



## BMO Tactical Dividend ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments

We are overweight value dividends by way of more international exposure over US exposure. In recent months that has underperformed, but we see it as a longer term play. US large cap tech will likely underperform once tapering begins and bond yields push higher. We did increase US dollar exposure last week which modestly reduced the overall beta. Portfolio yield has been stable in the 4.5% range and we are looking to boost the covered call exposure and yield internationally as we rotate out of gold equity exposure (ZGD) in the coming weeks.

	Top Holdings						
Т	icker	Name	Position				
	ZDI	BMO International Dividend ETF	27.0%				
	ZWP	BMO Europe High Dividend Covered Call ETF	18.0%				
	ZPAY BMO Premium Yield ETF		17.3%				
	ZGD	BMO Equal Weight Global Gold Index ETF	8.6%				
	EDIV	SPDR S&P Emerging Markets Dividend ETF	7.2%				
	zwu	BMO Covered Call Utilities ETF	6.4%				
	ZDY	BMO US Dividend ETF	5.3%				
	DEM	WisdomTree Emerging Markets High Dividend Fund	3.8%				
	DVYE	iShares Emerging Markets Dividend ETF	2.9%				
	DGS	Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Divide	2.8%				
	ZWK	BMO Covered Call US Banks ETF	1.1%				
JL							

## **Macro Market Strategy**

A strong US dollar has tended to hurt the total return of foreign holdings (EAFE, EM) where we are overweight. Tactically that has hurt, but we do see a weaker dollar in the future with twin deficits monetized by the Fed leading to a weaker dollar. Tactically, stay at home big tech has boosted the US market far more than others while reopening (commodity) tends to benefit foreign markets more. Delta has hurt the trade, but it's not over. We expect new highs in reopening stocks into 2022 with large cap tech underperforming.



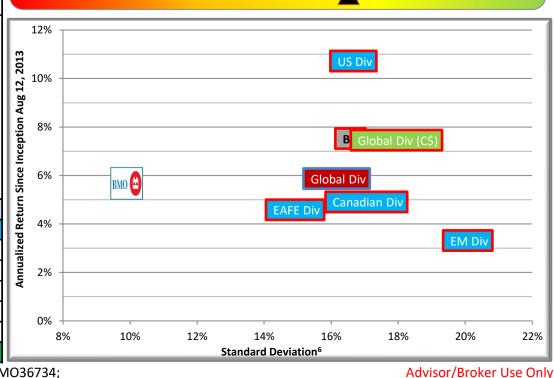
PRO-EYES - Berman's Call

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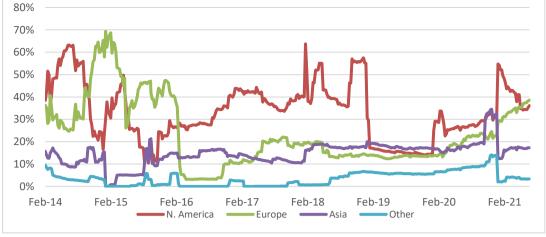
The current core portfolio beta is 72.4% The current degree of beta protection is about -49%.

When the PRO EYEs indicator is at elevated levels (above 75%), as it is 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. We have our downside hedge on the S&P 500 in place from 4200-3750 with a covered call at 4400 through Sept 30th. This is a tactical hedge and is actively adjusted as opportunities develop. For details of the PRO-EYEs-Berman's Call Tactical Risk Models click link above.

					Since	6%
Performance I	Metrics (A-Se	ries) as of	(09/03/21)		Return	
Total Return	Net	Gross	Upside/Dow	nside <sup>5</sup>		4%
YTD	4.06%	5.32%	Upside	26%	Annualized	
Previous Quarter	0.81%	1.29%	Downside	47%	] E	2%
Previous Year	1.77%	3.69%	Months Up	63	*	
3-Year	-1.00%	0.92%	Months Dn	32		0% -
5-Year	2.20%	4.12%				89
Ann. SI (08/12/13)	3.74%	5.66%	Sharpe Ratio	0.47		
Fund Codes:	Advisor BMC	99734; F-0	Class BMO9573	4; F6 BN	103	6734;



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Equity	N. America	Europe	Asia	Other	8
09/03/21	37.5%	41.1%	18.7%	3.2%	] ;
08/27/21	37.5%	41.2%	18.3%	3.2%	
Change	0.1%	-0.1%	0.4%	0.0%	,
Benchmark	68.1%	17.5%	12.6%	1.9%	į į

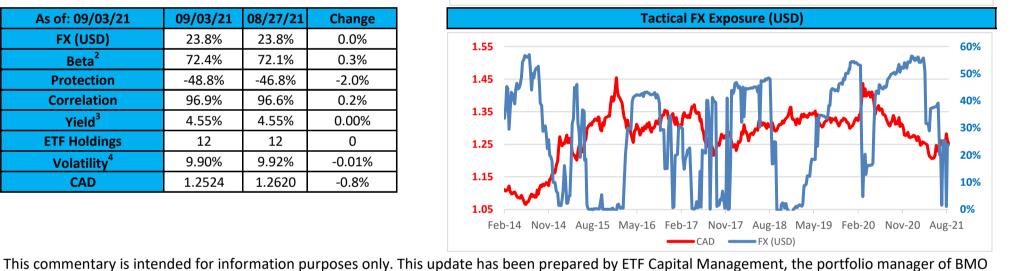


**Asset Allocation** 

Sector	9/03/21	8/27/21	Change	BM
Basic Materials	13.83%	13.72%	0.1%	7.8%
Communications	8.02%	8.14%	-0.1%	9.0%
Consumer, Cyclical	7.54%	7.56%	0.0%	4.7%
Consumer, Non-cyclical	22.02%	22.75%	-0.7%	8.9%
Energy	3.41%	3.37%	0.0%	9.3%
Financial	20.11%	18.61%	1.5%	30.0%
Industrial	9.46%	9.62%	-0.2%	0.0%
Technology	6.78%	7.15%	-0.4%	2.5%
Utilities	8.67%	8.55%	0.1%	0.0%

100%							
80%		<b>m</b> /			M		
60%	- AMA			14	$\mathcal{H}$		. 1
40%	~J**W	V	MMY	rW h	d L		1 Phy
			1			MM	164
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As of: 09/03/21	09/03/21	08/27/21	Change
FX (USD)	23.8%	23.8%	0.0%
Beta <sup>2</sup>	72.4%	72.1%	0.3%
Protection	-48.8%	-46.8%	-2.0%
Correlation	96.9%	96.6%	0.2%
Yield <sup>3</sup>	4.55%	4.55%	0.00%
ETF Holdings	12	12	0
<b>Volatility</b> <sup>4</sup>	9.90%	9.92%	-0.01%
CAD	1.2524	1.2620	-0.8%



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