



FUND DETAILS

AS AT JUNE 30, 2020

TSX Symbol	FFI.UN
Total Assets	\$107 million
Inception Date	Dec. 15, 2004
NAV	\$10.82
Management Fee	1.00% p.a.

Distributions:

Per unit	\$0.07 monthly/\$0.84 p.a.
Since inception	\$17.67

Distribution Rate ¹	7.4%
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Asset Allocation

Preferred Securities	84.8%
Corporate Bonds	8.4%
Investment Funds	3.6%
Cash	3.2%

Portfolio Manager

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.

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. special year-end distributions have been paid in 8 of the last 9 calendar years
- Diversified by issuer and issue (45 issuers and 58 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 4.9% on the levered portion of the portfolio as of June 30, 2020
- 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

JUNE 30, 2020

Sector Allocation	% of Portfolio
Insurance	47.7%
Banking	24.1%
Energy	11.5%
Utilities	7.5%
Investment Funds	3.6%
Cash	3.2%
Finance	1.2%
Misc. Industries	0.6%
Communications	0.6%
Total	100.0%

Top 10 Holdings	% of Portfolio
Metlife Inc., 10.75% due August 01, 2039	9.1%
Liberty Mutual Insurance, 7.697% due October 15, 2097	7.0%
HSBC Capital Funding LP, 10.176% due December 31, 2049	5.9%
Delphi Financial Group, floating rate due May 15, 2037	5.8%
Aon Corp., 8.205% due January 01, 2027	5.7%
Enterprise Products Operating L.P., 5.25% due August 16, 2077	4.7%
Provident Financing TR I, 7.405% due March 15, 2038	4.7%
Integrus Energy Group, 6.00% due August 01, 2073	4.0%
Brompton Flaherty & Crumrine Investment Grade Preferred ETF	3.6%
Parterre Finance II, floating rate due December 01, 2066	3.6%
Total	54.1%

Annual Compound Returns ²	1-YR	3-YR	5-YR	10-YR	Since Inception
Flaherty & Crumrine Investment Grade Preferred Income Fund (NAV)	(6.1%)	0.6%	4.5%	9.8%	4.9%
Hybrid Preferred Securities Index	2.5%	3.7%	5.6%	6.5%	4.8%
Corporate US Capital Index	6.3%	5.3%	5.5%	7.3%	5.3%

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

⁽²⁾ Returns are for the periods ended June 30, 2020. 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") (together the "Indices"). The Corporate US Capital Index includes investment-grade, 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 on 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.

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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.

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BROMPTON
FUNDS

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