



FUND DETAILS

AS AT DECEMBER 31, 2018

TSX Symbol	FFI.UN
Total Assets	\$127 million
Inception Date	Dec. 15, 2004
NAV	\$11.04
Management Fee	1.00% p.a.

Distributions:

Per unit	\$0.07 monthly/\$0.84 p.a.
Since inception	\$16.42

Distribution Rate ¹	8.1%
--------------------------------	------

Asset Allocation

Preferred Securities	93.7%
Corporate Bonds	6.0%
Cash & short-term investment	0.3%

Portfolio Manager

Flaherty & Crumrine Incorporated was established in 1983, and it specializes in US-dollar-denominated preferred securities and corporate debt instruments. The firm uses intensive credit analysis, thorough analysis of securities' terms and structures, and active portfolio management, exploiting pricing inefficiencies in the fixed income markets to provide attractive rates of return on its funds.

Manager

Brompton Funds, a division of Brompton Group which was founded in 2000, is an experienced investment fund manager with over \$2.0 billion in assets under management². Brompton's investment solutions include TSX traded funds, mutual funds and flow-through limited partnerships.

WHY INVEST?

- 100% of portfolio is invested in fixed income securities rated investment grade at time of purchase
- High level of income: current distribution target is \$0.84 p.a. (approximately 8.1% p.a.);¹ special year-end distributions have been paid in 6 of the last 7 calendar years
- Diversified by issuer and issue (37 issuers and 47 issues)
- Fund has an investment-grade P-2(low)f rating from Standard & Poor's
- Low borrowing costs and high current yields on US preferred securities provide significant yield pick-up of approximately 3.5% on the levered portion of the portfolio as of December 31, 2018
- Substantially all of the US dollar currency exposure is hedged to the Canadian dollar

INVESTMENT OBJECTIVES

- provide Unitholders with a stable stream of monthly distributions
- preserve the Net Asset Value per Unit; and
- enhance the total return per Unit by actively managing the Investment Grade Portfolio.

PORTFOLIO

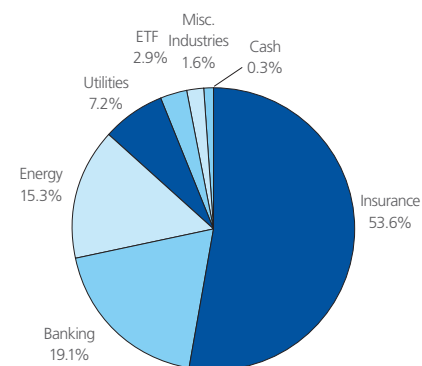
DECEMBER 31, 2018

Top 10 Holdings

	% of Portfolio
MetLife Inc., 10.75% due Aug 1, 2039	7.2%
Enbridge Energy Partners LP, 8.05% due Oct 1, 2037	5.7%
Liberty Mutual Insurance Co., 7.697% due Oct 15, 2097	5.1%
Delphi Financial Group, Inc. variable May 15, 2037	4.9%
Aon Capital Corp., 8.205% due January 1, 2027	4.6%
HSBC Capital Funding LP, 10.176% due December 31, 2049	4.5%
American International Group, 5.75% due April 1, 2048	3.9%
Integrus Energy Group, 6.00% due August 1, 2073	3.8%
Provident Financing TR I, 7.405% due March 15, 2038	3.6%
Partnerre Finance II Inc. variable rate due December 1, 2066	3.5%

Total **46.8%**

Sector Allocation



HISTORICAL PERFORMANCE

DECEMBER 31, 2018

Annual Compound Returns ³	1-Year	3-Year	5-Year	10-Year	Since Inception
Flaherty & Crumrine Investment Grade Preferred Income Fund (NAV)	(9.2%)	4.3%	6.6%	17.1%	4.8%
Hybrid Preferred Securities Index	(4.2%)	2.6%	6.2%	7.5%	4.2%
Corporate US Capital Index	(3.8%)	3.9%	4.3%	10.2%	4.7%

⁽¹⁾ Distribution rate is based on market price as at December 31, 2018. Source: Thomson Reuters.

⁽²⁾ Please visit www.bromptongroup.com for further information.

⁽³⁾ Returns are for the periods ended December 31, 2018. The table shows the Fund's compound return for each period indicated, compared with the return for the ICE BofAML US Capital Securities US Issuers 8% Constrained Index ("Corporate US Capital Index") and the ICE BofAML Hybrid Preferred Securities 8% Constrained Index ("Hybrid Preferred Securities Index"). The Corporate US Capital Index includes investment-trade, fixed rate or fixed-to-floating rate \$1,000 par securities that are structured for institutional investors and that receive some degree of equity credit from the rating agencies or their regulators. The Hybrid Preferred Securities Index includes taxable, fixed rate, US dollar denominated, investment grade preferred securities listed in a US exchange and structured for retail investors. Since the Fund is actively managed, the sector weightings and credit ratings may differ from those of the indices. The indices are also not leveraged, whereas the Fund employs leverage. Further the indices are 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.

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 Fund's annual information form before investing.

You will usually pay brokerage fees to your dealer if you purchase or sell units of the Fund on the Toronto Stock Exchange or other alternative Canadian trading system (an "exchange"). If the units are purchased or sold on an exchange, investors may pay more than the current net asset value when buying units of the investment fund and may receive less than the current net asset value when selling them.

There are ongoing fees and expenses associated with owning units of an investment fund. An investment fund must prepare disclosure documents that contain key information about the Fund. You can find more detailed information about the Fund in the public filings available at www.sedar.com. 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 certain fees such as redemption costs or income taxes payable by any securityholder that would have reduced returns. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

The benchmarks from ICE Data Indices, LLC ("ICE Data") are used with permission. ICE Data, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE Data, its affiliates nor their respective third party providers shall be subject to any damages or liability with respect to the adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and your use is at your own risk. ICE Data, its affiliates and their respective third party suppliers do not sponsor, endorse, or recommend the Fund.

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

Address

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

Website

www.bromptongroup.com