

We are pleased to announce the unaudited financial results of Brompton VIP Income Trust ("VIP" or the "Fund") for the quarter ended September 30, 2002.

Financial Highlights

As at September 30, 2002, VIP's portfolio of high-income securities had a market value of \$116.3 million. The Fund is well diversified having a total of 40 income funds and 31 fixed income investments at quarter end. The Fund's portfolio was comprised of business funds (45.3%), power and pipeline funds (6.5%), oil and gas funds (13.2%), real estate investment trusts (16.1%) and fixed income investments (18.9%). VIP had \$22.9 million outstanding under its bank credit facility at the end of the reporting period.

Year-to-date income totalled \$6.4 million and after expenses of \$1.3 million, net investment income was \$5.1 million. Unrealized gains net of realized losses on investments added another \$1.2 million to income, bringing results of operations for the year to \$6.3 million or \$0.64 per unit.

As at September 30, 2002, the market price of VIP's units was \$9.80 representing a 2.9% premium to its net asset value. Since commencement of operations of the Fund, VIP units have consistently traded at a premium to net asset value.

To reduce the risk of currency fluctuations associated with the Fund's US dollar investments, which primarily arises from the fixed income portfolio, a hedging program was initiated in October 2002. A significant portion of the Fund's US dollar exposure has been hedged through the use of currency futures, thereby minimizing fluctuations in net asset value resulting from currency revaluation.

Monthly Distributions

The Fund has made all of its monthly distributions at the targeted rate. During the third quarter, a monthly distribution of \$0.08125 per unit was declared for each of July, August and September. These distributions represent an annual rate of 9.75% based on the original issue price. The breakdown of the annual distributions for tax purposes will be sent to unitholders in the new year once the required information is received from issuers and will also be posted on the VIP website at www.bromptongroup.com.

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. Please contact your investment advisor to enrol in the plan.

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. Additional information is available on the VIP website at www.bromptongroup.com.

Outlook

The income funds market, and in particular the business funds sector, has grown substantially over the past year. During this period, 32 initial public offerings of income funds were completed raising approximately \$5 billion. The market value of income funds now exceeds \$40 billion. This growth in the number of new participants has given VIP a much wider universe of issuers, industries and attractive yields from which to select.

Respectfully Submitted on Behalf of the Board,

Donald W.C. Lillie

President, Chief Executive Officer

Brompton VIP Management Limited

November 14, 2002

INVESTMENT PROFILE

Brompton VIP Income Trust is an investment income fund, formed to invest in a portfolio of high-income securities across a broad range of specialized vehicles in various industries and geographic areas including business funds, power and pipeline funds, oil and gas funds, real estate investment trusts, high yield debt and other investments. The objectives of the Fund are:

- to provide unitholders with a high level of income through receipt of monthly distributions in a tax efficient manner initially targeted to yield approximately 0.8125% per month or 9.75% per annum based on the initial \$10.00 per unit offering price;
- to enhance performance by reducing the risk of investing in high-income investments through diversification, careful selection and active management of the Fund's assets; and
- to preserve the net asset value of the Fund.

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"), formerly called Elliott & Page, 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.

 MFC Global
Investment Management A member of the  Manulife Financial Group of companies

This news release contains 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.

Investment Highlights

	Sept. 30, 2002	June 30, 2002	March 31, 2002	Feb. 19, 2002*
Net asset value per unit	\$ 9.52	\$ 9.59	\$ 9.49	\$ 9.38
Quarterly distributions per unit	\$ 0.24375	\$ 0.24375	\$ —	\$ —
Market price per unit	\$ 9.80	\$ 10.10	\$ 10.30	\$ 10.00
Trading premium	2.9%	5.3%	8.5%	6.6%
Total assets (millions)	\$ 118.6	\$ 118.7	\$ 103.8	\$ 90.7

* date of commencement of operations

BROMPTON VIP INCOME TRUST

Statement of Net Assets

(Unaudited)

As at September 30, 2002

Assets

Investments, at market value (cost - \$113,588,266)	\$ 116,297,109
Cash and short-term investments	283,888
Distributions and interest receivable	1,617,083
Amounts receivable for investments sold	351,255
Deferred financing costs (note 7)	44,449
Total assets	118,593,784

Liabilities

Accounts payable and accrued liabilities	247,199
Amounts payable for investments purchased	366,893
Distributions payable to unitholders (note 4)	804,094
Loans payable (note 7)	22,931,168
Total liabilities	24,349,354

Net assets representing unitholders' equity \$ **94,244,430**

Units outstanding (note 3) **9,896,540**

Net asset value per unit \$ **9.52**

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

BROMPTON VIP INCOME TRUST

Statement of Operations

(Unaudited)

