

Brompton Flaherty & Crumrine Investment Grade Preferred ETF

TSX: BPRF

FUND PROFILE

AS AT JUNE 30, 2020

TSX Symbol	CAD Hedged	BPRF
	USD	BPRF.U
CUSIP	BPRF	11221N109
	BPRF.U	11221N208
Inception Date	BPRF	Oct. 15, 2018
	BPRF.U	Aug. 12, 2019
NAV	BPRF	\$24.44
	BPRF.U	\$24.12
Distribution Rate¹	BPRF	5.1%
	BPRF.U	5.1%
Distribution Frequency	Monthly	
Total Assets	\$49 million	
Management Fee	0.75% p.a.	
Management Style	Actively Managed	
Manager	Brompton Funds Limited	
Sub-Advisor	Flaherty & Crumrine Inc.	
Registered Account Eligibility?	Yes	
Risk Rating	Low	

THIS ETF IS FOR INVESTORS WHO ARE:

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

ESG SCORE²

B-

Portfolio Statistics³ June 30, 2020

Current Yield	6.1%
YTW	4.8%
Duration (years)	4.8
Average Rating	BBB-

BROMPTON
EXCHANGE TRADED FUNDS

Overview

This actively managed ETF seeks to provide: (i) stable monthly cash distributions; and (ii) a stable net asset value. The ETF actively invests in a 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 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 will select a portfolio of preferred investments for the ETF, 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 securities, 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: June 30, 2020

Rating Distribution	% of Portfolio	Industry Weighting	% of Portfolio
Cash	3.4%	Banking	40.5%
A-	0.0%	Insurance	19.9%
BBB+	7.2%	Utilities	19.6%
BBB	40.8%	Energy	10.7%
BBB-	26.0%	Cash	3.4%
BB+	13.7%	Finance	2.6%
BB	5.6%	Communications	1.9%
BB-	2.5%	Misc. Industries	1.4%
B+	0.3%	Total	100%
NR	0.5%		
Total	100%		

Portfolio: June 30, 2020

Top 10 Holdings	% of Portfolio
Wachovia Capital Trust III, floating rate due Dec. 31, 2049	4.9%
Enbridge Inc., 6.00% due January 15, 2077	3.5%
Cash	3.4%
Capital One Financial, 5.00% due December 31, 2049	3.1%
Sempra Energy, 5.75% due July 01, 2079	2.8%
Nextera Energy Capital, 5.65% due May 01, 2079	2.7%
Southern Company, 4.95% due January 30, 2080	2.4%
ING Groep NV, 6.75% due December 31, 2049	2.3%
Axis Capital Holdings, 5.50% due December 31, 2049	2.2%
HSBC Holdings PLC, 6.50% due December 31, 2049	2.2%
Total	29.5%

Sub-Advisor and Manager

Sub-Advisor

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 on its funds..

Manager

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.

Historical Performance: June 30, 2020

Annual Compound Returns ⁴	YTD	1-YR	Since Inception
Brompton Flaherty & Crumrine Investment Grade Preferred ETF (CAD hedged)	(6.4%)	(0.3%)	3.7%
ICE BofAML 8% Constrained Core West Preferred & Jr Subordinated Securities Index	(3.1%)	2.4%	10.8%
S&P/TSX Preferred Share Index	(11.2%)	(7.2%)	(10.2%)

⁽¹⁾Distribution rate based on June 30, 2020 closing market price. Source: Thomson Reuters.

⁽²⁾ Source: Thomson Reuters as at June 30, 2020. 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 for more information.

⁽³⁾Excludes cash.

⁽⁴⁾Returns are for the periods ended June 30, 2020. Inception date October 15, 2018. The table shows the ETF's compound returns for each period indicated compared with the ICE BofAML 8% Constrained Core West Preferred & Jr Subordinated Securities Index ("Preferred & Jr Subordinated Securities Index") and the S&P/TSX Preferred Share Index ("Preferred Index") (together the "Indices"). The Preferred & Jr Subordinated Index tracks the performance of US dollar denominated high grade and high yield preferred securities and deeply subordinated corporate debt issued in the US domestic market. Qualifying securities must be rated at least B3, based on an average of Moody's, Standard & Poor's and Fitch and have a country of risk of either the U.S. or a Western European country. The Preferred Index tracks the performance, on a market-weight basis, of preferred shares listed on the TSX that meet the criteria relating to size, liquidity and issuer rating. The Indices are calculated without the deduction of management fees, fund expenses and trading commissions, whereas the performance of the ETF is calculated after deducting such fees and expenses.

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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. 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.

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