

# Brompton North American Low Volatility Dividend ETF

**TSX:BLOV**

## FUND PROFILE

AS AT MARCH 31, 2021

|  |                        |
|--|------------------------|
| <b>TSX Symbol</b>                      | BLOV                   |
| <b>CUSIP</b>                           | 11222V1004             |
| <b>Inception Date</b>                  | Apr. 30, 2020          |
| <b>NAV</b>                             | \$21.38                |
| <b>Distribution Rate<sup>1</sup></b>   | 3.0%                   |
| <b>Monthly Distribution</b>            | \$ 0.06667             |
| <b>Total Assets</b>                    | \$2 million            |
| <b>Management Fee</b>                  | 0.55% p.a.             |
| <b>Management Style</b>                | Quantitative/Active    |
| <b>Manager/PM</b>                      | Brompton Funds Limited |
| <b>Registered Account Eligibility?</b> | Yes                    |
| <b>Risk Rating</b>                     | Low to Medium          |

## Overview

This ETF provides stable monthly cash distributions, and the opportunity for capital appreciation and low overall volatility of portfolio returns by investing in a portfolio of North American large capitalization equity securities selected by Brompton, complemented by a proprietary covered call options program to enhance monthly income. BLOV focuses on lowering total portfolio volatility through investing in a diversified blend of equities from North American issuers with a minimum market cap of \$5 billion. Our Portfolio Management team employs quantitative analysis with an active fundamentals overlay to construct a portfolio with lower overall volatility than the market. The team also overlays an options strategy with the goal of further lowering volatility while increasing distributable cash and total returns.

## Investment Highlights: Low Volatility Dividend Equities

- Through the most recent 15 year period - including the two highest-volatility equity market sell-offs on record (2008 & 2020) - low volatility strategies have offered greater portfolio stability, higher risk-adjusted returns, and higher absolute returns than US or Canadian broad equity markets.
- Investor preference to seek outperformance in higher-volatility equities has created the Low Volatility Effect: less "exciting" low volatility equity portfolios are observed to consistently outperform on both an absolute and a risk-adjusted basis
- Brompton believes that its blended quantitative and fundamental approach to constructing Low-Volatility portfolios is a more effective strategy than taken by many competing Low Volatility ETFs.

## Portfolio: March 31, 2021

| Sector Allocation <sup>3</sup> | % of NAV | Geographic Allocation <sup>3</sup> | % of NAV |
|--------------------------------|----------|------------------------------------|----------|
| Consumer staples               | 39.2%    | United States                      | 67.5%    |
| Utilities                      | 14.5%    | Canada                             | 32.1%    |
| Consumer Discretionary         | 11.7%    | Cash and short-term inv.           | 1.6%     |
| Communication Services         | 10.1%    | Other net liabilities              | (1.2%)   |
| Healthcare                     | 8.7%     |                                    |          |
| Industrials                    | 7.3%     |                                    |          |
| Materials                      | 4.7%     |                                    |          |
| Information Technology         | 3.4%     |                                    |          |
| Cash and short-term inv.       | 1.6%     |                                    |          |
| Other net liabilities          | (1.2%)   |                                    |          |

| Top 10 Holdings                       | % of NAV     |
|---------------------------------------|--------------|
| Johnson & Johnson                     | 6.9%         |
| Dollar General Corp                   | 6.8%         |
| Costco Wholesale Corp                 | 6.2%         |
| Brookfield Infrastructure Partners LP | 5.9%         |
| Procter & Gamble Co                   | 5.9%         |
| Nextera Energy Inc                    | 5.9%         |
| Telus Corp                            | 5.2%         |
| Walmart Inc                           | 5.1%         |
| Target Corp                           | 4.9%         |
| BCE Inc                               | 4.8%         |
| <b>Total</b>                          | <b>57.6%</b> |

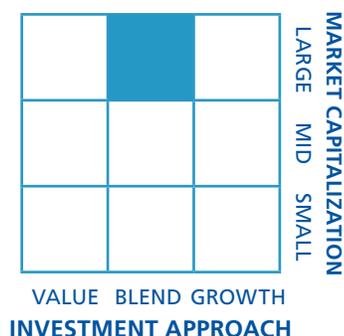
## THIS ETF IS FOR INVESTORS WHO ARE:

- Seeking reliable monthly income
- Looking for equity exposure with a focus on risk-adjusted return over absolute return
- Comfortable with equity risk

**ESG SCORE<sup>2</sup>**

**B+**

### EQUITY STYLE BOX



**BROMPTON**  
EXCHANGE TRADED FUNDS

**Michael Clare**

BComm (Hons), CPA, CA, CFA

Vice President

Portfolio Manager

**Varun Choyah**

M.Sc, MBA

Senior Investment Analyst

Founded in 2000, Brompton is an experienced investment fund manager with income focused investment solutions including TSX traded closed-end funds and exchange-traded 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

<sup>(1)</sup> Distribution rate based on March 31, 2021 closing market price. Source: Thomson Reuters.

<sup>(2)</sup> Source: Thomson Reuters as at March 31, 2021. Reflects the weighted average ESG Score of the companies held in the portfolio. The ESG Score is an overall score of a company based on the reported information in the environmental, social and corporate governance pillars. Letter grades range from D- for the lowest ESG scores to A+ for the highest scores. See [https://www.refinitiv.com/content/dam/marketing/en\\_us/documents/methodology/esg-scores-methodology.pdf](https://www.refinitiv.com/content/dam/marketing/en_us/documents/methodology/esg-scores-methodology.pdf) for more information.

<sup>(3)</sup> Totals may not equal 100% due to rounding.

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Commissions, trailing commissions, management fees and expenses all may be associated with exchange-traded fund investments. Please read the prospectus before investing. 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.

**Investor Relations**

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