

Brompton Flaherty & Crumrine

Enhanced Investment Grade Preferred ETF

TSX:BEPR

FUND PROFILE

AS AT OCTOBER 31, 2021

TSX Symbol	BEPR
Currency	CAD Hedged
CUSIP	11223L101
Inception Date	Dec. 15, 2004
NAV	\$12.43
Distrb. Rate¹	6.8%
Distrb. Frequency	Monthly
Total Assets	\$112 million
Mgmt. Fee	1.0% of NAV p.a.
Mgmt. Style	Actively Managed
Manager	Brompton Funds Limited
Sub-Advisor	Flaherty & Crumrine Inc.
Reg Account Eligibility?	Yes
Risk Rating	Medium

THIS ETF IS FOR INVESTORS WHO ARE:

- Seeking monthly cash distributions
- Seeking stable net asset value
- Seeking primarily investment-grade income sources

Overview

This ETF seeks to provide: (i) stable monthly cash distributions; and (ii) a stable net asset value. The ETF invests in an actively managed portfolio consisting primarily of U.S. dollar denominated corporate preferred securities, trust preferred securities and other corporate debt. At least 75% of the ETF's portfolio (at the time of investment) consists of securities that are rated investment grade. The ETF employs a moderate amount of leverage to enhance distributable income and total return potential. Low borrowing costs and attractive current yields on US preferred securities allows the ETF to offer a high level of income relative to traditional fixed income investments.

The Sub-Advisor, Flaherty & Crumrine, is the longest tenured U.S. investment firm focusing exclusively on managing portfolios of preferred securities for institutional investors. The Sub-Advisor selects preferred investments for the portfolio, giving consideration to the opportunity for income, issuer and security diversification, credit quality and duration/interest rate sensitivity.

Investment Highlights: Preferred Securities

U.S. preferred securities offer:

- Primarily investment-grade credit, with higher yield than many other fixed income categories
- Historical outperformance compared to the S&P/TSX Preferred Share Index with lower volatility
- Low correlation of returns; effective tool to diversify portfolio returns and risk

Portfolio: October 31, 2021

Industry Weighting	% of Portfolio
Insurance	44.9%
Banking	27.1%
Energy	14.1%
Utilities	5.6%
Cash and Short-Term Investments	3.3%
Investment Funds	2.5%
Finance	1.8%
Communications	0.5%
Misc. industries	0.2%

Top 10 Holdings	% of Portfolio
Liberty Mutual Insurance, 7.697% due October 15, 2097	6.4%
Metlife Inc., 10.75% due August 01, 2039	6.0%
Delphi Financial Group, 3.31475% due May 15, 2037	5.6%
HSBC Capital Funding LP, 10.176% due December 31, 2049	5.4%
Enterprise Products Operating LP, 5.25% due August 16, 2077	4.7%
Provident Financing TR I, 7.405% due March 15, 2038	4.6%
Partnerre Finance II, 2.44488% due December 01, 2066	4.0%
Cash and Short-Term Investments	3.4%
BNP Paribas, 7.375% due December 31, 2049	3.2%
Transcanada Pipelines Limited, 5.50% due September 15, 2079	2.9%
Total	46.2%

Sub-Advisor and Manager

Sub-Advisor

Flaherty & Crumrine is the longest tenured U.S. investment firm focusing exclusively on managing portfolios of preferred securities for institutional investors. Established in 1983, Flaherty & Crumrine Incorporated specializes in US dollar denominated preferred securities and corporate debt instruments. The firm uses 30 years of proprietary data on over 1500 preferred securities to carry out intensive credit analysis, thorough vetting of securities' terms and structures, and active portfolio management, with the goal of exploiting pricing inefficiencies in the fixed income markets to provide attractive rates of return

Manager

Founded in 2000, Brompton is an experienced investment fund manager with income focused investment solutions including exchange-traded funds (ETFs) and other TSX traded investment funds. Our funds are designed to address investors' cash flow requirements and to provide them with value-added diversification strategies. Since inception, Brompton has paid out over \$2.8 billion in distributions. For those investors that do not require the regular cash flow, our funds also offer commission-free distribution reinvestment plans for additional units in the funds. For the level of service provided, our funds are known for their low management fees and costs.

Historical Performance: October 31, 2021

Annual Compound Returns ²	YTD	1-YR	3-YR	5-YR	10-YR	Since Inception
Brompton Flaherty & Crumrine <i>Enhanced</i> Investment Grade Preferred ETF	8.3%	17.7%	9.5%	7.1%	9.8%	6.0%

⁽¹⁾ Distribution rate based on October 31, 2021 closing market price. Source: Thomson Reuters.

⁽²⁾ Returns are for the periods ended October 31, 2021 and are unaudited. BEPR inception date December 15, 2004. The table shows the ETF's compound returns for each period indicated. Past performance does not necessarily indicate how the ETF will perform in the future. The information shown is based on Net Asset Value per unit and assumes that distributions made by the ETF on its units in the period shown were reinvested at Net Asset Value per unit in additional units of the ETF.

This document is for information purposes only and does not constitute an offer to sell or a solicitation to buy the securities referred to herein. The opinions contained in this report are solely those of Brompton Funds Limited ("BFL") and are subject to change without notice. BFL makes every effort to ensure that the information has been derived from sources believed to be reliable and accurate. However, BFL assumes no responsibility for any losses or damages, whether direct or indirect which arise from the use of this information. BFL is under no obligation to update the information contained herein. The information should not be regarded as a substitute for the exercise of your own judgment. Please read the prospectus before investing.

Commissions, trailing commissions, management fees and expenses all may be associated with exchange-traded fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Exchange traded funds are not guaranteed, their values change frequently and past performance may not be repeated.

Certain statements contained in this document 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 ETF, to the future outlook of the ETF and anticipated events or results and may include statements regarding the future financial performance of the ETF. 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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