

Q2

Second Quarter Report 2003





Brompton Group

Brompton Group is a leading provider of specialized financial products and services to corporate, institutional and individual clients. Brompton's success is achieved by offering innovative, well conceived products on fair terms with low fees and supported by the highest levels of corporate governance. Brompton aligns its interests with those of its clients by co-investing in the products that it manages.

The management and directors of Brompton are a highly respected group of accomplished business leaders. The extensive experience, track record and integrity of its people are Brompton's most valuable assets.

Asset management services are provided by Brompton Management Limited and its subsidiaries. Brompton currently manages four public investment funds and private capital in excess of \$750 million in assets. Brompton also offers financial advisory and merchant banking services to its clients.

The Brompton Approach

Brompton's commitment to high quality investments and fair investor terms is continuously demonstrated in its approach to product development and fund management. This fundamental approach to conducting business is applied to all Brompton investment products and features the following attributes:

- **Top-Ranked Performance**

For actively managed investments, Brompton partners with top-ranked portfolio managers to achieve superior performance.

- **Innovative Structure**

The growing family of Brompton funds is designed to meet specific needs of investors on a tax-efficient basis.

- **Fair Investor Terms**

Product terms are incorporated to protect the interests of the investors. Annual redemption rights at 100% of net asset value and protection against entrenched management and dilutive secondary issues are built into every fund.

- **Low Cost**

Low management fees and administrative expenses enhance the overall return to investors.

- **Strong Corporate Governance**

A strong, experienced and independent Board of Directors is engaged to protect the interests of investors. Brompton has adopted the TSX's recommended guidelines for corporate governance.

- **Alignment of Interests**

Brompton co-invests its own capital in each of its funds thereby aligning its interests with those of its investors.

BROMPTON
EQUAL WEIGHT INCOME FUND

EWI

Brompton Equal Weight Income Fund commenced operations on July 16, 2003 and is pleased to highlight the following achievements. The Fund:

- completed the largest initial public offering of its kind, raising \$420 million;
- began trading on the TSX on July 16, 2003 under the symbol EWI.UN;
- invested over 94% of its available funds in qualifying income funds by July 31, 2003; and
- announced its first distribution to unitholders of record on August 29, 2003 of \$0.1581 per unit.

Portfolio

The Fund provides unitholders with the opportunity to receive high levels of monthly cash distributions by investing in an equally weighted diversified portfolio of income funds using a passive index-like investment approach and to receive the benefit of low management fees. The portfolio is broadly diversified consisting of 68 equally weighted income funds, each listed on the TSX and having a float capitalization of at least \$200 million.

The Fund is designed to ensure that the portfolio is well diversified and to reduce the Fund's concentration in any one income fund. By employing an equal weight approach, each income fund constitutes approximately 1.5% of the portfolio which is significantly lower than the maximum weighting that would arise from a capitalization weighted index based portfolio. In addition, equal weighting versus weighting by capitalization reduces the Fund's exposure to the commodity price sensitive oil and gas sector.

Since closing, the Fund has been investing the net proceeds of the offering and drawings under its loan facility. As of July 31, 2003, over 94% of the Fund's target portfolio has been acquired. A copy of the portfolio as at that date is included.

Monthly Distributions

The Fund announced its first distribution of \$0.1581 per unit which will be paid on September 15, 2003 to unitholders of record as of August 29, 2003. The initial distribution is not representative of a normal monthly period because it includes distributions earned by the Fund for the six week period from closing through to August 31, 2003. The Fund would have an annualized distribution rate of \$1.03 per unit as at August 7, 2003, based on the annualized distribution levels paid by the underlying income funds included in the portfolio less estimated annual operating expenses. The foregoing is derived from publicly available information, is historical and is not intended to be an indication of future distributions. Distributions paid by the Fund will vary with the performance of the underlying portfolio of income funds and will change over time.

Financial

Financial statements for the period from the commencement of operations on July 16, 2003 to September 30, 2003 are scheduled to be released in November, 2003. In the interim, the Fund's net asset value is published weekly every Saturday in the financial press and its portfolio and Net Asset Value are published on the Brompton website at www.bromptongroup.com.

Respectfully submitted on behalf of the Board,

(signed)

Raymond R. Pether
Chief Executive Officer
Brompton EWI Management Limited
August 25, 2003

(signed)

Mark A. Caranci
Chief Financial Officer
Brompton EWI Management Limited

This quarterly report contains forward-looking information. The Fund is not obligated to update or revise forward-looking information. Actual results may differ materially. The risks, uncertainties and other factors that could influence actual results are described in the Fund's prospectus and other documents filed with regulatory authorities.

Statement of Investments (Unaudited)

As at July 31, 2003

		Market Value	% of Portfolio
Cash and short-term investments		\$ 770,979	0.2%
No. of Units	Consumer		
502,710	Bell Nordiq Income Fund	6,218,523	
501,200	Clearwater Seafoods Income Fund	6,265,000	
443,126	Connor Bros. Income Fund	6,203,764	
419,150	Davis + Henderson Income Fund	6,174,079	
270,400	Energy Savings Income Fund	6,324,656	
512,575	KCP Income Fund	6,381,559	
1,675,800	Rogers Sugar Income Fund	6,535,620	
615,700	Specialty Foods Group Income Fund	6,280,140	
		50,383,341	12.0%
No. of Units	Industrials		
499,300	Atlas Cold Storage Income Trust	6,391,040	
621,450	Newalta Income Fund	6,711,660	
160,000	North West Company Fund	3,824,000	
291,030	Superior Plus Income Fund	6,391,019	
		23,317,719	5.5%
No. of Units	Oil and Gas		
574,108	Acclaim Energy Trust	6,412,786	
406,750	Advantage Energy Income Fund	6,406,313	
560,850	APF Energy Trust	6,500,252	
510,908	ARC Energy Trust	6,462,986	
393,400	Bonavista Energy Trust	6,373,080	
184,773	Canadian Oil Sands Trust	6,851,383	
194,312	Enerplus Resources Fund	6,624,096	
39,100	Focus Energy Trust	507,127	
488,500	Freehold Royalty Trust	6,472,625	
679,200	NAL Oil & Gas Trust	6,561,072	
467,129	NCE Petrofund	6,516,450	
690,800	Paramount Energy Trust	6,963,264	
382,509	Pengrowth Energy Trust	6,273,148	
380,300	Peyto Energy Trust	6,598,205	
244,765	PrimeWest Energy Trust	6,361,442	
579,900	Provident Energy Trust	6,523,875	
377,288	Shiningbank Energy Income Fund	6,395,032	
1,200,900	Ultima Energy Trust	6,508,878	
468,100	Vermilion Energy Trust	6,651,701	
957,301	Viking Energy Royalty Trust	6,270,322	
		124,234,037	29.5%
No. of Units	Power		
672,333	Algonquin Power Income Fund	6,548,523	
175,300	Boralex Power Income Fund	1,726,705	
481,600	Boralex Power Income Fund - subscription receipts	4,599,280	
612,074	Calpine Power Income Fund	6,396,173	
650,851	Clean Power Income Fund	6,430,408	
425,514	Great Lakes Hydro Income Fund	6,433,772	
559,730	Northland Power Income Fund	6,408,908	
685,195	TransAlta Power, L.P.	6,344,906	
188,550	TransCanada Power, L.P.	6,335,280	
		51,223,955	12.2%
No. of Units	Real Estate Investment Trusts		
430,414	Canadian Apartment Properties REIT	6,391,648	
719,147	Canadian Hotel Income Properties REIT	6,371,642	
91,748	Canadian REIT	1,270,710	
459,790	Cominar REIT	6,414,071	
416,730	H&R REIT	6,480,151	
691,876	InnVest REIT	6,399,853	
629,400	IPC US Income Commercial REIT	6,382,116	
448,200	Residential Equities REIT	6,498,900	
585,239	Retirement Residences REIT	6,677,577	
452,544	RioCan REIT	6,561,888	
390,374	Summit REIT	6,480,208	
		65,928,764	15.7%
No. of Units	Resource		
250,074	Fording Canadian Coal Trust	6,701,983	
414,575	Labrador Iron Ore Royalty Income Fund	6,591,742	
660,650	Noranda Income Fund	6,322,420	
821,541	SFK Pulp Fund	6,613,405	
572,700	TimberWest Forest Corp.	6,442,875	
		32,672,425	7.8%
No. of Units	Utilities and Infrastructure		
488,700	BFI Canada Income Fund	6,142,959	
270,000	CCS Income Fund	6,210,000	
431,000	Chemtrade Logistics Income Fund	6,637,400	
530,330	Consumers' Waterheater Income Fund	6,570,789	
704,666	Fort Chicago Energy Partners L.P.	6,553,394	
83,300	Gaz Metropolitan & Co. L.P.	1,715,980	
493,600	Heating Oil Partners Income Fund	6,278,592	
993,857	Inter Pipeline Fund	6,440,193	
443,200	Livingston International Income Fund	6,204,800	
535,624	Pembina Pipeline Income Fund	6,400,707	
792,700	TransForce Income Fund	6,222,695	
1,119,868	Westshore Terminals Income Fund	6,640,817	
		72,018,326	17.1%
Total		\$ 420,549,546	100.0%

BROMPTON INCOME TRUST

We are pleased to announce the unaudited financial results of Brompton VIP Income Trust (“VIP” or the “Fund”) for the three and six months ended June 30, 2003.

Highlights of the second quarter included:

- the Fund increased its distributions to unitholders as a result of achieving better than targeted yields in its investment portfolio;
- the net asset value per unit of the Fund increased by 8.1% during the quarter; and
- the Fund fixed the interest rate on US \$13.0 million of its credit facilities at 3.89% for 5 years.

Portfolio

The Fund remained fully invested to date in 2003 and was able to capitalize on the strong markets for both income funds and high yield debt. VIP’s heaviest weighting is in business funds which was the strongest performing sector of the portfolio, contributing 71% of the Fund’s increase in unrealized gains for the year to date. The portfolio remains well diversified comprising 39 income funds and 49 fixed income investments as of June 30, 2003.

