



BMO Tactical Dividend ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments

September was a very good month for the Tac Div fund and a very bad one for the broader markets. The Tac Div fund was up 2.22% and global dividend indexes were down 2% to 5% depending on what benchmark one is looking at. Last week we made no trades. With the war in Israel a new development, we are confident our downside protection will help mitigate any adverse reaction. Our defensive positioning in ZWU has not worked well given the interest rate shock to markets that have impacted utilities and balance sheets with higher leverage. Still, we love the yield and think the sector will recover once rates start to come down in a harder landing scenario. We are trimming some of the outperformance in EDIV and as US market valuation improves, move more to US markets from EM. Similar for ZWU and ZWC exposure.

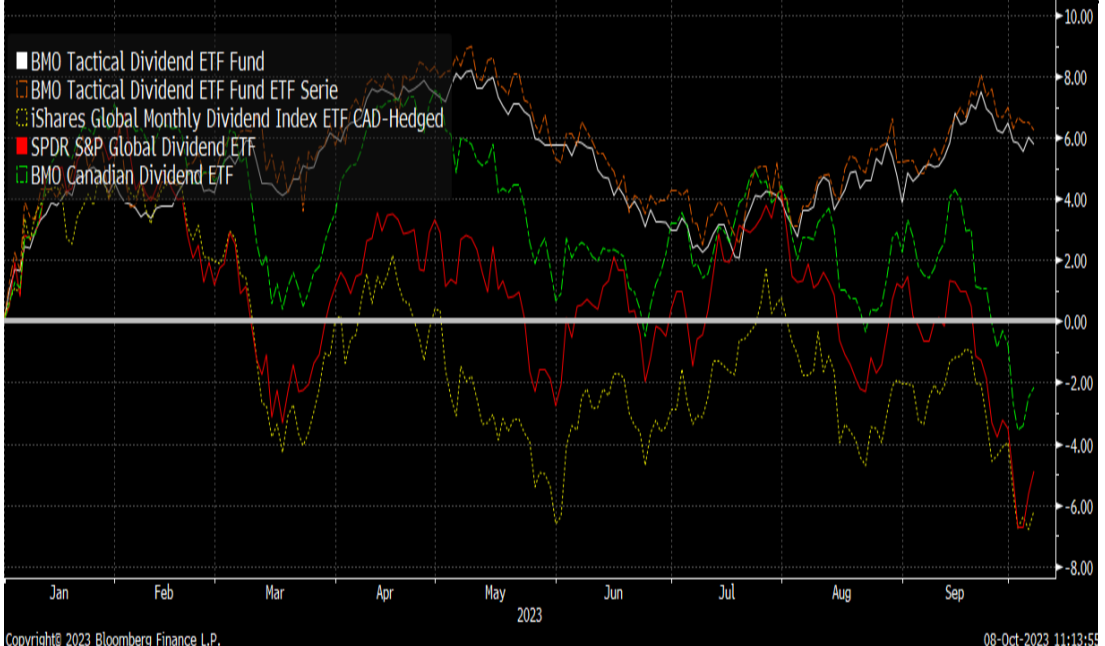
Macro Market Strategy

Our macro indicators suggest a high degree of caution. We believe the message in the yield curve is a hard landing. However, market positioning is very different. While central banks have tried to tighten financial conditions, equity indexes are significantly offsetting until recently. The impact of QT and huge coupon supply in the coming years should push risk premiums higher. Based on the current S&P 500 EPS, the fair value is closer to 3600 than 4600. Globally, there remains much better value in stocks globally and the average stock is not extremely overvalued like the large cap tech driven US market. The MSCI world equal weight index has outperformed the market cap index over the past 20 years, but not the past 10 years. Large cap tech should be multiple challenged in a higher for longer world.

Top Holdings

Ticker	Name	Position
ZWU	BMO Covered Call Utilities ETF	19.7%
ZWP	BMO Europe High Dividend Covered Call ETF	13.5%
ZWE	BMO Europe High Dividend Covered Call Hedged to CAD ETF	13.2%
EDIV	SPDR S&P Emerging Markets Dividend ETF	11.7%
DEM	WisdomTree Emerging Markets High Dividend Fund	11.5%
ZPAY	BMO Premium Yield ETF	11.2%
DGS	Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Divide	10.2%
ZWC	BMO Canadian High Dividend Covered Call ETF	9.2%

Chart of the Week



PRO-EYES - Berman's Call

Risk Level **Low**

The core portfolio beta is 51.8%. The degree of delta protection is -75% while the value of beta protection is 86% of the portfolio. The weighted average cap is: 4400. The weighted average collar is: 4300. The weighted average floor is: 0.

