



BMO Tactical Dividend ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments

Out chart of the week shows the relative performance of our 4 emerging markets dividend ETFs and the total world index (VT). EM exposure is still outperforming in general except where there was higher Russian exposure. The recent bounce in global equities was led by technology and hence why we added a sleeve of ZQQ given the lack of exposure of dividend seeking yield plays in the sector. We have not seen the opportunity to make any material shifts within regions or sectors in recent weeks/months. Our longer-term outlook still favours EAFE and EM over North America, but the war has really stressed that scenario the longer it lasts. Foreign currency exposure is a big part of the play, but that was a 400bps drag in Q2.

| | Top Holdings | |
|--------|---|----------|
| Ticker | Name | Position |
| ZDI | BMO International Dividend ETF | 32.4% |
| ZWP | BMO Europe High Dividend Covered Call ETF | 21.5% |
| ZQQ | BMO Nasdaq 100 Equity Hedged To CAD Index ETF | 20.7% |
| EDIV | SPDR S&P Emerging Markets Dividend ETF | 9.4% |
| DEM | WisdomTree Emerging Markets High Dividend Fund | 9.0% |
| DGS | Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Divide | 3.5% |
| DVYE | iShares Emerging Markets Dividend ETF | 3.0% |
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Macro Market Strategy

We think this is a very two-way market for the next few quarters with a bearish tilt. Better than expected tax receipts should push the negative funding pressure from QT into 2023. The FOMC is now telegraphing easing to offset. Once QT starts, to have an impact, we would be more concerned that equity risk premiums will rise and multiples will contract. The risk of a policy mistake is significant. The FOMC more aggressive path has caught them up to the curve and the terminal rate is now expected in December. This suggests a fall earnings related selloff is a very good buying opportunity. That said, we do not expect higher highs (5000+) until after the 2024 elections. We can expect lots of volatility to remain as the global economy rebalances. Anyone suggesting a more bullish path, we'd like to debate. We look to re-establish a volatility buffer in the coming months.

| Defense | | | | Core Beta: 7 | 7.2% Off | fens |
|-----------------------------|----------|---------------|---------------|--------------------|---|--------------|
| right§ 2022 Bloomberg Finan | ice L.P. | | | 2022 | 10 |)-Jul-2022 1 |
| Jan 14 | Jan 31 | Feb 14 | Feb 28 Mar 15 | Mar 31 Apr 2022 | 4 Apr 29 May 16 May 31 Jun 15 Jun | 30 |
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| | VÍ, | 7 | | | \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ | |
| | | | | ~^^ | ■ iShares Emerging Markets Dividend ETF SPDR S&P Emerging Markets Dividend ETF | |
| | _// | | 4 | | Wisdom Tree Trust - WisdomTree Emerging Markets SmallCap Divide | end Fun |
| | | $\sim \wedge$ | | | ■ WisdomTree Emerging Markets High Dividend Fund SVanguard Total World Stock ETF | |

Chart of the Week

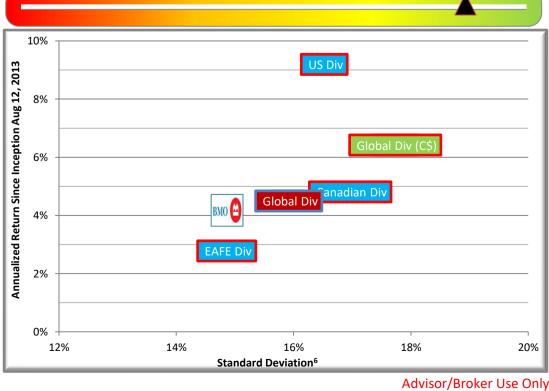
PRO-EYES - Berman's Call

Risk Level

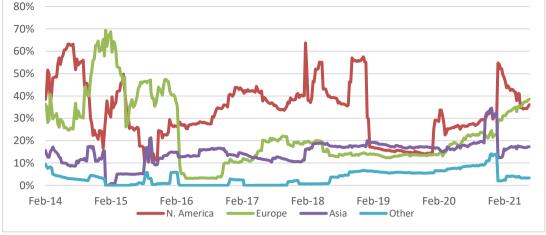
The core portfolio beta is 77.2%. The degree of delta protection is 0% while the value of beta protection is 0%.