Financial

In October 2002, the Fund hedged its US dollar exposure associated with the market value of its fixed income holdings using currency futures contracts. In May 2003, the Fund closed out all of its currency futures contracts and continued its hedging program by borrowing in US dollars an amount that approximates the Fund’s holdings in US dollar investments. As a result of the hedging programs employed by the Fund, it has been insulated from the 18.6% depreciation of the US dollar relative to the Canadian dollar since October 2002.

Year-to-date distributions from income funds amounted to \$5.0 million, of which \$2.7 million was contributed from business funds. Interest income for the six months added a further \$1.1 million, bringing the Fund’s total income to \$6.1 million (2002 - \$3.3 million) which after expenses of \$1.2 million (2002 - \$0.7 million) resulted in net investment income of \$4.9 million (2002 - \$2.6 million). Income and expenses for 2002 are lower than 2003 due primarily to the fact that the Fund commenced operations on February 19, 2002. Unrealized and realized gains brought the year-to-date results of operations to \$14.6 million (2002 - \$4.6 million) or \$1.49 per unit (2002 - \$0.46 per unit).

Management fees, service fees paid to investment dealers and general and administrative costs totalled \$0.76 million during the first half of 2003, which, when annualized, represents a management expense ratio of 1.61% based on net assets and 1.29% based on total assets.

During the second quarter, the Fund renegotiated its credit facility to include both a 364-day revolving term credit facility and a five-year US dollar non-revolving, term credit facility with a fixed interest rate. As a result, the Fund has reduced a significant portion of its exposure to rising interest rates for the next five years with an attractive fixed interest rate of 3.89% and, at the same time, hedged its exposure to fluctuations in foreign exchange rates on its US dollar securities. VIP had Cdn \$22.8 million outstanding under its credit facilities at the end of the second quarter.

Monthly Distributions

During the second quarter, the Fund increased its monthly cash distribution to \$0.08333 per unit or \$1.00 per annum. Total distributions of \$0.49582 per unit were declared for the six months ended June 30, 2003.

The breakdown of the 2002 annual distributions for tax purposes was made available to unitholders in early March, 2003 and was also posted on the VIP website at www.bromptongroup.com. For the year ended December 31, 2002, approximately 47% of the distributions represented a return of capital which reduced the adjusted cost base of the units to the unitholders and resulted in a deferral of income tax. It is estimated that gains realized from VIP’s successful foreign exchange hedging program will reduce the return of capital portion of the distributions in 2003 but such gains will be taxable at favourable capital gains rates. Based on the current portfolio and the income tax characterizations of distributions from such investments in 2002, the Fund expects to have a return of capital of about 35% for 2003.

Summary

The income funds market continues to expand and has a current market capitalization in excess of \$50 billion. Since the beginning of the year, there have been 14 initial public offerings for proceeds of \$2.8 billion, 7 conversions into trusts which were valued at \$5.3 billion at the time of conversion and secondary offerings by trusts in the amount of \$4.4 billion. This growth has given VIP a much wider universe of attractive issuers, industries and yields from which to select.

Respectfully submitted on behalf of the Board,

(signed)

Raymond R. Pether
Chief Executive Officer
Brompton VIP Management Limited
August 25, 2003

(signed)

Mark A. Caranci
Chief Financial Officer
Brompton VIP Management Limited

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Fund Manager

Brompton VIP Management Limited, a member of the Brompton Group of Companies, is the Manager of the Fund. The Brompton Group is a financial services organization that specializes in asset management, merchant banking and securities and advisory services. For more information, please visit the website at www.bromptongroup.com.

Portfolio Manager

MFC Global Investment Management ("MFC"), a division of Elliott & Page Limited, is the portfolio manager of the Fund and is responsible for the investment of the Fund's assets. MFC is a member of the Manulife Financial group of companies.

Reinvestment Plan

VIP's Reinvestment Plan allows unitholders who elect to do so to automatically reinvest monthly distributions in additional units of the Fund. This provides unitholders with an excellent opportunity to benefit from compounding by investing distributions at the high reinvestment rate offered by the Fund. The Reinvestment Plan also allows plan participants to purchase additional units for cash, to a maximum investment of \$20,000 per calendar year per plan participant. In certain circumstances, units acquired pursuant to the Reinvestment Plan may be at a price below the then prevailing market price for the units. To enrol in the plan, please contact your investment advisor.

Investment Highlights

	June 30, 2003	Mar 31, 2003	Dec 31, 2002	Sept 30, 2002	June 30, 2002
Net asset value per unit	\$ 10.29	\$ 9.52	\$ 9.29	\$ 9.52	\$ 9.59
Quarterly distributions per unit	\$ 0.24999	\$ 0.24583	\$ 0.24375	\$ 0.24375	\$ 0.24375
Market price per unit	\$ 10.08	\$ 9.90	\$ 9.50	\$ 9.80	\$ 10.10
Total assets (millions)	\$ 124.5	\$ 119.0	\$ 116.1	\$ 118.6	\$ 118.7

Statement of Net Assets (Unaudited)

	June 30, 2003	Dec 31, 2002
Assets		
Investments, at market value (cost 2003 - \$113,561,805; 2002 - \$112,808,436)	\$ 121,362,849	\$ 113,572,208
Cash and short-term investments	1,298,198	965,233
Distributions and interest receivable	1,320,632	1,384,458
Variation margin receivable on futures contracts	–	133,720
Amounts receivable from investments sold	473,159	–
Other receivables	–	58,229
Deferred financing costs (note 8)	86,609	16,613
Total assets	124,541,447	116,130,461
Liabilities		
Accounts payable and accrued liabilities	330,664	284,160
Distributions payable to unitholders (note 4)	809,221	793,238
Amounts payable for investments purchased	660,000	–
Redemptions payable to unitholders	–	1,426,237
Loans payable (note 8)	22,824,345	22,936,762
Total liabilities	24,624,230	25,440,397
Net assets representing unitholders' equity	\$ 99,917,217	\$ 90,690,064
Units outstanding (note 3)	9,711,035	9,762,925
Net asset value per unit	\$ 10.29	\$ 9.29

The accompanying notes are an integral part of these financial statements.

Statement of Operations (Unaudited)

	Three months ended		Six months ended	
	June 30		June 30	
	2003	2002	2003	2002*
Income				
Distributions from income funds	\$ 2,572,861	\$ 2,088,975	\$ 5,013,414	\$ 2,519,483
Interest income	537,303	504,366	1,119,437	775,603
	3,110,164	2,593,341	6,132,851	3,295,086
Expenses				
Management fee (note 5)	222,468	211,962	435,142	307,550
Service fee (note 5)	100,087	92,116	193,406	137,248
General and administrative	65,558	64,794	130,292	93,987
Interest and bank charges (note 8)	227,002	103,902	462,299	113,109
	615,115	472,774	1,221,139	651,894
Net investment income	2,495,049	2,120,567	4,911,712	2,643,192
Net realized gain on sale of investments and futures contracts (notes 6 & 7)	1,325,811	(617,521)	2,149,535	(613,964)
Net change in unrealized gain on investments and futures contracts (note 7)	5,887,737	1,956,830	7,349,164	2,534,490
Net change in unrealized gain on loans payable (note 8)	198,080	–	198,080	–
Results of operations	\$ 9,906,677	\$ 3,459,876	\$ 14,608,491	\$ 4,563,718
Results of operations per unit ⁽¹⁾				
Net investment income	\$ 0.25	\$ 0.22	\$ 0.50	\$ 0.27
Net realized gain on sale of investments and futures contracts	0.14	(0.06)	0.22	(0.06)
Net change in unrealized gain on investments and futures contracts	0.60	0.19	0.75	0.25
Net change in unrealized gain on loans payable	0.02	–	0.02	–
	\$ 1.01	\$ 0.35	\$ 1.49	\$ 0.46

Statement of Changes in Net Assets (Unaudited)

	Three months ended		Six months ended	
	June 30		June 30	
	2003	2002	2003	2002*
Net assets – beginning of period	\$ 93,158,586	\$ 93,672,592	\$ 90,690,064	\$ –
Operations:				
Net investment income	2,495,049	2,120,567	4,911,712	2,643,192
Net realized gain on sale of investments and futures contracts (notes 6 & 7)	1,325,811	(617,521)	2,149,535	(613,964)
Net change in unrealized gain on investments and futures contracts (note 7)	5,887,737	1,956,830	7,349,164	2,534,490
Net change in unrealized gain on loans payable (note 8)	198,080	–	198,080	–
	9,906,677	3,459,876	14,608,491	4,563,718
Unitholder Transactions:				
Proceeds from issuance of units, net	–	(3,526)	–	92,565,224
Distributions to unitholders (note 4)	(2,440,311)	(2,407,731)	(4,843,265)	(2,407,731)
Proceeds from distribution reinvestment plan (note 4)	59,500	57,030	229,162	57,030
Repurchase of units (note 3)	(767,235)	–	(767,235)	–
	(3,148,046)	(2,354,227)	(5,381,338)	90,214,523
Net increase in net assets	6,758,631	1,105,649	9,227,153	94,778,241
Net assets – end of period	\$ 99,917,217	\$ 94,778,241	\$ 99,917,217	\$ 94,778,241
Distributions per unit	\$ 0.24999	\$ 0.24375	\$ 0.49582	\$ 0.24375

⁽¹⁾ Based on the weighted average number of units outstanding for the period (note 3).

* Period from Feb 19, 2002 (date of commencement of operations) to June 30, 2002.

The accompanying notes are an integral part of these financial statements.