	3 months ended September 30, 2002	For the period from February 19, 2002 (date of commencement of operations) to September 30, 2002
Income		
Distributions from income funds	\$ 2,443,443	\$ 4,962,926
Interest income	619,999	1,395,602
	3,063,442	6,358,528
Expenses		
Management fee (note 5)	211,060	518,610
Service fee (note 5)	94,410	231,658
General and administrative	65,507	159,494
Interest and bank charges (note 7)	267,613	380,722
	638,590	1,290,484
Net investment income	2,424,852	5,068,044
Net realized loss on sale of investments (note 6)	(878,251)	(1,492,215)
Net change in unrealized gain on investments	174,353	2,708,843
Results of operations	\$ 1,720,954	\$ 6,284,672
Results of operations per unit ⁽¹⁾		
Net investment income	\$ 0.24	\$ 0.51
Net realized loss on sale of investments	(0.09)	(0.15)
Net change in unrealized gain on investments	0.03	0.28
	\$ 0.18	\$ 0.64

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

Statement of Changes in Net Assets

(Unaudited)

	3 months ended September 30, 2002	For the period from February 19, 2002 (date of commencement of operations) to September 30, 2002
Net assets – beginning of period	\$ 94,778,241	\$ –
Operations:		
Net investment income	2,424,852	5,068,044
Net realized loss on sale of investments (note 6)	(878,251)	(1,492,215)
Net change in unrealized gain on investments	174,353	2,708,843
	1,720,954	6,284,672
Unitholder Transactions:		
Proceeds from issuance of units, net (note 3)	5,911	92,571,135
Distributions to unitholders (note 4)	(2,410,828)	(4,818,559)
Proceeds from distribution reinvestment plan (note 4)	150,152	207,182
	(2,254,765)	87,959,758
Net increase in net assets	533,811	94,244,430
Net assets – end of period	\$ 94,244,430	\$ 94,244,430
Distributions per unit	\$ 0.24	\$ 0.49

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

BROMPTON VIP INCOME TRUST

Statement of Investments (Unaudited)