The tactical PRO-EYEs factor suggests more dip buying opportunity exists than not. However, the trend of liquidity in business conditions is likely to get worse before it improves. The fact the FOMC has now talked about 2023/24 rate cuts, markets should stabilize. Valuation metrics have yet to reflect a recession and that is the overriding risk. This likely means there will be more two-way opportunities in assets until the inflation cycle is under control. We expect it will be stickier than the market believes and the FOMC will have difficulty with a soft landing scenario.

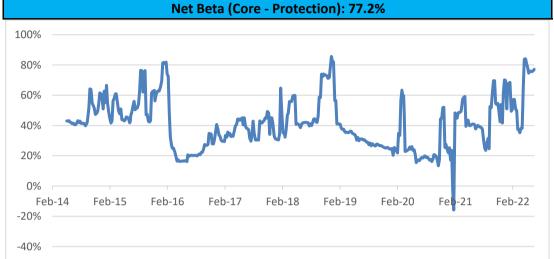
| Total Return | Net | Gross | Upside/Downside | | |
|--------------------|--------------------------|--------|-------------------|-----|--|
| YTD | -9.61% | -8.65% | Upside | 16% | |
| Previous Quarter | -9.68% | -9.20% | Downside 469 | | |
| Previous Year | -8.30% | -6.38% | Months Up | 66 | |
| 3-Year | -4.91% | -2.99% | Months Dn 40 | | |
| 5-Year | -1.46% | 0.46% | | | |
| Ann. SI (08/12/13) | 2.25% | 4.17% | Sharpe Ratio 0.21 | | |
| Fund Codes: | No Load Retail: BMO70734 | | | | |



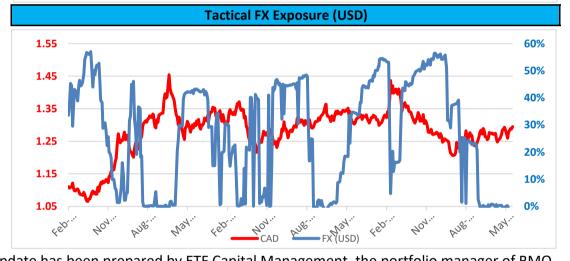
| | | | | Tactio | al Asset Allocation |
|-----------|------------|--------|-------|--------|---------------------|
| Equity | N. America | Europe | Asia | Other | 80% |
| 07/08/22 | 21.2% | 46.6% | 26.0% | 5.7% | 70% |
| 06/30/22 | 19.8% | 47.9% | 25.6% | 5.5% | 60% |
| Change | 1.3% | -1.3% | 0.4% | 0.2% | 50% |
| Benchmark | 70.6% | 13.4% | 12.3% | 3.7% | 10% |



| Sector | 7/08/22 | 6/30/22 | Change | BM |
|------------------------|---------|---------|--------|-------|
| Basic Materials | 6.91% | 6.95% | 0.0% | 8.9% |
| Communications | 10.85% | 10.39% | 0.5% | 7.1% |
| Consumer, Cyclical | 10.59% | 10.40% | 0.2% | 5.4% |
| Consumer, Non-cyclical | 21.63% | 21.82% | -0.2% | 9.6% |
| Energy | 3.53% | 3.60% | -0.1% | 8.5% |
| Financial | 20.53% | 20.77% | -0.2% | 28.7% |
| Industrial | 7.85% | 7.84% | 0.0% | 0.0% |
| Technology | 12.59% | 12.07% | 0.5% | 2.7% |
| Utilities | 4.02% | 4.03% | 0.0% | 0.0% |



| As of: 07/08/22 | 07/08/22 | 06/30/22 | Change | |
|--------------------|----------|----------|--------|--|
| FX (USD) | -4.1% | -3.9% | -0.2% | |
| Beta ² | 77.2% | 76.1% | 1.1% | |
| Protection | 0.0% | 0.0% | 0.0% | |
| Correlation | 92.5% | 91.9% | 0.6% | |
| Yield ³ | 4.25% | 4.28% | -0.03% | |
| ETF Holdings | 7 | 7 | 0 | |
| Volatility⁴ | 14.87% | 15.29% | -0.42% | |
| CAD | 1.2947 | 1.2873 | 0.6% | |



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