Statement of Investments (Unaudited)

As at June 30, 2003

		Cost	Market Value	% of Portfolio
Par Value (\$)	Fixed Income Investments			
US 650,000	Rogers Wireless Communications Inc. 9.625%, due May 1, 2011	\$ 1,058,930	\$ 1,015,666	
US 650,000	Allied Waste Industries, Inc. 9.25%, due May 01, 2021	982,942	963,779	
US 600,000	Labranche & Co Inc. 12%, due March 2, 2007	1,111,590	929,386	
US 650,000	Compagnie Generale de Geophysique 10.625%, due November 15, 2007	1,085,585	905,268	
US 600,000	Western Financial Bank 9.625%, due May 15, 2012	937,937	880,471	
US 500,000	MGM Grand Inc. 9.75%, due June 1, 2007	860,922	772,790	
US 480,000	United Rentals Inc. 10.75%, due April 15, 2008	744,806	707,638	
US 485,000	Insight Health Services Corp. 9.875%, due November 1, 2011	801,265	691,944	
CDN 650,000	Rogers Communications Inc. 8.75%, due July 15, 2007	643,500	665,883	
US 500,000	Revlon Consumer Products Corporation 12%, due December 1, 2005	775,226	662,391	
US 400,000	Rite Aid Corporation 12.50%, due September 15, 2006	630,410	608,720	
CDN 800,000	Calpine Canada Energy Finance ULC 8.75%, due October 15, 2007	635,000	604,000	
US 400,000	Echostar Broadband Corporation 10.375%, due October 1, 2007	639,515	601,927	
US 410,000	Intrawest Corporation 10.5%, due February 2, 2010	663,995	601,655	
US 400,000	Park Place Entertainment Corporation 8.125%, due May 15, 2011	644,097	597,851	
US 400,000	Flextronics International Ltd. 9.875%, due July 1, 2010	666,437	595,133	
US 400,000	United Surgical Partners Holdings, Inc. 10%, due December 15, 2011	640,464	586,980	
US 400,000	Biovail Corporation 7.875%, due April 1, 2010	626,442	576,110	
US 407,900	Alderwoods Group Inc. 11%, due January 2, 2007	640,223	562,548	
US 400,000	Century Aluminum Co. 11.75%, due April 15, 2008	670,176	554,370	
US 400,000	Lyondell Chemical Company 11.125%, due July 15, 2012	633,837	551,653	
US 335,000	Lear Corporation 8.11%, due May 15, 2009	552,783	525,735	
US 375,000	CITGO Petroleum Corporation 7.875%, due May 15, 2006	535,351	514,627	
US 375,000	Tembec Industries Inc. 8.5%, due February 1, 2011	590,054	508,258	
US 475,000	Charter Communications Holdings, LLC 10.75%, due October 1, 2009	769,855	503,417	
US 300,000	Columbia/HCA Healthcare Corporation 8.36%, due April 15, 2024	478,881	457,494	
US 300,000	Western Oil Sands Inc. 8.375%, due May 1, 2012	470,102	454,502	
US 300,000	Station Casinos Inc. 9.875%, due July 1, 2010	451,347	450,426	
US 300,000	IPC Acquisition Corp. 11.5%, due December 15, 2009	478,055	432,083	
CDN 355,000	BC Telecom Inc. 9.65%, due April 8, 2022	383,843	428,100	
US 300,000	Amkor Technology Inc. 9.25%, due February 15, 2008	460,987	425,968	
US 300,000	Iron Mountain Inc. 7.75%, due January 15, 2015	454,678	425,968	
US 250,000	D.R. Horton, Inc. 8.5%, due April 15, 2012	378,835	380,450	
US 250,000	Owens Brockway Glass Container Inc. 8.75%, due November 15, 2012	377,707	369,410	
US 250,000	Ingram Micro Inc. 9.875%, due August 15, 2008	395,591	366,863	
US 250,000	Foot Locker Inc. 8.5%, due January 15, 2022	360,360	353,700	
US 250,000	Georgia Pacific Corp. 8.125%, due May 15, 2011	349,167	348,180	
US 200,000	Buckeye Cellulose Corp. 9.25%, due September 15, 2008	275,731	270,391	
CDN 275,000	Russel Metals Inc. 8%, due July 15, 2006	252,313	264,000	
US 150,000	Avis Group Holdings, Inc. 11%, due May 1, 2009	239,067	227,761	
US 150,000	Iron Mountain Inc. 8.625%, due April 1, 2013	244,910	217,570	
US 175,000	Healthsouth Corporation 7.375%, due October 1, 2006	243,127	180,714	
US 125,000	Triton PCS Holdings Inc. 8.75%, due November 15, 2011	158,670	169,419	
US 100,000	The Hockey Company 11.25%, due April 15, 2009	152,588	148,783	
US 100,000	Nextel Communications Inc. 9.95%, due February 15, 2008	149,643	142,159	
US 110,000	Armco Inc. 9%, due September 15, 2007	166,718	131,527	
US 200,000	Finova Group Inc. 7.5%, due November 15, 2009	105,170	116,853	
US 50,000	Guitar Center Management Co Inc. 11%, due July 1, 2006	73,502	69,636	
US 20,000	Teekay Shipping Corporation 8.32%, due February 1, 2008	31,681	28,907	
		25,674,015	23,549,064	19.4%
No. of Units	Business Funds			
508,126	Davis + Henderson Income Fund	5,358,522	7,621,890	
325,000	Connors Bros. Income Fund	3,850,500	4,810,000	
304,455	Livingston International Income Fund	3,287,589	4,262,370	
316,800	Atlas Cold Storage Income Trust	3,475,972	4,026,528	
308,200	BFI Canada Income Fund	3,078,803	3,985,026	
163,000	Energy Savings Income Fund	2,010,875	3,882,660	
226,360	Chemtrade Logistics Income Fund	3,150,376	3,429,354	
205,000	Advanced Fiber Technologies (AFT) Income Fund	2,085,450	2,419,000	
211,300	TimberWest Forest Corp.	2,820,477	2,387,690	
200,000	Gateway Casinos Income Fund	2,060,000	2,370,000	
110,000	Superior Plus Income Fund	2,142,200	2,365,000	
225,000	Specialty Foods Group Income Fund	2,261,600	2,313,000	
266,858	Sun Gro Horticulture Income Fund	2,687,576	2,164,218	
90,500	North West Company Fund	1,715,445	2,123,130	
196,000	The Keg Royalties Income Fund	1,955,700	1,752,240	
140,000	Clearwater Seafoods Income Fund	1,402,028	1,729,000	
218,000	SFK Pulp Fund	2,298,132	1,709,120	
276,887	Westshore Terminals Income Fund	1,722,935	1,605,945	
130,000	Boston Pizza Royalties Income Fund	1,332,840	1,339,000	
51,200	Menu Foods Income Fund	535,969	737,280	
75,000	Versacold Income Fund	651,000	617,250	
		49,883,989	57,649,701	47.6%
No. of Units	Oil & Gas Funds			
301,385	ARC Energy Trust	3,793,186	3,767,313	
180,400	Advantage Energy Income Fund	1,895,315	2,922,480	
175,100	Shiningbank Energy Income Fund	2,678,701	2,903,158	
350,000	Viking Energy Royalty Trust	2,525,425	2,271,500	
54,817	Canadian Oil Sands Trust	2,356,640	1,914,758	
60,180	Enerplus Resources Fund	1,580,172	1,882,430	
110,000	Focus Energy Trust	1,325,500	1,329,900	
50,000	Primewest Energy Trust	1,303,110	1,252,000	
		17,458,049	18,243,539	15.0%
No. of Units	Real Estate Investment Trusts			
313,400	RioCan REIT	3,887,260	4,418,940	
207,225	H&R REIT	2,900,662	3,131,170	
147,400	Summit REIT	2,232,334	2,402,620	
157,500	Northern Property REIT	1,666,103	2,140,425	
168,000	O&Y REIT	1,836,341	1,831,200	
115,000	InnVest REIT	1,150,000	1,046,500	
40,000	Canadian Hotel Income Properties REIT	369,640	344,000	
		14,042,340	15,314,855	12.6%
No. of Units	Power and Pipeline Funds			
325,000	Pembina Pipeline Income Fund	3,722,532	3,870,750	
236,000	Algonquin Power Income Fund	2,280,880	2,192,440	
50,000	Enbridge Income Fund	500,000	542,500	
		6,503,412	6,605,690	5.4%
Total		\$ 113,561,805	\$ 121,362,849	100.0%

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements June 30, 2003

1. Operations

Brompton VIP Income Trust (the "Fund") is a closed-end investment trust created under the laws of the Province of Ontario on October 25, 2001 pursuant to an amended and restated declaration of trust dated January 29, 2002. Computershare Trust Company of Canada is the Trustee and Brompton VIP Management Limited (the "Manager") is responsible for managing the affairs of the Fund. MFC Global Investment Management, a division of Elliott & Page Limited, provides the portfolio management for the Fund. The Fund was listed on the Toronto Stock Exchange and effectively commenced operations on February 19, 2002 when it issued 9,600,000 units at \$10.00 per unit through an initial public offering. An additional 275,000 units at \$10.00 per unit were issued on March 19, 2002 through the exercise of the over-allotment option.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and should be read in conjunction with the most recent audited financial statements at December 31, 2002. The significant accounting policies used in preparing these unaudited interim financial statements are consistent with those used in preparing the audited annual financial statements.

3. Units of the Fund

The Fund is authorized to issue an unlimited number of transferable, redeemable units of beneficial interest, each of which represents an equal, undivided interest in the net assets of the Fund. Each unit entitles the holder to one vote and to participate equally with respect to any and all distributions made by the Fund. Units may be surrendered for redemption at any time during December of any year, but at least five business days prior to December 31. Redemption of surrendered units will be effected on December 31 of each year and will be settled on or before the twentieth business day following such effective date.

The Fund received approval from the Toronto Stock Exchange to undertake a normal course issuer bid program for the period from November 6, 2002 through to November 5, 2003. Pursuant to the issuer bid, the Fund may purchase up to 926,000 of its units for cancellation when the net asset value per unit exceeds its trading price. During the three and six months ended June 30, 2003, 75,900 units were purchased.

The weighted average number of units outstanding for the six months ended June 30, 2003 was 9,776,295.