As at September 30, 2002

		Cost	Market Value	% of Portfolio
Par Value (\$)	Fixed Income Investments			
US 750,000	Compagnie Generale de Geophysique 10.625%, due November 15, 2007	\$ 1,252,598	\$ 1,117,989	
US 700,000	Pierce Leahy Command Company 8.125%, due May 15, 2008	1,084,604	1,110,060	
US 660,000	Lear Corporation 8.11%, due May 15, 2009	1,089,066	1,083,260	
US 600,000	Labranche & Co Inc. 12%, due March 2, 2007	1,111,590	1,037,113	
US 650,000	Allied Waste North America, Inc. 8.875%, due April 1, 2008	1,053,398	1,005,001	
US 650,000	Biovail Corporation 7.875%, due April 1, 2010	1,017,968	989,539	
US 600,000	Western Financial Bank 9.625%, due May 15, 2012	937,937	918,178	
US 500,000	MGM Grand Inc. 9.75%, due June 1, 2007	860,922	852,368	
US 500,000	Radiologix Inc. 10.5%, due December 15, 2008	804,618	832,545	
US 600,000	IPC Acquisition Corp. 11.5%, due December 15, 2009	956,111	808,758	
US 500,000	Tembec Industries Inc. 8.5%, due February 1, 2011	786,739	804,794	
US 600,000	United Rentals Inc. 9.25%, due January 15, 2009	977,100	780,214	
US 500,000	Century Aluminum Co. 11.75%, due April 15, 2008	837,720	769,113	
US 485,000	Insight Health Services Corp. 9.875%, due November 1, 2011	801,265	749,885	
US 500,000	Cinemark USA Inc. 9.625%, due August 1, 2008	772,772	749,291	
US 650,000	Rogers Wireless Communications Inc. 9.625%, due May 1, 2011	1,058,930	729,270	
US 435,000	L-3 Communications Corp. 8.5%, due May 15, 2008	722,995	713,967	
US 500,000	Revlon Consumer Products Corporation 12%, due December 1, 2005	775,226	713,610	
US 410,000	Intrawest Corporation 10.5%, due February 2, 2010	663,994	663,180	
US 400,000	United Surgical Partners Holdings, Inc. 10%, due December 15, 2011	640,464	656,521	
US 400,000	Park Place Entertainment Corporation 8.125%, due May 15, 2011	644,097	655,018	
US 400,000	Flextronics International Ltd. 9.875%, due July 1, 2010	666,437	643,835	
US 600,000	Charter Communications Holdings, LLC 10.75%, due October 1, 2009	972,448	632,734	
CDN 650,000	Rogers Communications Inc. 8.75%, due July 15, 2007	643,500	537,902	
US 300,000	Station Casinos Inc. 8.875%, due December 1, 2008	490,090	488,823	
US 500,000	Edison Mission Energy 10%, due August 15, 2008	610,252	376,628	
CDN 800,000	Calpine Canada Energy Finance ULC 8.75%, due October 15, 2007	635,000	364,000	
CDN 355,000	Telus Corporation 7.5%, due June 1, 2006	303,525	303,525	
US 300,000	Amkor Technology Inc. 9.25%, due February 15, 2008	460,069	302,095	
US 200,000	Buckeye Cellulose Corp. 8.5%, due December 15, 2005	266,318	274,343	
US 150,000	Avis Group Holdings, Inc. 11%, due May 1, 2009	239,067	254,521	
		\$ 24,136,820	\$ 21,918,080	18.9%
No. of Units	Business Funds			
508,126	Davis + Henderson Income Fund	\$ 5,358,522	\$ 6,148,325	
325,000	Connors Bros. Income Fund	3,850,500	4,273,750	
355,000	Sun Gro Horticulture Income Fund	3,575,270	3,816,250	
316,800	Atlas Cold Storage Income Trust	3,475,972	3,706,560	
308,200	BFI Canada Income Fund	3,078,803	3,590,530	
241,360	Chemtrade Logistics Income Fund	3,359,139	3,504,547	
304,455	Livingston International Income Fund	3,287,589	3,452,520	
163,000	Energy Savings Income Fund	2,010,875	2,705,800	
211,300	TimberWest Forest Corp.	2,820,477	2,641,250	
205,000	Advanced Fiber Technologies (AFT) Income Fund	2,085,450	2,162,750	
196,000	The Keg Royalties Income Fund	1,955,700	1,950,200	
168,000	SFK Pulp Fund	1,756,132	1,858,080	
90,500	North West Company Fund	1,715,445	1,815,430	
80,000	Superior Propane Income Fund	1,515,200	1,589,600	
110,200	Menu Foods Income Fund	1,153,588	1,559,330	
276,887	Westshore Terminals Income Fund	1,722,935	1,509,034	
140,000	Clearwater Seafoods Income Fund	1,402,028	1,436,400	
125,000	IAT Air Cargo Facilities Income Fund	1,381,250	1,350,000	
112,000	A&W Revenue Royalties Income Fund	1,260,005	1,277,920	
125,000	Versacold Income Fund	1,085,000	1,041,250	
80,000	Boston Pizza Royalties Income Fund	818,340	840,000	
50,000	Contrans Income Fund	475,000	484,500	
		\$ 49,143,220	\$ 52,714,026	45.3%
No. of Units	Real Estate Investment Trusts			
363,400	RioCan REIT	\$ 4,507,435	\$ 4,687,860	
268,225	H&R REIT	3,754,518	3,768,561	
147,400	Summit REIT	2,232,334	2,325,972	
168,000	O&Y REIT	1,836,341	1,794,240	
137,500	Northern Property Real Estate Investment Trust	1,415,423	1,663,750	
157,337	Morguard REIT	1,410,193	1,353,098	
94,840	Retirement Residences Real Estate Investment Trust	1,205,560	1,194,984	
115,000	InnVest Real Estate Investment Trust	1,150,000	1,147,700	
90,000	Canadian Hotel Income Properties REIT	831,691	841,500	
		\$ 18,343,495	\$ 18,777,665	16.1%
No. of Units	Oil & Gas Funds			
227,518	ARC Energy Trust	\$ 2,923,736	\$ 2,912,230	
220,400	Advantage Energy Income Fund	2,315,563	2,860,792	
350,000	Viking Energy Royalty Trust	2,525,425	2,688,000	
94,113	ENERPLUS RESOURCES FUND	2,412,356	2,682,221	
223,569	Provident Energy Trust	2,196,686	2,414,545	
49,817	Canadian Oil Sands Trust	2,181,640	1,788,430	
		\$ 14,555,406	\$ 15,346,218	13.2%
No. of Units	Power and Pipeline Funds			
325,000	Pembina Pipeline Income Fund	\$ 3,722,532	\$ 3,786,250	
236,000	Algonquin Power Income Fund	2,280,880	2,341,120	
43,500	TransCanada Power L.P.	1,405,913	1,413,750	
		\$ 7,409,325	\$ 7,541,120	6.5%
	Total	\$ 113,588,266	\$ 116,297,109	100.0%

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

BROMPTON VIP INCOME TRUST

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2002 (Unaudited)

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 (formerly called 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 they include estimates and assumptions made by management that affect the reported amounts of assets and liabilities at the date of these financial statements and the reported amounts of income and expenses during the period. Actual results could differ from these estimates.

