

INVESTMENT MANAGER COMMENTARY - DECEMBER 31, 2015

As has been the theme throughout 2015, common equity income securities, in which our firm specializes, remained weaker than the broader market in the fourth quarter mainly driven by continued weakness in oil and natural gas securities. However, as a result of defensive measures taken over the past several months, Blue Ribbon Income Fund last quarter outperformed the S&P/TSX High Dividend Total Return Index and was in line with the S&P/TSX Total Return Composite Index.

The market weakness has been driven by the current imbalance between global supply and demand of oil, which we do not believe is sustainable. Oil prices will likely need to remain low for long enough to significantly reduce the supply from U.S. shale producers (and other non-OPEC nations) from where it is today. Subsequently, those conditions should begin to lead to a modest recovery in oil prices which could start towards the end of this year.

We still believe one of the best strategies in this type of environment is to own stable, dividend paying and resilient companies with strong balance sheets and an inherent competitive advantage that are able to grow and thrive in any macro environment. As we maintain this stance for the longer-term, we again expect to see common equity income securities resume their dominant performance position that they held over the broader market for most of the last twenty years or longer. However over the short-to-medium term, some of these securities are expected to remain volatile as the potential for further reductions to dividend payouts and capital budgets are traded off against a slowly improving medium-term commodities outlook.

Bloom Investment Counsel, Inc. January 6th, 2016

You will usually pay brokerage fees to your dealer if you purchase or sell units of the Fund on the Toronto Stock Exchange or other alternative Canadian trading system (an "exchange"). If the units are purchased or sold on an exchange, investors may pay more than the current net asset value when buying units of the investment fund and may receive less than the current net asset value when selling them.

There are ongoing fees and expenses associated with owning units of an investment fund. An investment fund must prepare disclosure documents that contain key information about the Fund. You can find more detailed information about the fund in the public filings available at www.sedar.com. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

Certain statements contained herein constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking information may relate to matters disclosed in this document and to other matters identified in public filings relating to the Fund, to the future outlook of the Fund and anticipated events or results and may include statements regarding the future financial performance of the Fund. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Actual results may vary from such forward-looking information. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no obligation to update or revise them to reflect new events or circumstances.

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Investor Relations

PHONE 416.642.6000
TOLL FREE 1.866.642.6001
FAX 416.642.6001
EMAIL info@bromptongroup.com

Address

Bay Wellington Tower,
Brookfield Place
181 Bay Street
Suite 2930, P.O. Box 793
Toronto, Ontario M5J 2T3

Website

www.bromptongroup.com