4. Distributions to Unitholders

Distributions, as declared by the Manager, are made on a monthly basis to unitholders of record on the last business day of each month. The distributions are payable no later than the tenth business day of the following month. For the three months ended June 30, 2003, the Fund declared total distributions of \$0.24999 per unit (2002 - \$0.24375). Under the Fund's distribution reinvestment plan, unitholders may elect to reinvest monthly distributions in additional units of the Fund. For the three and six months ended June 30, 2003, a total of 6,194 (2002 - 5,891) and 24,010 units (2002 - 5,891), respectively, were issued by the Fund pursuant to the reinvestment plan.

5. Management and Service Fees

Pursuant to a management agreement, the Manager provides management and administrative services to the Fund, for which it is paid a management fee equal to 0.85% per annum of the net asset value of the Fund plus applicable taxes. The Manager is responsible for paying fees to MFC Global Investment Management, the portfolio manager for the Fund. The Fund also pays to the Manager a service fee equal to 0.40% per annum of the net asset value of the Fund. The service fee is in turn paid by the Manager to investment dealers based on the proportionate number of units held by clients of such dealers at the end of each calendar quarter.

6. Investment Transactions

Investment transactions for the following periods were as follows:

	Three months ended June 30		Six months ended June 30	
	2003	2002	2003	2002*
Proceeds from sale of investments and futures contracts	\$ 9,396,039	\$ 3,678,565	\$ 21,326,569	\$ 4,227,373
Less cost of investments sold:				
Investments at cost – beginning of period	111,182,490	78,254,661	112,808,436	–
Investments purchased during the period	10,449,543	39,919,714	19,930,403	118,719,626
Investments at cost – end of period	(113,561,805)	(113,878,289)	(113,561,805)	(113,878,289)
Cost of investments sold during the period	8,070,228	4,296,086	19,177,034	4,841,337
Net realized gain on sale of investments and futures contracts	\$ 1,325,811	\$ (617,521)	\$ 2,149,535	\$ (613,964)

* Period from February 19, 2002 (date of commencement of operations) to June 30, 2002.

7. Futures Contracts

During the three and six months ended June 30, 2003, the Fund realized gains in the amount of \$1,599,064 and \$2,800,954, respectively, on futures contracts that were closed out. At June 30, 2003, no currency futures contracts were held by the Fund.

8. Loans Payable

Pursuant to an agreement with a Canadian chartered bank, the Fund maintains a 364-day revolving term credit facility and a five-year non-revolving term credit facility ("Term Credit Facility"). The revolving term credit facility provides for maximum borrowings of Cdn \$7.0 million with borrowings in Canadian currency at either the prime rate of interest or the bankers' acceptance rate plus a fixed percentage or in US currency at the LIBOR rate plus a fixed percentage. At June 30, 2003, the Fund had bankers' acceptances in the amount of \$1.9 million and a US dollar loan in the amount of Cdn \$3.3 million outstanding under this facility. On May 29, 2003, the Fund borrowed US \$13.0 million under the Term Credit Facility, which represents Cdn \$17.7 million at June 30, 2003, at a fixed rate of interest of 3.89% for a five year period. At June 30, 2003, borrowings in US dollars had an unrealized foreign exchange gain of \$198,080. The credit facilities are secured by a first-ranking and exclusive charge on all of the Fund's assets.

Costs incurred to establish the credit facilities and renewal fees are deferred and amortized over the term of the facilities. For the three and six months ended June 30, 2003, the Fund has recorded amortization of these costs in the amounts of \$7,557 (2002 - \$24,996) and \$26,374 (2002 - \$30,319), respectively.

The credit facilities are used by the Fund for the purchase of additional investments and for general Fund purposes.

BROMPTON  INCOME FUND

We are pleased to announce the unaudited financial results of Brompton MVP Income Fund (“MVP” or the “Fund”) for the three and six months ended June 30, 2003. MVP commenced operations on July 17, 2002 and accordingly there are no comparative figures.

Highlights of the second quarter included:

- the Fund increased its distributions to unitholders for the second time since its inception;
- the net asset value per unit of the Fund increased by 8.3% during the quarter; and
- the Fund fixed the interest rate on US \$10.5 million of its credit facilities at 2.78% for 2 years.

Portfolio

The Fund remained fully invested to date in 2003 and was able to capitalize on the strong markets for both income funds and high yield debt. MVP’s principal focus is on investing in business funds, which has been the strongest performing sector of the portfolio, representing virtually all of the Fund’s unrealized gains. The portfolio remains well diversified comprising 32 income funds, 48 fixed income investments and 4 equity investments as of June 30, 2003.

Financial

In October, 2002, the Fund hedged its US dollar exposure associated with the market value of its fixed income holdings using currency futures contracts. In May 2003, the Fund closed out all of its currency futures contracts and continued its hedging program by borrowing in US dollars, an amount that approximates the Fund’s holdings in US dollar investments. As a result of these hedging programs, the Fund has been insulated from the 18.6% depreciation of the US dollar relative to the Canadian dollar since October 2002.

Year-to-date distributions from income funds amounted to \$3.9 million, of which \$3.0 million was contributed from business funds. Interest income for the six months added a further \$0.9 million, bringing the Fund’s total income to \$4.8 million which after expenses of \$1.1 million resulted in net investment income of \$3.7 million. Unrealized and realized gains brought the year-to-date results of operations to \$11.6 million or \$1.43 per unit.

Management fees, service fees paid to investment dealers and general and administrative costs totalled \$0.7 million during the first half of 2003, which when annualized represents a management expense ratio of 1.64% based on net asset value and 1.28% based on total assets.

During the second quarter, the Fund renegotiated its credit facility to include both a 364-day revolving term credit facility and a two-year US dollar non-revolving, term credit facility with a fixed interest rate. As a result, the Fund has reduced a significant portion of its exposure to rising interest rates for the next two years with an attractive interest rate of 2.78% and, at the same time, hedged its exposure to fluctuations in foreign exchange rates on its US dollar securities. MVP had Cdn \$22.1 million outstanding under its credit facilities at the end of the quarter

Units of MVP are redeemable annually by unitholders on June 30. On June 30, 2003, 774,646 units were redeemed at a price of \$10.5664 per unit. Unitholders who held units since the initial public offering in July 2002 would have received total distributions of \$0.75832 per unit in addition to the redemption price. This represents a pre-tax total return of \$1.32472 or 13.2% on the \$10 issue price.

Monthly Distributions

During the second quarter, the Fund increased its monthly cash distribution to \$0.07708 per unit or \$0.925 per annum. Commencing with the distribution paid on August 15, 2003 to unitholders of record on July 31, 2003, the Fund increased the monthly cash distribution a second time to \$0.07917 per unit or \$0.95 per annum. Total distributions for the six months ended June 30, 2003 were \$0.45832.

The breakdown of the 2002 annual distributions for tax purposes was made available to unitholders in early March, 2003 and was also posted on the MVP website at www.bromptongroup.com. For the year ended December 31, 2002, approximately 44% of the distributions represented return of capital which reduced the adjusted cost base of the units. Income tax on this portion of the distributions is deferred until the unit is sold at which time it is taxed at the capital gains rate. It is estimated that gains realized through MVP’s successful foreign exchange hedging program will reduce the return of capital portion of the distributions in 2003 but such gains will be taxable at favourable capital gains rates. Based on the current portfolio and the income tax characterizations of distributions from such investments in 2002, the Fund would have a return of capital of about 15% for 2003.

Summary

The income funds market continues to expand and has a current market capitalization in excess of \$50 billion. Since the beginning of the year, there have been 14 initial public offerings for proceeds of \$2.8 billion, 7 conversions of companies into trusts which were valued at \$5.3 billion at the time of the conversion and secondary offerings by trusts in the amount of \$4.4 billion. This growth has given MVP a much wider universe of attractive issuers, industries and yields from which to select.

Respectfully submitted on behalf of the Board,

(signed)

Raymond R. Pether
Chief Executive Officer
Brompton MVP Management Limited
August 25, 2003

(signed)

Mark A. Caranci
Chief Financial Officer
Brompton MVP Management Limited

This quarterly report contains forward-looking information. The Fund is not obligated to update or revise forward-looking information. Actual results may differ materially. The risks, uncertainties and other factors that could influence actual results are described in the Fund’s prospectus and other documents filed with regulatory authorities.

Fund Manager

Brompton MVP Management Limited, a member of the Brompton Group of Companies, is the Manager of the Fund. The Brompton Group is a financial services organization that specializes in asset management, merchant banking and securities and advisory services. For more information, please visit the website at www.bromptongroup.com

Portfolio Manager

MFC Global Investment Management ("MFC"), a division of Elliott & Page Limited, is the portfolio manager of the Fund and is responsible for the investment of the Fund's assets. MFC is a member of the Manulife Financial group of companies.

Reinvestment Plan

MVP's Reinvestment Plan allows unitholders who elect to do so to automatically reinvest monthly distributions in additional units of the Fund. This provides unitholders with an excellent opportunity to benefit from compounding by investing distributions at the high reinvestment rate offered by the Fund. The Reinvestment Plan also allows plan participants to purchase additional units for cash, to a maximum investment of \$20,000 per calendar year per plan participant. In certain circumstances, units acquired pursuant to the Reinvestment Plan may be at a price below the then prevailing market price for the units. To enrol in the plan, please contact your investment advisor.

Investment Highlights

	June 30, 2003	Mar 31, 2003	Dec 31, 2002	Sept 30, 2002
Net asset value per unit	\$ 10.49	\$ 9.69	\$ 9.50	\$ 9.66
Quarterly distributions per unit	\$ 0.23124	\$ 0.22708	\$ 0.225	\$ 0.075
Market price per unit	\$ 9.96	\$ 9.70	\$ 9.20	\$ 9.95
Total assets (millions)	\$ 105.9	\$ 105.2	\$ 98.8	\$ 84.2

Statement of Net Assets (Unaudited)

	June 30, 2003	Dec 31, 2002
Assets		
Investments, at market value (cost 2003 - \$98,364,393; 2002 - \$95,265,939)	\$ 104,395,140	\$ 96,154,343
Cash and short-term investments	307,458	1,204,289
Distributions and interest receivable	1,114,988	1,208,498
Variation margin receivable on futures contracts	–	182,562
Deferred financing costs (note 8)	36,831	30,159
Total assets	105,854,417	98,779,851
Liabilities		
Accounts payable and accrued liabilities	273,189	463,559
Distributions payable to unitholders (note 4)	549,591	614,278
Redemptions payable to unitholders (note 3)	8,185,219	–
Loans payable (note 8)	22,056,002	19,928,557
Total liabilities	31,064,001	21,006,394
Net assets representing unitholders' equity	\$ 74,790,416	\$ 77,773,457
Units outstanding (note 3)	7,130,139	8,190,379
Net asset value per unit	\$ 10.49	\$ 9.50

The accompanying notes are an integral part of these financial statements.

