DEM	WisdomTree Emerging Markets High Dividend Fund	4.1%		
DVYE	iShares Emerging Markets Dividend ETF	3.2%		
DGS	Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Divide	3.1%		

Macro Market Strategy

The FOMC has started to reduce QE that is projected to end by June 2022. Stimulus is still greater than bond supply, though passing a stimulus bill and infrastructure bill will change that dynamic in 2022 at a time when the Fed has stopped buying excess debt issuance. An upside stress to yields would have the greatest negative impact on equity risk premiums--we see this as a big risk factor in mid 2022. We expect it would lower the forward multiple by 1-2x or 200-400 S&P points. That would wipe out any EPS growth in 2022. So the fair value of the market is about where it sits today for the end of 2022. This does not rule out a melt-up above 5000 and a dip below 4000 in the middle. Inflation is a huge wildcard if it proves more than transitory, which is where we are leaning, can provide more of a stagflation outcome given the pending fiscal cliff in 2023/24 with Congress now likely to swing back to the GOP. The reduction of US QE relative to the ECB has given a bid to the dollar and we hedged most US dollar exposure.

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Chart of the Week

PRO-E	<u> (ES - Berman</u>	<u>'s Call</u>
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Total Return

YTD

Previous Quarter

Previous Year

3-Year

5-Year

Ann. SI (08/12/13)

und Codes:

Risk Level

Upside/Do

Upside

Downside

Months Up

Months Dn

Sharpe Ratio

High **Defense**

Core Beta: 72.0%

Offense

Advisor/Broker Use Only

The current core portfolio beta is 72.0% The current degree of beta protection is about -23%.

When the PRO EYEs indicator is at elevated levels (above 75%), as it recently hit, we will have higher degree of beta protection on the portfolio. Historically, corrections that follow have a median of 7.3% and an average of 11.1% over the past 20 years. The rally to new ATH has once again pushed risks to elevated levels. We have put protection in place through Dec 31 from 4600 to 4300 or a test of the rising 2 average in Q4. We have not added a call for additional yield. For of the PRO-EYEs-Berman's Call Tactical Risk Models click link ab

Performance Metrics (A-Series) as of (11/26/21)

Gross

3.12%

-2.10%

3.17%

1.31%

3.21%

5.24%

Net

1.43%

-2.58%

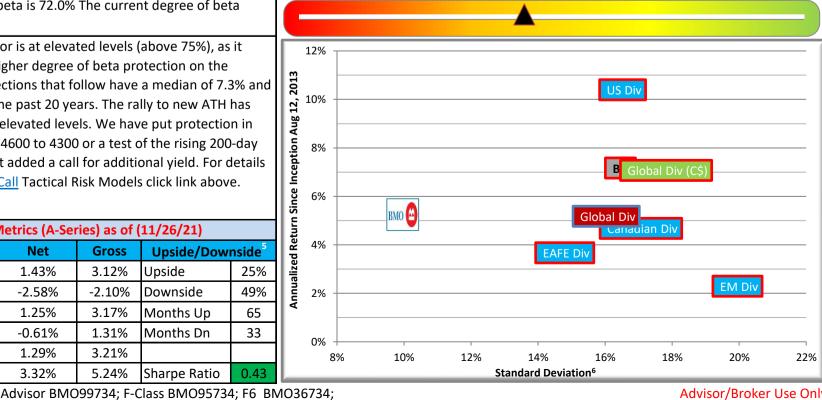
1.25%

-0.61%

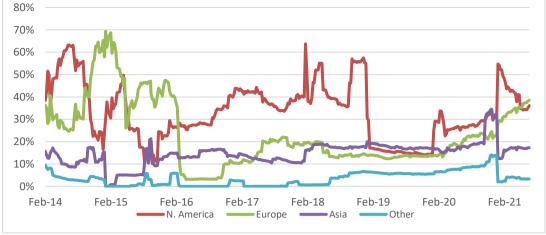
1.29%

3.32%

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w	nside ⁵	d Re
	25%	alize
	49%	l u
	65	⁴



				Tactio	al Asset Allocation
Equity	N. America	Europe	Asia	Other	80%
11/26/21	30.5%	44.3%	21.2%	3.7%	70%
11/19/21	30.7%	44.0%	20.3%	3.6%	60%
Change	-0.2%	0.3%	0.9%	0.0%	50%
Benchmark	69.2%	17.0%	12.0%	1.8%	40%



Sector	11/26/21	11/19/21	Change	BM
Basic Materials	11.95%	11.40%	0.6%	7.4%
Communications	7.99%	7.85%	0.1%	8.8%
Consumer, Cyclical	9.24%	8.56%	0.7%	4.6%
Consumer, Non-cyclical	23.53%	23.76%	-0.2%	8.9%
Energy	3.87%	3.87%	0.0%	9.9%
Financial	18.45%	18.15%	0.3%	30.6%
Industrial	9.47%	9.60%	-0.1%	0.0%
Technology	6.01%	6.17%	-0.2%	2.6%
Utilities	8.59%	8.57%	0.0%	0.0%



As of: 11/26/21	11/26/21	11/19/21	Change
FX (USD)	-0.2%	1.5%	-1.7%
Beta ²	72.0%	71.2%	0.8%
Protection	-23.0%	-16.6%	-6.4%
Correlation	106.5%	103.6%	2.8%
Yield ³	4.98%	4.83%	0.15%
ETF Holdings	9	10	-1
Volatility ⁴	9.96%	9.82%	0.14%
CAD	1.2791	1.2640	1.2%



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