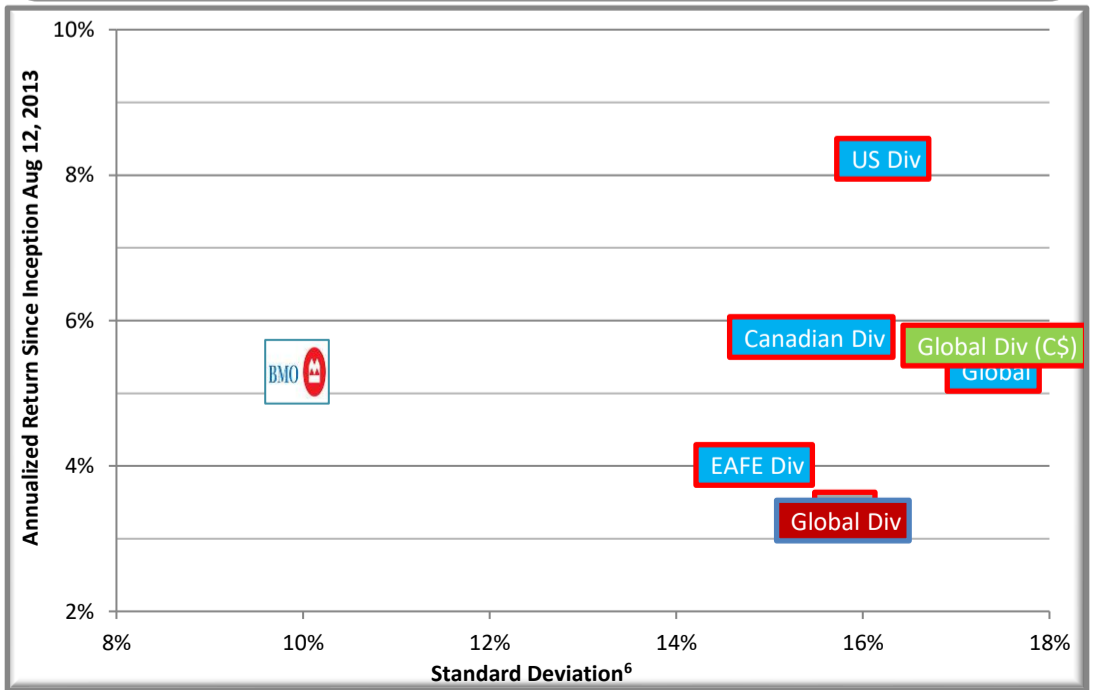
The overall PRO-EYES factors suggest that we are in a period of very high caution. Tactically, we are seeing some extreme overbought readings that suggest a high probability of a correction of more than 11% is likely.

Defense **Core Beta: 51.8%** Offense



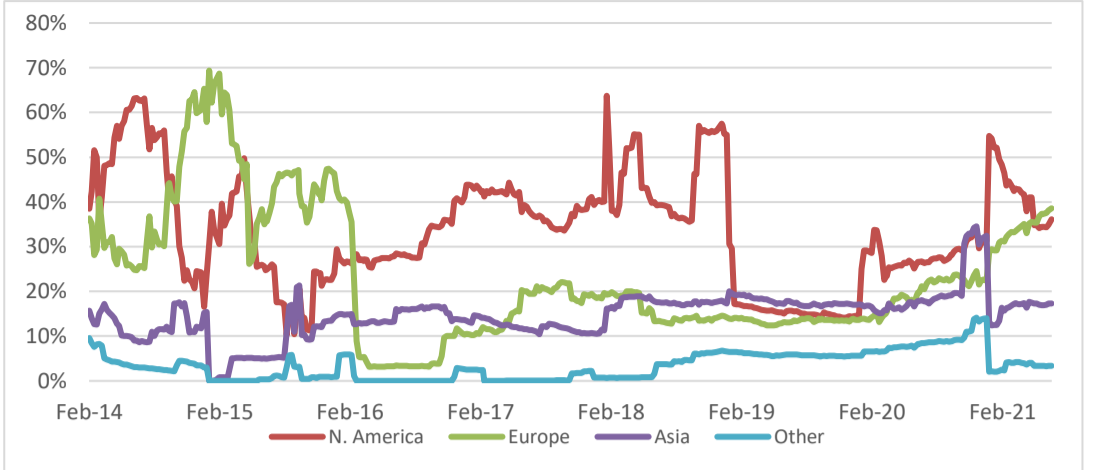
Performance Metrics (A-Series) as of (10/13/23)

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	5.52%	6.98%	Upside	17%
Previous Quarter	2.88%	3.36%	Downside	47%
Previous Year	18.66%	20.58%	Months Up	73
3-Year	2.16%	4.08%	Months Dn	48
5-Year	0.54%	2.46%		
Ann. SI (08/12/13)	3.37%	5.29%	Sharpe Ratio	0.43