Statement of Operations (Unaudited)

	Three months ended June 30, 2003	Six months ended June 30, 2003
Income		
Distributions from income funds	\$ 1,968,041	\$ 3,873,914
Interest income	438,745	896,194
	2,406,786	4,770,108
Expenses		
Management fee (note 5)	185,568	366,450
Service fee (note 5)	83,672	162,676
General and administrative	61,508	122,260
Interest and bank charges (note 8)	195,709	423,436
	526,457	1,074,822
Net investment income	1,880,329	3,695,286
Net realized gain on sale of investments and futures contracts (notes 6 & 7)	929,324	1,979,050
Net change in unrealized gain on investments and futures contracts (note 7)	4,833,514	5,402,282
Net change in unrealized gain on loans payable (note 8)	533,535	533,535
Results of operations	\$ 8,176,702	\$ 11,610,153
Results of operations per unit ⁽¹⁾		
Net investment income	\$ 0.24	\$ 0.46
Net realized gain on sale of investments and futures contracts	0.11	0.24
Net change in unrealized gain on investments and futures contracts	0.60	0.67
Net change in unrealized gain on loans payable	0.06	0.06
	\$ 1.01	\$ 1.43

(1) Based on the weighted average number of units outstanding for the period (note 3).

Statement of Changes in Net Assets (Unaudited)

	Three months ended June 30, 2003	Six months ended June 30, 2003
Net assets – beginning of period	\$ 78,861,676	\$ 77,773,457
Operations:		
Net investment income	1,880,329	3,695,286
Net realized gain on sale of investments and futures contracts (notes 6 & 7)	929,324	1,979,050
Net change in unrealized gain on investments and futures contracts (note 7)	4,833,514	5,402,282
Net change in unrealized gain on loans payable (note 8)	533,535	533,535
	8,176,702	11,610,153
Unitholder Transactions:		
Proceeds from issuance of units, net	53,587	53,587
Distributions to unitholders (note 4)	(1,791,818)	(3,642,696)
Proceeds from distribution reinvestment plan (note 4)	30,968	84,469
Repurchase of units (note 3)	(2,355,480)	(2,903,335)
Redemption of units (note 3)	(8,185,219)	(8,185,219)
	(12,247,962)	(14,593,194)
Net decrease in net assets	(4,071,260)	(2,983,041)
Net assets – end of period	\$ 74,790,416	\$ 74,790,416
Distributions per unit	\$ 0.23124	\$ 0.45832

The accompanying notes are an integral part of these financial statements.

Statement of Investments (Unaudited)

As at June 30, 2003

		Cost	Market Value	% of Portfolio
Par Value (\$)	Fixed Income Investments			
US 600,000	Allied Waste Industries, Inc. 9.25%, due May 01, 2021	\$ 907,331	\$ 889,642	
US 500,000	D.R. Horton, Inc. 8.5%, due April 15, 2012	771,113	760,901	
US 500,000	Park Place Entertainment Corporation 9.375%, due February 15, 2007	817,340	749,012	
US 475,000	Labranche & Co Inc. 12%, due March 2, 2007	816,715	735,764	
US 445,000	Western Financial Bank 9.625%, due May 15, 2012	676,011	653,016	
US 400,000	Rite Aid Corporation 12.50%, due September 15, 2006	630,410	608,720	
US 400,000	CP Ships Limited 10.375%, due July 15, 2012	668,556	606,682	
US 400,000	Echostar Broadband Corporation 10.375%, due October 1, 2007	651,359	601,927	
US 400,000	Flextronics International Ltd. 9.875%, due July 1, 2010	652,874	595,133	
US 400,000	United Rentals Inc. 10.75%, due April 15, 2008	620,672	589,698	
US 400,000	United Surgical Partners Holdings, Inc. 10%, due December 15, 2011	656,107	586,980	
US 400,000	Intravest Corporation 9.75%, due August 15, 2008	636,279	567,958	
CDN 470,000	BC Telecom Inc. 9.65%, due April 8, 2022	508,188	566,780	
US 407,900	Alderwoods Group Inc. 11%, due January 2, 2007	647,272	562,548	
US 400,000	Century Aluminum Co. 11.75%, due April 15, 2008	612,539	554,370	
US 350,000	Columbia/HCA Healthcare Corporation 8.36%, due April 15, 2024	567,513	533,743	
CDN 500,000	Rogers Communications Inc. 9.65%, due January 15, 2014	460,681	531,658	
US 400,000	Revlon Consumer Products Corporation 12%, due December 1, 2005	623,268	529,913	
US 375,000	CITGO Petroleum Corporation 7.875%, due May 15, 2006	535,351	514,627	
US 375,000	Tembec Industries Inc. 8.5%, due February 1, 2011	596,039	508,258	
US 300,000	Avis Group Holdings, Inc. 11%, due May 1, 2009	474,347	455,521	
US 300,000	Biovail Corporation 7.875%, due April 1, 2010	452,269	432,083	
US 300,000	Nextel Communications Inc. 9.95%, due February 15, 2008	448,929	426,478	
US 300,000	Rogers Cantel Inc. 8.3%, due October 1, 2007	318,566	418,325	
US 300,000	Georgia Pacific Corp. 8.125%, due May 15, 2011	447,583	417,816	
US 300,000	Lyondell Chemical Company 11.125%, due July 15, 2012	453,006	413,740	
US 250,000	Western Oil Sands Inc. 8.375%, due May 1, 2012	390,593	378,752	
US 250,000	Owens Brockway Glass Container Inc. 8.75%, due November 15, 2012	377,707	369,410	
US 250,000	Ingram Micro Inc. 9.875%, due August 15, 2008	395,591	366,863	
US 350,000	Healthsouth Corporation 7.375%, due October 1, 2006	486,765	361,428	
US 250,000	Amkor Technology Inc. 9.25%, due February 15, 2008	384,156	354,974	
US 250,000	Iron Mountain Inc. 7.75%, due January 15, 2015	378,898	354,974	
US 225,000	Foot Locker Inc. 8.5%, due January 15, 2022	327,192	318,330	
CDN 325,000	Russel Metals Inc. 8%, due June 15, 2006	298,188	312,000	
US 250,000	Bally Total Fitness Holding Corp. 9.875%, due October 15, 2007	364,956	309,965	
US 245,000	Armco Inc. 9%, due September 15, 2007	371,326	292,947	
US 200,000	IPC Acquisition Corp. 11.5%, due December 15, 2009	275,918	288,055	
US 200,000	Insight Health Services Corp. 9.875%, due November 1, 2011	304,044	285,338	
US 175,000	Regal Cinemas Corporation 9.375%, due February 1, 2012	290,920	262,154	
US 175,000	Carmike Cinemas, Inc. 10.375%, due February 1, 2009	252,496	249,670	
US 175,000	World Color Press Inc. 8.375%, due November 15, 2008	274,822	249,262	
US 150,000	The Hockey Company 11.25%, due April 15, 2009	229,038	223,175	
US 125,000	Triton PCS Holdings Inc. 8.75%, due November 15, 2011	158,868	169,419	
CDN 200,000	Calpine Canada Energy Finance ULC 8.75%, due October 15, 2007	129,250	151,000	
US 100,000	Iron Mountain Inc. 8.625%, due April 1, 2013	163,273	145,047	
US 100,000	Guitar Center Management Co Inc. 11%, due July 1, 2006	156,807	139,272	
US 200,000	Finova Group Inc. 7.5%, due November 15, 2009	108,017	116,853	
US 25,000	Teekay Shipping Corporation 8.32%, due February 1, 2008	37,364	36,134	
		21,806,507	20,546,315	19.7%
No. of Units	Business Funds			
433,140	Davis + Henderson Income Fund	4,954,984	6,497,100	
236,000	Energy Savings Income Fund	3,215,597	5,621,520	
405,000	Atlas Cold Storage Income Trust	4,639,322	5,147,550	
298,200	Clearwater Seafoods Income Fund	2,990,478	3,682,770	
274,900	BFI Canada Income Fund	3,045,395	3,554,457	
145,000	North West Company Fund	2,806,411	3,401,700	
223,000	Chemtrade Logistics Income Fund	3,161,934	3,378,450	
235,000	Heating Oil Partners Income Fund	2,900,373	3,031,500	
265,000	TimberWest Forest Corp.	3,412,100	2,994,500	
250,000	Gateway Casinos Income Fund	2,514,260	2,962,500	
127,500	Superior Plus Income Fund	2,444,272	2,741,250	
180,000	Connors Bros. Income Fund	2,343,825	2,664,000	
255,400	Boston Pizza Royalties Income Fund	2,613,962	2,630,620	
200,000	Consumers' Waterheater Income Fund	2,180,000	2,376,000	
264,388	SFK Pulp Fund	2,771,476	2,072,802	
200,000	Specialty Foods Group Income Fund	2,004,000	2,056,000	
249,322	Sun Gro Horticulture Income Fund	2,644,497	2,022,001	
185,100	The Keg Royalties Income Fund	1,807,002	1,654,794	
115,000	Livingston International Income Fund	1,367,301	1,610,000	
107,000	Sleep Country Canada Income Fund	1,072,250	1,155,600	
40,000	Menu Foods Income Fund	542,753	576,000	
		55,432,192	61,831,114	59.2%
No. of Units	Real Estate Investment Trusts			
260,000	RioCan REIT	3,200,121	3,666,000	
111,900	Summit REIT	1,746,886	1,823,970	
189,000	InnVest REIT	1,861,911	1,719,900	
111,500	Northern Property REIT	1,349,530	1,515,285	
		8,158,448	8,725,155	8.4%
No. of Units	Oil & Gas Funds			
151,250	Shiningbank Energy Income Fund	2,393,300	2,507,725	
55,000	Canadian Oil Sands Trust	2,087,324	1,921,150	
124,413	ARC Energy Trust	1,503,936	1,555,162	
20,000	Enplus Resources Income Fund	580,917	625,600	
47,000	Focus Energy Trust	568,700	568,230	
		7,134,177	7,177,867	6.9%
No. of Units	Power and Pipeline Funds			
163,000	Pembina Pipeline Income Fund	1,850,839	1,941,330	
155,000	Algonquin Power Income Fund	1,513,527	1,439,950	
		3,364,366	3,381,280	3.2%
No. of Shares	Equity Investments			
24,000	Power Financial Corporation	888,874	1,050,000	
20,000	BCE Inc.	597,992	621,200	
104,300	Russel Metals Inc.	493,341	587,209	
20,000	TransCanada Corporation	488,496	475,000	
		2,468,703	2,733,409	2.6%
Total		\$ 98,364,393	\$ 104,395,140	100.0%

