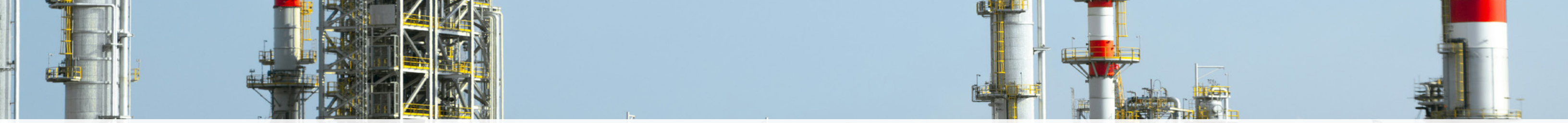

BGIE

Brompton Global Infrastructure ETF

Formerly named Brompton Sustainable Real Assets Dividend ETF

Portfolio Manager Commentary - March 31, 2025

Global Markets Review

It was a turbulent first quarter for Global equity markets, marked by a sharp divergence between the U.S. and international indices. Tariff fears have introduced significant uncertainty into global markets. U.S. tech stocks, especially mega-cap AI names, sank after a Chinese AI developer released DeepSeek, which raised questions on capital investments into AI infrastructure. Overall, the MSCI World Index was down 1.7%, with Energy being the best performing sector. In North America, the S&P 500 declined 4.3%, with Consumer Discretionary and Information Technology underperforming, while Energy was the best performing sector. The S&P/TSX Composite gained 1.5%, buoyed by the Materials sector on the back of gold rally. Conversely, Europe was one of the better performers among major equity markets, with the STOXX 600 up 5.9%. Spain, Italy, and Germany were the main contributors, gaining 14.0%, 11.8%, 11.3%, respectively, while Switzerland, the U.K., and France all finished the quarter in positive territory, up 10.0%, 6.1%, 5.8%, respectively.

As inflation continued to moderate, global central banks have slowed the pace of easing during the quarter. However, Trump's aggressive tariff policies are likely to raise uncertainty around inflation expectations and overshadow the trajectory of rate cuts. In the U.S., inflation came in at 2.8%, while the unemployment rate remained relatively low at 4.1% as of February. Meanwhile, manufacturing PMI entered March at 49, a sign of contraction, after being above 50 for only two consecutive months. In bond markets, the U.S. 10-year Treasury yield fell from 4.57% to 4.21% for the 3-month period, while the Canadian 10-year and most European 10-year yields largely mirrored U.S. Treasuries. The exception was Germany, where the country's 10-year yield spiked in early March after the new government proposed a sizeable infrastructure and defense spending plan that surprised the market. In equities, value outperformed growth for both large caps and small caps, as investors rotated out of sectors such as Information Technology and Consumer Discretionary and into defensive sectors such as Consumer Staples and Utilities. We have also seen bifurcation of performance among regions, where Europe outperformed the U.S.

The Federal Reserve (Fed) kept interest rates unchanged at 4.25-4.50% range in both January and March, while Fed Chair Jerome Powell highlighted elevated uncertainty due to President Trump's tariffs on imports, which are expected to lift inflation and slow economic growth. The Fed downgraded their projections for 2025 economic growth to 1.7% (down 0.4 percentage points from their previous projection), while inflation expectations rose to 2.8% (up 0.3 percentage points from their previous estimate). Powell also stressed the need for patience as tariffs could delay progress toward the 2% inflation target. By the end of March, the Fed Funds Futures have priced in three additional 25 bps rate cuts in 2025. Nevertheless, it would be challenging for the Fed to resume rate cuts until there is more visibility on tariffs and their impacts on inflation and unemployment.

The Bank of Canada (BoC) reduced its overnight policy rate to 2.75% after two 25bps cuts in in the first quarter. Governor Tiff Macklem warned that tariffs would reduce economic efficiency, hurt GDP growth, and increase costs for imported goods. He also emphasized that monetary policy could not fully offset the negative effects of a trade war but noted that past rate cuts had supported housing and consumption. Due to trade tensions and tariff threats, job growth in Canada stalled in February as businesses reduced hiring plans. Investment activities remained muted, particularly in the manufacturing sector. Rising import costs and excess supply pressures from reduced U.S. demand for Canadian goods continue to weigh on the already fragile economic fundamentals.

The European Central Bank (ECB) cut its benchmark interest rate by 25 bps at both the January and March meetings, bringing the rate to 2.65%. President Christine Lagarde indicated that monetary policy was becoming "meaningfully less restrictive" in March. This tone change means policymakers will become more cautious about further rate cuts. Recent credit data indicates that bank lending to corporates and households shows promising signs of acceleration. Unsurprisingly, the central bank raised the concern that escalation of a trade war would dampen European exports and drag down investments. Meanwhile in Germany, the new government proposed a momentous defense and infrastructure spending plan, which has been approved by both houses of parliament. This fiscal package allows defense spending above 1% of GDP to be exempted from the debt brake and offers greater borrowing flexibility at both federal and state levels. Additionally, the plan includes €500 billion infrastructure spending over 12 years. In response, the Germany's DAX index rallied, buoyed by aerospace and defense stocks.