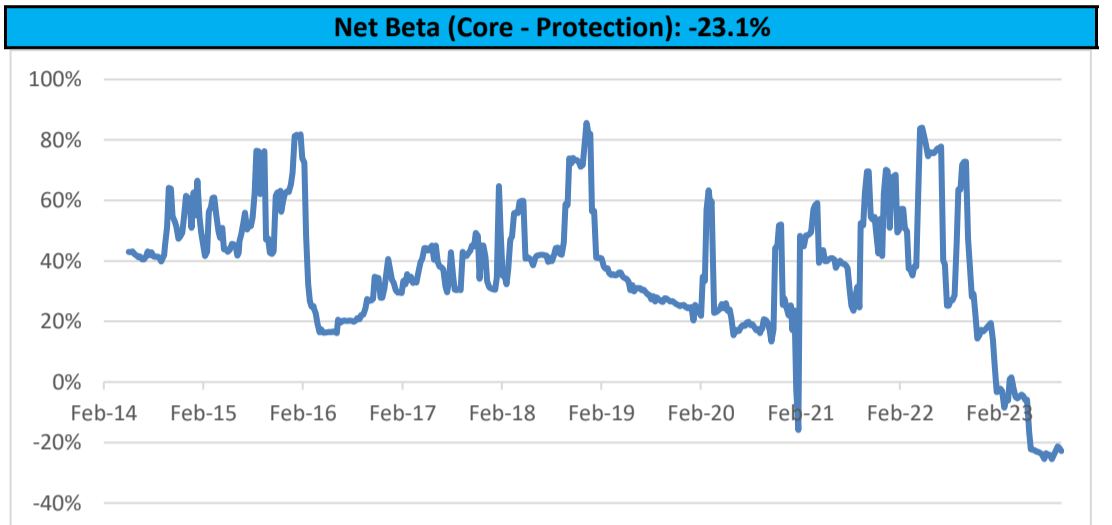


Tactical Asset Allocation

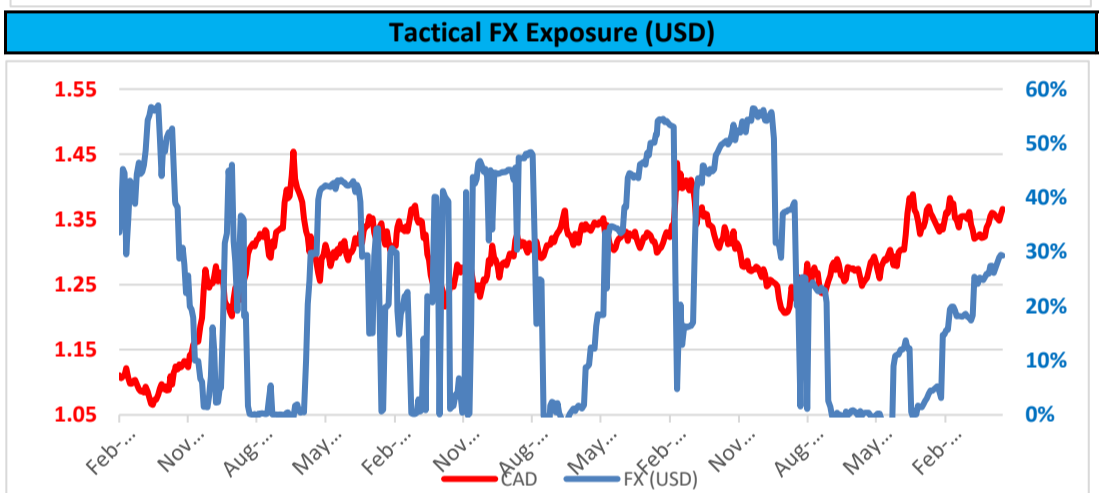
Equity	N. America	Europe	Asia	Other
10/13/23	41.0%	27.7%	26.2%	5.3%
09/29/23	40.2%	27.0%	26.0%	5.5%
Change	0.8%	0.7%	0.2%	-0.1%
Benchmark	67.3%	13.6%	15.1%	4.0%



Sector	10/13/2023	9/29/2023	Change	BM
Basic Materials	6.81%	6.75%	0.1%	10.1%
Communications	9.61%	9.55%	0.1%	6.3%
Consumer, Cyclical	7.23%	7.09%	0.1%	7.1%
Consumer, Non-cyclical	15.26%	15.18%	0.1%	7.8%
Energy	11.04%	11.07%	0.0%	10.5%
Financial	20.75%	20.74%	0.0%	27.8%
Industrial	6.80%	6.54%	0.3%	0.0%
Technology	4.35%	4.56%	-0.2%	3.0%
Utilities	14.74%	14.55%	0.2%	17.4%



As of: 10/13/23	10/13/23	09/29/23	Change
FX (USD)	29.5%	29.5%	0.1%
Beta ²	51.8%	51.7%	0.1%
Protection	-74.9%	-73.5%	-1.4%
Correlation	83.2%	82.4%	0.8%
Yield ³	6.94%	6.84%	0.10%
ETF Holdings	8	8	0
Volatility ⁴	9.94%	9.95%	-0.02%
CAD	1.3660	1.3577	0.6%



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