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements June 30, 2003

1. Operations

Brompton MVP Income Fund (the "Fund") is a closed-end investment trust created under the laws of the Province of Ontario on May 22, 2002 pursuant to an amended and restated declaration of trust dated June 25, 2002. Computershare Trust Company of Canada is the Trustee and Brompton MVP Management Limited (the "Manager") is responsible for managing the affairs of the Fund. MFC Global Investment Management, a division of Elliott & Page Limited, provides the portfolio management for the Fund. The Fund was listed on the Toronto Stock Exchange and effectively commenced operations on July 17, 2002 when it issued 7,500,000 units at \$10.00 per unit through an initial public offering. An additional 500,000 and 200,000 units at \$10.00 per unit were issued on July 29, 2002 and August 12, 2002, respectively, through the exercise of the over-allotment option.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and should be read in conjunction with the most recent audited financial statements at December 31, 2002. The significant accounting policies used in preparing these unaudited interim financial statements are consistent with those used in preparing the audited annual financial statements.

3. Units of the Fund

The Fund is authorized to issue an unlimited number of transferable, redeemable units of beneficial interest, each of which represents an equal, undivided interest in the net assets of the Fund. Each unit entitles the holder to one vote and to participate equally with respect to any and all distributions made by the Fund. Units may be surrendered for redemption at any time during June of any year, but at least five business days prior to June 30. Redemption of surrendered units will be effected on June 30 of each year and will be settled on or before the tenth business day following such effective date. On June 30, 2003, 774,646 units were redeemed.

The Fund received approval from The Toronto Stock Exchange to undertake a normal course issuer bid program for the period from November 5, 2002 to November 4, 2003. Pursuant to the issuer bid, the Fund may purchase up to 781,000 of its units for cancellation when the net asset value per unit exceeds its trading price. During the three and six months ended June 30, 2003, 236,500 and 294,300 units, respectively, were purchased for cancellation.

The weighted average number of units outstanding for the six months ended June 30, 2003 was 8,100,286.

4. Distributions to Unitholders

Distributions, as declared by the Manager, are made on a monthly basis to unitholders of record on the last business day of each month. The distributions are payable no later than the tenth business day of the following month. For the three and six months ended June 30, 2003, the Fund declared total distributions of \$0.23124 and \$0.45832 per unit, respectively. Pursuant to the Fund's distribution reinvestment plan, unitholders may elect to reinvest monthly distributions in additional units of the Fund. For the three and six months ended June 30, 2003, a total of 3,196 and 8,706 units, respectively, were issued by the Fund pursuant to the reinvestment plan.

5. Management and Service Fees

Pursuant to a management agreement, the Manager provides management and administrative services to the Fund, for which it is paid a management fee equal to 0.85% per annum of the net asset value of the Fund plus applicable taxes. The Manager is responsible for paying fees to MFC Global Investment Management, the portfolio manager for the Fund. The Fund also pays to the Manager a service fee equal to 0.40% per annum of the net asset value of the Fund. The service fee is in turn paid by the Manager to investment dealers based on the proportionate number of units held by clients of such dealers at the end of each calendar quarter.

6. Investment Transactions

Investment transactions for the three and six months ended June 30, 2003 were as follows:

	Three months ended June 30, 2003	Six months ended June 30, 2003
Proceeds from sale of investments and futures contracts	\$ 10,247,108	\$ 20,912,689
Less cost of investments sold:		
Investments at cost – beginning of period	97,545,317	95,265,939
Investments purchased during the period	10,136,860	22,032,093
Investments at cost – end of period	(98,364,393)	(98,364,393)
Cost of investments sold during the period	9,317,784	18,933,639
Net realized gain on sale of investments and futures contracts	\$ 929,324	\$ 1,979,050

7. Futures Contracts

During the three and six months ended June 30, 2003, the Fund realized gains in the amount of \$961,224 and \$1,931,679, respectively, on futures contracts that were closed out. At June 30, 2003, no currency futures contracts were held by the Fund.

8. Loan Payable

Pursuant to an agreement with a Canadian chartered bank, the Fund maintains a 364-day revolving term credit facility and a two year non-revolving term credit facility ("Term Credit Facility"). The revolving term credit facility provides for maximum borrowings of Cdn \$9.5 million with borrowings in Canadian currency at either the prime rate of interest or the bankers' acceptance rate plus a fixed percentage or in US currency at the LIBOR rate plus a fixed percentage. At June 30, 2003, the Fund had bankers' acceptances in the amount of \$2.4 million, a loan at the prime rate of interest in the amount of \$0.5 million, and a US dollar loan in the amount of Cdn \$4.9 million outstanding under this facility. On May 7, 2003, the Fund borrowed US \$10.5 million under the Term Credit Facility, which represents Cdn \$14.3 million at June 30, 2003, at a fixed rate of interest of 2.78% for a two year period. At June 30, 2003, borrowings in US dollars had an unrealized foreign exchange gain of \$533,535. The credit facilities are secured by a first-ranking and exclusive charge on all of the Fund's assets.

Costs incurred to establish the credit facilities are deferred and amortized over the term of the facilities. For the three and six months ended June 30, 2003, the Fund has recorded amortization of these costs in the amounts of \$17,142 and \$36,669, respectively.

The credit facilities are used by the Fund for the purchase of additional investments and for general Fund purposes.

We are pleased to announce the unaudited financial results of Brompton Stable Income Fund (“Stable” or the “Fund”) for the three and six months ended June 30, 2003. Stable commenced operations on December 9, 2002 when it completed its initial public offering and accordingly, no comparative figures are presented.

Highlights of the second quarter included:

- the Fund increased its distributions to unitholders as a result of achieving better than targeted yields in its investment portfolio;
- the net asset value per unit increased by 8.1% during the quarter; and
- the Fund completed a successful follow-on offering of units on a basis that is accretive to the original unitholders.

Portfolio

As at June 30, 2003, Stable’s portfolio of high-income securities had a market value of \$100.2 million. The Fund maintains its Standard & Poor’s SR-1 stability rating by investing in a diversified portfolio of investment grade securities, power and pipeline funds and other income funds. As at June 30, 2003, power and pipeline funds represented 30.3% of the market value of the investment portfolio, business funds represented 25.5% and investment grade securities represented 19.5%.

Financial

Year-to-date income from investments totalled \$3.3 million which after expenses of \$0.8 million resulted in net investment income of \$2.5 million. Unrealized and realized gains on investments of \$6.4 million, brought the year-to-date results of operations to \$8.9 million or \$1.35 per unit. All asset classes contributed to the increase in gains on investments. Business funds contributed \$2.8 million, power and pipeline funds \$1.2 million, real estate investment trusts \$0.9 million, investment grade securities \$0.7 million and oil and gas funds \$0.8 million.

Stable completed a follow-on offering in April, 2003 that resulted in gross proceeds of \$35.0 million and net proceeds to the Fund of \$32.9 million. The offering was beneficial to all unitholders by adding to the market liquidity of the units of the Fund and by spreading fixed and general administration expenses over a greater number of units, thereby, reducing the management expense ratio (“MER”) of the Fund.

Stable had \$9.9 million outstanding under its credit facility at the end of the quarter.

Management fees, service fees paid to investment dealers and general and administrative costs totalled \$0.6 million during the first half of 2003, which when annualized represents an MER of 1.92% based on net asset value or 1.67% based on total assets.

Monthly Distributions

The Fund commenced paying its monthly distributions on February 14, 2003 to unitholders of record on January 31, 2003. During the second quarter, the Fund increased its monthly cash distribution to \$0.06458 per unit or \$0.775 per annum. Total distributions of \$0.37916 per unit were declared for the six months ended June 30, 2003.

Summary

The income funds market continues to expand and has a current market capitalization in excess of \$50 billion. Since the beginning of the year, there have been 14 initial public offerings for proceeds of \$2.8 billion, 7 conversions into trusts which were valued at \$5.3 billion at the time of conversion and secondary offerings by trusts in the amount of \$4.4 billion. This growth has given Stable a much wider universe of attractive issuers, industries and yields from which to select.

Respectfully submitted on behalf of the Board,

(signed)

Raymond R. Pether
 Chief Executive Officer
 Brompton SI Fund Management Limited
 August 25, 2003

(signed)

Mark A. Caranci
 Chief Financial Officer
 Brompton SI Fund Management Limited

This quarterly report contains forward-looking information. The Fund is not obligated to update or revise forward-looking information. Actual results may differ materially. The risks, uncertainties and other factors that could influence actual results are described in the Fund’s prospectus and other documents filed with regulatory authorities.

Fund Manager

Brompton SI Fund Management Limited, a member of the Brompton Group of Companies, is the Manager of the Fund. The Brompton Group is a financial services organization that specializes in asset management, merchant banking and securities and advisory services. For more information, please visit the website at www.bromptongroup.com.

