



BAAA

Brompton Wellington Square AAA CLO ETF

April 11, 2025

Investment Highlights

- AAA CLOs offer high credit quality, attractive yields, and diversification benefits
- High-quality CLO portfolio – minimum 75% AAA-rated
- High monthly income
- Experienced Sub-advisor: Wellington Square Advisors
- Low management fee: 0.40%
- Low risk-rating (ETF Facts)
- Available in CAD-hedged and USD units

What are CLOs?

CLOs are bonds backed by a diversified portfolio of senior-secured corporate loans.

The U.S. CLO market is over USD\$1.1 trillion with a long history of performance.¹

 **Learn more with
Brompton's CLO Primer.**

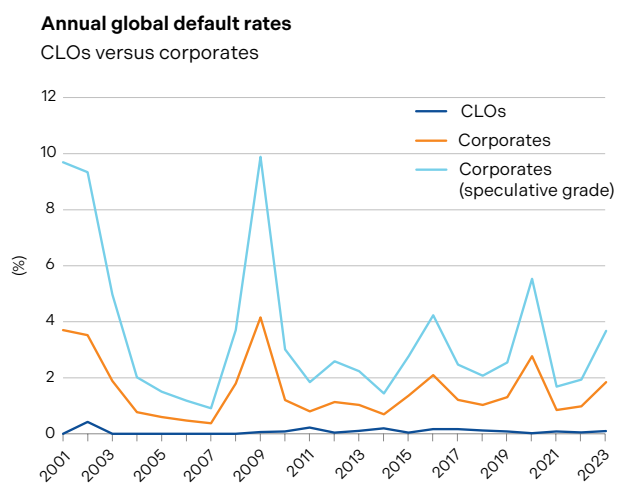
Overview

Brompton Wellington Square AAA CLO ETF (BAAA) is designed to provide high monthly income and capital preservation through investment in an actively managed portfolio of primarily AAA rated CLOs. CLOs will be selected by the Sub-advisor and will generally range in credit quality from AAA to BBB, with a minimum of 75% of the portfolio invested in AAA rated CLOs.

High Credit Quality

Historically, CLO default rates have been significantly lower than corporate bonds.² There have been zero defaults on record for CLOs rated AAA.²

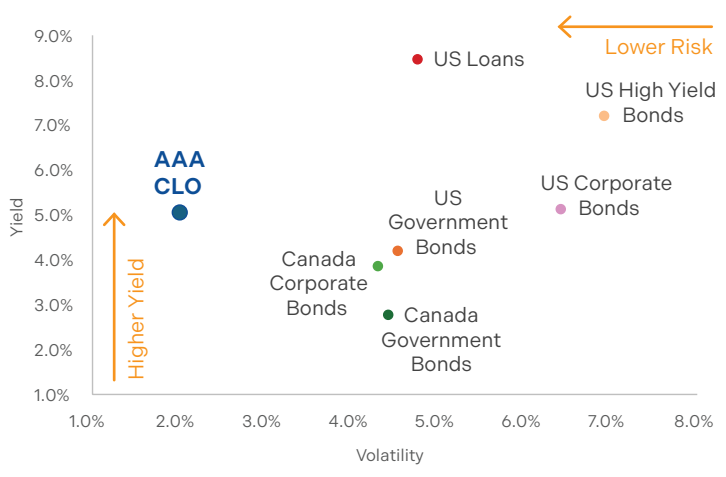
Low Historical Defaults for CLOs²



Attractive Yield with Low Risk

AAA CLOs offer attractive yield and lower risk relative to other fixed income categories. Relative to investment grade corporate bonds, AAA CLOs offer a similar yield with less than a third of the volatility.³

AAA CLOs offer Attractive Yield with Low Risk³





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Low Interest Rate Sensitivity

CLOs have yields that adjust with short-term interest rates, making them less sensitive to interest rate changes than fixed-rate bonds, whose prices react inversely to changes in interest rates.

As a result, the prices of floating rate securities tend to be more stable in volatile interest-rate environments compared to fixed-rate securities.

Diversification Benefits

By investing in CLOs, investors can diversify a traditional fixed-income portfolio, potentially benefiting from lower volatility, higher credit quality, reduced sensitivity to interest rate changes and lower correlations with other fixed-income categories.⁴

Low Correlation to Traditional Fixed-Income⁴ Diversification opportunity when correlation is less than 1.0

	Government Bonds		Corporate Bonds	
	US	Canada	US	Canada
Correlation to AAA CLO	-0.06	-0.01	0.48	0.50
Correlation to BBB CLO	-0.11	-0.06	0.43	0.45

Experienced Sub-Advisor

Wellington Square Advisors Inc. is a Canadian based independent investment manager with a long-term track record managing funds investing in CLOs, leveraged loans and corporate credit in the U.S., European and Canadian markets. Wellington Square's partners have backgrounds within CLO management and managing institutional funds for Canada's largest pension plans.



Jeff Sujitno
Portfolio Manager

23 years of credit experience spanning investment grade and high yield markets including CLOs, leveraged loans, securitized debt, and private credit.



Amar Dhanoya
Portfolio Manager

20 years of credit experience with a focus on U.S. and European syndicated loans, yield bonds and CLOs.

¹ Source: Bank of America, as of December 31, 2024.

² Source: S&P Global Default, Transition and Recovery 2023 Annual Study. CLO data for Global Leveraged Loan CLOs. Corporate Data for U.S. Corporates.

³ Source: Bloomberg indices other than the J.P. Morgan AAA CLO Index and Credit Suisse Leveraged Loan Index. Statistics taken at 3/5/2025. Measurement period for volatility is 1/3/2012 to 3/5/2025.

⁴ Source: Bloomberg L.P. for 1/3/2012 (inception of the CLO indices) to 3/5/2025 for Bloomberg Indices other than the J.P. Morgan AAA and BBB CLO indices and the Credit Suisse Leveraged Loan Index.

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