The first quarter of 2025 started with a continuation of market complacency we observed in 2024. However, mega-cap tech names, especially AI stocks, sold off following the release of DeepSeek's lower-cost open-source AI model. This development disrupted the competitive landscape of the AI industry and shifted investor sentiment. Soon after, concerns over tariffs and escalating trade tensions dominated market headlines, further dampening sentiment. Unlike the tariff policies during Donald Trump's first term as president, the current measures are broader in scope and target a wider range of industries and countries. Allies such as Canada and Mexico, who were not targeted with broad-based tariffs during Trump's first term, were initially hit with 25% tariffs on all goods except certain Canadian Energy imports, which were to be taxed at 10%. Later, all goods that are USMCA-compliant were exempted from the tariffs. Beyond North America, the Trump administration also introduced 25% tariffs on global imports of certain products such as steel & aluminum and was evaluating adding them on copper, semiconductors, pharmaceuticals, and automobiles. As of March 31, President Trump has issued tariffs against Canada, Mexico, China and the European Union. While some of these tariffs have been delayed for a negotiating period, the outlook for global manufacturing activities and consumer confidence are deteriorating.

Looking forward to the rest of 2025, in our view, the tariff fears will continue to weigh on the global economic outlook, as these policies complicate central banks' monetary decisions, overshadow corporate earnings, and erode consumer confidence. Equity valuations are at risk of contraction, but this also means some stocks could present attractive investment opportunities, as they trade at even more compelling valuations while their fundamental business strengths remain intact. From a portfolio construction perspective, the prevailing market uncertainty underscores the importance of maintaining a well-diversified portfolio that spans multiple sectors and geographies. In this climate, we favour a more defensive portfolio and prefer companies that are less exposed to tariffs and demonstrate resilience during economic turbulence.

Portfolio Review

Brompton Global Infrastructure ETF was up 1.0% in Q1 of 2025, compared to the Blended Index (75% Dow Jones Brookfield Global Infrastructure Composite Total Return Index and 25% Dow Jones Global Select Real Estate Securities Total Return Index), which was up 6.0% over the same period. On January 21, 2025, the Fund changed is name from "Brompton Sustainable Real Assets Dividend ETF" to "Brompton Global Infrastructure ETF". The ticker symbol also changed from "BREA" to "BGIE". There were no material changes to the Fund's investment objectives and strategies.

The Fund benefited substantially from our stock selection in Materials, while top contributors to the Fund included Agnico Eagle Mines, Welltower, and T-Mobile US. Our Materials picks benefited from a rally in gold prices amid escalated trade policy uncertainties, with risk-off sentiment favouring gold miners. Canadian gold miners also experienced margin expansion on the back of a weakening Canadian dollar relative to the US dollar. In Real Estate, Welltower benefited from strong Q4 results, supported by improved occupancy rates and resilient senior housing fundamentals. Within Energy, the midstream players in the fund saw strong performance on the back of easing inflationary pressure and lower rates. Finally, T-Mobile US saw its stock price rally on better-than-expected service revenue growth, EBITDA expansion, and free cash flow generation.

Risk off sentiment, particularly relating to the AI trade, formed the core of our underachievers. This shift was initially triggered by the emergence of DeepSeek, a Chinese AI model that significantly reduced computing costs, leading to sharp declines in stocks tied to AI and data centers, including electricals, power producers, and technology companies. Compounding this was a broader sell-off in high-performing equities as President Trump started to unveil his tariff plans, heightening recession fears and prompting investors to pivot toward defensive sectors.

During the quarter, we strategically reduced our exposure to electricals, shifting our focus toward investment themes that are less dependent on data center expansion. We continue to monitor developments in the market and look for opportunities to reorient the portfolio to being more defensive as uncertainty around the economy continues to grow.

Annual Compound Returns[1]	YTD	1-YR	3-YR	Since Inception[2]
Brompton Global Infrastructure ETF	1.0%	14.9%	6.3%	11.2%
Infrastructure and Real Estate Index	6.0%	15.2%	2.7%	8.5%
MSCI World Total Return Index	(1.7%)	7.5%	8.1%	14.3%

(1) Returns are for the periods ended March 31, 2025 and are unaudited. The table shows the Fund's compound return for each period indicated compared with the "Infrastructure and Real Estate Index" and the MSCI World Total Return Index ("MSCI Index"), (together the "Indices"). The Infrastructure and Real Estate Index consists of 75% Dow Jones Brookfield Global Infrastructure Composite Total Return Index ("Global Infrastructure Index") and 25% Dow Jones Global Select Real Estate Securities Total Return Index (Select Real Estate Index"). The Global Infrastructure Index is designed to measure the performance of pure-play infrastructure companies domiciled globally. The index covers all sectors of the infrastructure market and includes Master Limited Partnerships in addition to other equity securities. To be included in the index, a company must derive at least 70% of cash flows from infrastructure lines of business. The Select Real Estate Index tracks the performance of equity real estate investment trusts and real estate operating companies traded globally. The index is designed to serve as a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate. The MSCI Index captures large- and mid-cap representation across 23 developed markets countries and covers approximately 85% of the free float-adjusted market capitalization in each country. The Fund is actively managed; therefore, its performance is not expected to mirror that of the Indices which have more diversified portfolios and include a substantially larger number of companies. Furthermore, the Indices' performance is calculated without the deduction of management fees, fund expenses and trading commissions, whereas the performance of the Fund is calculated after deducting such fees and expenses. The performance information shown is based on net asset value per unit and assumes that cash distributions made by the Fund during the periods shown were reinvested at net asset value per unit in additional units of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future.

(2) Inception date April 30, 2020.

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.

Information contained in this document was published at a specific point in time. Upon publication, it is believed to be accurate and reliable, however, we cannot guarantee that it is complete or current at all times. 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 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.

BROMPTON FUNDS

VALUE
INTEGRITY
PERFORMANCE
THE FOUNDATION FOR EXCELLENCE

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

Website
www.bromptongroup.com

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