Portfolio Manager

MFC Global Investment Management ("MFC"), a division of Elliott & Page Limited, is the portfolio manager of the Fund and is responsible for the investment of the Fund's assets. MFC is a member of the Manulife Financial group of companies.

Reinvestment Plan

Stable's Reinvestment Plan allows unitholders who elect to do so to automatically reinvest monthly distributions in additional units of the Fund. This provides unitholders with an excellent opportunity to benefit from compounding by investing distributions at the high reinvestment rate offered by the Fund. The Reinvestment Plan also allows plan participants to purchase additional units for cash, to a maximum investment of \$20,000 per calendar year per plan participant. In certain circumstances, units acquired pursuant to the Reinvestment Plan may be at a price below the then prevailing market price for the units. To enrol in the plan, please contact your investment advisor.

Investment Highlights

	June 30, 2003	Mar 31, 2003	Dec 31, 2002
Net asset value per unit	\$ 10.27	\$ 9.50	\$ 9.50
Quarterly distributions per unit	\$ 0.1917	\$ 0.1875	\$ -
Market price per unit	\$ 10.50	\$ 10.50	\$ 10.19
Total assets (millions)	\$ 103.0	\$ 60.4	\$ 60.1

Statement of Net Assets (Unaudited)

	June 30, 2003	Dec 31, 2002
Assets		
Investments, at market value (cost 2003 - \$93,558,559; 2002 - \$34,902,553)	\$ 100,235,834	\$ 35,514,561
Cash and short-term investments	1,829,272	24,198,808
Distributions and interest receivable	940,916	423,352
Deferred financing costs (note 7)	26,764	-
Total assets	103,032,786	60,136,721
Liabilities		
Accounts payable and accrued liabilities	362,740	655,577
Distributions payable to unitholders (note 4)	569,663	-
Amounts payable for investments purchased	1,675,750	-
Loan payable (note 7)	9,871,689	8,000,000
Total liabilities	12,479,842	8,655,577
Net assets representing unitholders' equity	\$ 90,552,944	\$ 51,481,144
Units outstanding (note 3)	8,821,044	5,420,000
Net asset value per unit	\$ 10.27	\$ 9.50

The accompanying notes are an integral part of these financial statements.

Statement of Operations (Unaudited)

	Three months ended June 30, 2003	Six months ended June 30, 2003
Income		
Distributions from income funds	\$ 1,606,350	\$ 2,714,743
Interest income	348,827	596,676
	1,955,177	3,311,419
Expenses		
Management fee <i>(note 5)</i>	196,413	328,013
Service fee <i>(note 5)</i>	90,752	142,318
General and administrative	64,547	141,477
Interest and bank charges <i>(note 7)</i>	94,733	176,893
	446,445	788,701
Net investment income	1,508,732	2,522,718
Net realized gain on sale of investments <i>(note 6)</i>	335,440	337,215
Net change in unrealized gain on investments	6,075,904	6,065,267
Results of operations	\$ 7,920,076	\$ 8,925,200
Results of operations per unit ⁽¹⁾		
Net investment income	\$ 0.19	\$ 0.38
Net realized gain on sale of investments	0.05	0.05
Net change in unrealized gain on investments	0.92	0.92
	\$ 1.16	\$ 1.35

(1) Based on the weighted average number of units outstanding for the period *(note 3)*.

Statement of Changes in Net Assets (Unaudited)

	Three months ended June 30, 2003	Six months ended June 30, 2003
Net assets – beginning of period	\$ 51,471,883	\$ 51,481,144
Operations:		
Net investment income	1,508,732	2,522,718
Net realized gain on sale of investments <i>(note 6)</i>	335,440	337,215
Net change in unrealized gain on investments	6,075,904	6,065,267
	7,920,076	8,925,200
Unitholder Transactions:		
Proceeds from issuance of units, net <i>(note 1)</i>	32,861,450	32,861,450
Distributions to unitholders <i>(note 4)</i>	(1,708,926)	(2,725,193)
Proceeds from distribution reinvestment plan <i>(note 4)</i>	8,461	10,343
	31,160,985	30,146,600
Net increase in net assets	39,081,061	39,071,800
Net assets – end of period	\$ 90,552,944	\$ 90,552,944
Distributions per unit	\$ 0.1917	\$ 0.3792

The accompanying notes are an integral part of these financial statements.

Statement of Investments (Unaudited)

As at June 30, 2003

		Cost	Market Value	% of Portfolio
Par Value (\$)	Investment Grade Securities			
1,212,000	Sears Canada Inc. 7.45%, due May 10, 2010	\$ 1,269,576	\$ 1,281,286	
953,676	Alliance Pipeline Limited Partnership 7.23%, due June 30, 2015	1,051,905	1,050,341	
660,000	Nova Gas Transmission Ltd 12.2%, due February 28, 2016	1,003,346	1,019,429	
881,000	Scotiabank Capital Trust 6.282%, due June 30, 2049	922,864	930,870	
670,000	Westcoast Energy Inc. 8.3%, due December 30, 2013	801,293	809,610	
557,000	Newfoundland Light & Power Inc. 10.125%, due June 15, 2022	730,971	764,186	
632,000	Falconbridge Limited 8.5%, due December 8, 2008	667,608	703,509	
500,000	Bell Canada 10%, due June 15, 2014	651,500	686,062	
500,000	Nova Scotia Power Inc. 8.85%, due May 19, 2025	590,650	610,318	
575,000	Investors Group Inc. 7%, due December 31, 2032	572,873	609,872	
550,000	BC Gas, Inc. 8%, due April 19, 2040	577,905	595,982	
450,000	BC Telecom Inc. 10.65%, due June 19, 2021	490,440	583,599	
500,000	Greater Toronto Airports Authority 6.25%, due December 13, 2012	512,750	516,719	
450,000	Westcoast Energy Inc. 7.3%, due December 18, 2026	469,440	485,475	
425,000	Renaissance Energy Ltd. 6.95%, due July 14, 2009	438,983	463,442	
429,000	Greater Toronto Airports Authority 6.98%, due October 15, 2032	427,541	438,320	
325,000	Nova Scotia Power Inc. 9.75%, due August 2, 2019	414,570	433,454	
365,000	Alberta Energy Company Ltd 7.3%, due September 2, 2014	397,688	416,744	
275,000	BC Telecom Inc. 11.9%, due November 22, 2015	308,082	384,743	
300,000	Westcoast Energy Inc. 8.85%, due July 21, 2025	350,948	376,436	
300,000	Maritime Telegraph and Telephone Limited 8.3%, due January 15, 2019	344,190	370,976	
300,000	AGT Limited 8.8%, due September 22, 2025	279,300	338,343	
300,000	Precision Drilling Corporation 7.65%, due October 27, 2010	321,480	335,559	
310,000	Westcoast Energy Inc. 7.15%, due March 20, 2031	300,040	330,176	
330,000	Cara Operations Limited 5.95%, due June 12, 2008	316,140	326,045	
225,000	Newfoundland Telephone Company Limited 10.75%, due June 12, 2014	298,013	316,818	
300,000	Sears Canada Inc. 7.05%, due September 20, 2010	295,500	309,261	
222,000	BC Gas Utility Ltd. 10.30%, due September 30, 2016	304,477	305,949	
200,000	TransCanada Pipelines Limited 11.9%, due August 20, 2015	289,960	303,081	
240,000	Molson Canada 8.4%, due December 7, 2018	289,032	300,325	
250,000	Union Gas Limited 7.9%, due February 24, 2014	280,200	293,626	
275,000	EPCOR Utilities Inc. 6.6%, due November 2, 2011	274,725	293,265	
300,000	TransCanada Pipelines Limited 6.28%, due May 26, 2028	263,190	287,960	
257,000	Finning Ltd. 7.4%, due June 19, 2008	277,329	285,347	
200,000	Canadian Tire Corporation, Limited 12.1%, due May 10, 2010	270,540	281,363	
235,000	Scotiabank Capital Trust 6.626%, due June 30, 2049	244,894	255,142	
200,000	Molson Canada 9.1%, due March 11, 2013	244,060	254,665	
195,000	Centra Gas Ontario Inc. 8.65%, due October 19, 2018	234,643	241,844	
195,000	Interprovincial Pipe Line Inc. 8.2%, due February 15, 2024	228,950	236,280	
250,000	Canadian Tire Corporation, Limited 6.25%, due April 13, 2028	213,575	234,163	
200,000	Enbridge Gas Distribution Inc. 6.9%, due November 15, 2032	203,340	210,858	
188,950	Alliance Pipeline Limited Partnership 7.181%, due June 30, 2023	198,643	207,512	
73,000	Gaz Metropolitan and Company L.P. 9%, due May 16, 2025	93,279	96,380	
		18,716,433	19,575,335	19.5%
No. of Units	Power and Pipeline Funds			
111,500	TransCanada Power, L.P.	3,579,835	3,791,000	
286,900	Pembina Pipeline Income Fund	3,165,964	3,416,979	
310,800	Algonquin Power Income Fund	2,844,046	2,887,332	
222,700	Northland Power Income Fund	2,442,383	2,549,915	
375,000	Inter Pipeline Fund	2,363,250	2,415,000	
150,000	Great Lakes Hydro Income Fund	2,259,500	2,391,000	
263,000	Fort Chicago Energy Partners, L.P.	2,206,450	2,353,850	
240,000	TransAlta Power, L.P.	2,258,140	2,256,000	
190,600	Boralex Power Income Fund	1,942,685	1,934,590	
98,000	Gaz Metropolitan and Company L.P.	1,868,401	1,916,880	
150,000	Enbridge Income Fund	1,500,000	1,627,500	
150,000	Innergex Power Income Fund	1,500,000	1,530,000	
127,000	Calpine Power Income Fund	1,159,000	1,308,100	
		29,089,654	30,378,146	30.3%
No. of Units	Business Funds			
184,700	Energy Savings Income Fund	2,770,123	4,399,554	
250,500	Davis + Henderson Income Fund	3,244,448	3,757,500	
255,500	Consumers' Waterheater Income Fund	2,882,841	3,035,340	
222,000	BFI Canada Income Fund	2,677,613	2,870,460	
214,500	Bell Nordiq Income Fund	2,524,214	2,764,905	
195,000	Atlas Cold Storage Income Trust	2,209,542	2,478,450	
100,000	Superior Plus Income Fund	2,090,000	2,150,000	
80,000	Chemtrade Logistics Income Fund	1,099,600	1,212,000	
100,000	SFK Pulp Fund	1,011,000	784,000	
93,142	Sun Gro Horticulture Income Fund	975,895	755,382	
44,000	Menu Foods Income Fund	583,410	633,600	
43,000	Clearwater Seafoods Income Fund	455,800	531,050	
9,300	North West Company Fund	206,093	218,178	
		22,730,579	25,590,419	25.5%
No. of Units	Real Estate Investment Trusts			
305,000	RioCan REIT	3,990,525	4,300,500	
196,000	Summit REIT	2,942,720	3,194,800	
200,000	H&R REIT	2,773,150	3,022,000	
140,000	Canadian REIT	1,861,422	1,961,400	
109,000	Northern Property REIT	1,324,245	1,481,310	
108,000	InnVest REIT	974,534	982,800	
		13,866,596	14,942,810	15.0%
No. of Units	Oil & Gas Funds			
275,000	ARC Energy Trust	3,344,790	3,437,500	
112,000	Shiningbank Energy Income Fund	1,794,453	1,856,960	
53,433	Enerplus Resources Fund	1,478,351	1,671,384	
71,300	Advantage Energy Income Fund	925,630	1,155,060	
30,000	Canadian Oil Sands Trust	1,031,273	1,047,900	
48,000	Focus Energy Trust	580,800	580,320	
		9,155,297	9,749,124	9.7%
Total		\$ 93,558,559	\$ 100,235,834	100.0%