a) Valuation of Investments

The Fund’s investments are presented at market value. Investments that are publicly traded are valued at their closing price. If a closing price is not available these investments are valued using an average of the latest bid and ask prices. Short-term investments are valued at cost which, when taken together with accrued interest income thereon, approximates their market value.

b) Investment Transactions and Income Recognition

Investment transactions are recorded on trade date and any realized gains or losses are recognized using the average cost of the investments. Interest income is recognized on an accrual basis. Distributions from income funds includes trusts and limited partnerships and are recognized on the ex-distribution date. Net realized gains (losses) on sale of investments includes net realized gains or losses from foreign currency changes.

c) Income Taxes

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). Provided the Fund makes distributions in each year of its net income and net realized capital gains, the Fund will not generally be liable for income tax. It is the intention of the Fund to distribute all of its net income and net realized capital gains on an annual basis. Accordingly, no income tax provision has been recorded.

d) Foreign Exchange

The market value of investments and other assets and liabilities that are denominated in foreign currencies are translated into Canadian dollars at the noon rate of exchange on each valuation date. Purchases and sales of investments, and income derived from investments, are translated at the rate of exchange prevailing on the respective dates of such transactions.

e) Fair Value of Financial Instruments

The fair value of the Fund’s financial instruments, which are composed of cash and short-term investments, distributions receivable, interest receivable, amounts receivable for investments sold, accounts payable and accrued liabilities, amounts payable for investments purchased, distributions payable to unitholders, and loans payable, approximate their carrying values due to their short-term nature.

3. Units of the Fund

Authorized

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.

Issued	2002	
	Number of Units	Amount
Units – beginning of period	–	\$ –
Initial public offering, net	9,600,000	89,972,385
Exercise of over-allotment option, net	275,000	2,598,750
Units issued under the distribution reinvestment plan <small>(note 4)</small>	21,540	207,182
Units – end of period	9,896,540	\$ 92,778,317

BROMPTON VIP INCOME TRUST
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2002 (Unaudited)

On February 19, 2002, the Fund completed its initial public offering of 9,600,000 units at a price of \$10.00 for proceeds, net of agent's fees and issuance costs, of \$89,972,385.

On March 19, 2002, the Fund completed the issuance of an additional 275,000 units at a price of \$10.00 for proceeds, net of agent's fees, of \$2,598,750. The issuance of these additional units was pursuant to the exercise of the over-allotment option granted to the agents in connection with the initial public offering.

The weighted average number of units outstanding from the date of commencement of operations on February 19, 2002 to September 30, 2002 was 9,846,816.

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. During the 3 months ended September 30, 2002, the Fund declared total distributions of \$0.24375 per unit and for the period from February 19, 2002 to September 30, 2002, total distributions of \$0.4875 per unit were declared. Under the Fund's distribution reinvestment plan ("Reinvestment Plan") unitholders may elect to reinvest monthly distributions in additional units of the Fund. During the 3 months ended September 30, 2002, a total of 15,649 units 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 (formerly Elliott & Page Limited), 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 quarter.

6. Investments

Investment transactions for the quarter ended and the period ended September 30, 2002 are as follows:

	3 months ended September 30, 2002	For the period from February 19, 2002 (date of commencement of operations) September 30, 2002
Proceeds from sale of investments	\$ 8,325,003	\$ 12,552,376
Less cost of investments sold:		
Investments at cost – beginning of period	113,878,289	–
Investments purchased during the period	8,913,231	127,632,857
Investments at cost – end of period	(113,588,266)	(113,588,266)
Cost of investments sold during the period	9,203,254	14,044,591
Net realized loss on sale of investments	\$ (878,251)	\$ (1,492,215)

7. Loans 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 \$25.0 million of which bankers' acceptances in the amount of \$23.0 million were outstanding as at September 30, 2002. 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 3 months ended September 30, 2002 and the period from February 19, 2002 to September 30, 2002, the Fund has recorded amortization of these costs in the amounts of \$33,096 and \$63,415, respectively.

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

CORPORATE INFORMATION

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Directors and Officers

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Peter A. Braaten – Director

Donald W. C. Lillie – President, CEO & Director

P. Michael Nedham – Director

Raymond R. Pether – Director

Peter L. Wallace – Chairman & Director

Ken S. Woolner – Director

Mark A. Caranci – Chief Financial Officer

Moyra E. MacKay – Vice President & Secretary

David E. Roode – Vice President

Continuous Disclosure Manager

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Stock Exchange Listing

The Toronto Stock Exchange

VIP.UN

Portfolio Manager

MFC Global Investment Management

Trustee

Computershare Trust Company of Canada

Custodian

The Royal Trust Company

Legal Counsel

Goodman & Carr LLP

Auditors

PricewaterhouseCoopers LLP

Bankers

Bank of Nova Scotia