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements June 30, 2003**1. Operations**

Brompton Stable Income Fund (the "Fund") is a closed-end investment trust created under the laws of the Province of Ontario on October 1, 2002 pursuant to an amended and restated declaration of trust dated November 21, 2002. Computershare Trust Company of Canada is the Trustee and Brompton SI Fund Management Limited (the "Manager") is responsible for managing the affairs of the Fund. MFC Global Investment Management, a division of Elliott & Page Limited, provides the portfolio management for the Fund. The Fund was listed on the Toronto Stock Exchange and effectively commenced operations on December 9, 2002 when it issued 5,000,000 units at \$10.00 per unit through an initial public offering. An additional 420,000 units at \$10.00 per unit were issued on December 31, 2002 through the exercise of the over-allotment option. On April 30, 2003, the Fund completed a follow-on offering of 3,400,000 units at \$10.30 per unit.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and should be read in conjunction with the most recent audited financial statements at December 31, 2002. The significant accounting policies used in preparing these unaudited interim financial statements are consistent with those used in preparing the audited annual financial statements.

3. Units of the Fund

The Fund is authorized to issue an unlimited number of transferable, redeemable units of beneficial interest, each of which represents an equal, undivided interest in the net assets of the Fund. Each unit entitles the holder to one vote and to participate equally with respect to any and all distributions made by the Fund. Units may be surrendered for redemption at any time during March of any year commencing in 2004, but at least five business days prior to March 31. Redemption of surrendered units will be effected at net asset value on March 31 of each year and will be settled on or before the tenth business day following such effective date.

The Fund received approval from The Toronto Stock Exchange to undertake a normal course issuer bid program for the period from January 22, 2003 to January 21, 2004. Pursuant to the issuer bid, the Fund may purchase up to 505,000 of its units for cancellation when the net asset value per unit exceeds its trading price. During the three and six months ended June 30, 2003, no such units were purchased.

The weighted average number of units outstanding for the six months ended June 30, 2003 was 6,584,967.

4. Distributions Payable to Unitholders

Distributions, as declared by the Manager, are made on a monthly basis to unitholders of record on the last business day of each month. The distributions are payable no later than the tenth business day of the following month. For the three and six months ended June 30, 2003, the Fund declared total distributions of \$0.19166 and \$0.37916 per unit, respectively. Under the Fund's distribution reinvestment plan, unitholders may elect to reinvest monthly distributions in additional units of the Fund. For the three and six months ended June 30, 2003, a total of 851 and 1,044 units, respectively, were issued by the Fund pursuant to the reinvestment plan.

5. Management and Service Fees

Pursuant to a management agreement, the Manager provides management and administrative services to the Fund, for which it is paid a management fee equal to 0.95% per annum of the net asset value of the Fund plus applicable taxes. The Manager is responsible for paying fees to MFC Global Investment Management, the portfolio manager for the Fund. The Fund also pays to the Manager a service fee equal to 0.40% per annum of the net asset value of the Fund. The service fee is in turn paid by the Manager to investment dealers based on the proportionate number of units held by clients of such dealers at the end of each calendar quarter.

6. Investment Transactions

Investment transactions for the three and six months ended June 30, 2003 were as follows:

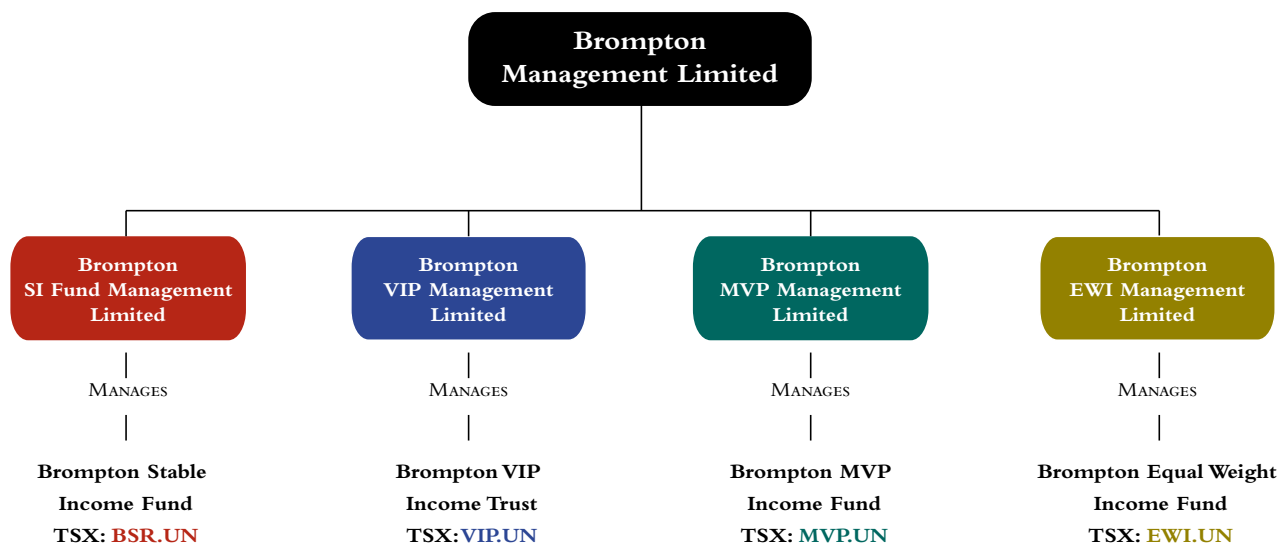
	Three months ended June 30, 2003	Six months ended June 30, 2003
Proceeds from sale of investments	\$ 2,490,708	\$ 4,503,652
Less cost of investments sold:		
Investments at cost – beginning of period	58,638,779	34,902,553
Investments purchased during the period	37,075,048	62,822,443
Investments at cost – end of period	(93,558,559)	(93,558,559)
Cost of investments sold during the period	2,155,268	4,166,437
Net realized gain on sale of investments	\$ 335,440	\$ 337,215

7. Loan Payable

Pursuant to an agreement with a Canadian chartered bank (the "Bank"), the Fund maintains a 364-day revolving term credit facility for up to a maximum amount of \$15.3 million of which bankers' acceptances in the amount of \$8.9 million and borrowings at the prime rate of interest in the amount of \$1.0 million were outstanding as at June 30, 2003. The credit facility is secured by a first-ranking and exclusive charge on all of the Fund's assets and is renewable annually at the option of the Fund with the approval of the Bank. The Fund has the option of borrowing at the prime rate of interest or at the bankers' acceptance rate plus a fixed percentage.

Costs incurred to establish the credit facility are deferred and amortized over the 364-day revolving term of the facility. For the three and six months ended June 30, 2003, the Fund has recorded amortization of these costs in the amounts of \$13,022 and \$21,024, respectively.

The credit facility is used by the Fund for the purchase of additional investments and for general Fund purposes.



Board of Directors

Aubrey W. Baillie, BA, MBA, CA ^{1,5}

Peter A. Braaten, BA, MBA ^{1,2,3,4,5}

James W. Davie, B.Comm, MBA ^{1,2,3,4}

Donald L. Lenz, BSc ^{4,5}

Donald W.C. Lillie, BA, MBA ⁵

P. Michael Nedham, BSc, MBA, CBV ^{3,5}

Raymond R. Pether, BA, MBA ⁵

Arthur R.A. Scace, QC, BA, MA, LLB LLD ^{1,2,3,4}

Peter L. Wallace, BA, MBA ^{2,5}

Ken S. Woolner, BSc, P.Eng. ^{1,2,3,4}

Officers

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Craig T. Kikuchi, Controller

Donald W.C. Lillie, President

Moyra E. MacKay, Vice President and Secretary

Raymond R. Pether, Chief Executive Officer

David E. Roode, Vice President

Continuous Disclosure Manager

Contact: Donald W. C. Lillie

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Trustee

Computershare Trust Company of Canada

Custodian

The Royal Trust Company

Auditors

PricewaterhouseCoopers LLP

Bankers

Bank of Nova Scotia

Canadian Imperial Bank of Commerce

Royal Bank of Canada

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³Director, Brompton VIP Income Trust

⁴Director, Brompton Equal Weight Income Fund

⁵Director, Brompton Management Limited