

# Brompton Tech Leaders Income ETF

TSX:TLF

## FUND PROFILE

AS AT APRIL 30, 2020

<b>TSX Symbol</b>	CAD Hedged	TLF
	USD	TLF.U
<b>CUSIP</b>	TLF	878258102
	TLF.U	11222A205
<b>Inception Date</b>	TLF	May 20, 2011
	TLF.U	Aug. 12, 2019
<b>NAV</b>	TLF	\$13.25
	TLF.U	\$13.68
<b>Distribution Rate<sup>1</sup></b>	TLF	4.9%
	TLF.U	4.7%
<b>Distribution Frequency</b>		Monthly
<b>Total Assets</b>		\$38 million
<b>Management Fee</b>		0.75%
<b>Management Style</b>		Actively Managed
<b>Manager/PM</b>		Brompton Funds Limited
<b>Registered Account Eligibility</b>		Yes
<b>Risk Rating</b>		Medium

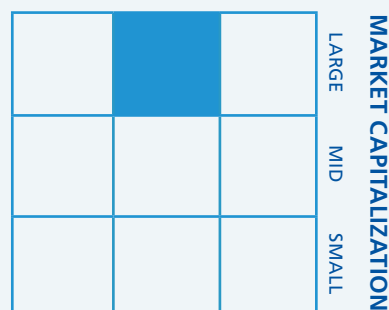
## THIS ETF IS FOR INVESTORS WHO ARE:

- Seeking capital appreciation
- Seeking enhanced income and lower volatility through covered call strategies
- Comfortable with equity risk

ESG SCORE<sup>2</sup>

B+

## EQUITY STYLE BOX



## Overview

This ETF provides high monthly distributions and the opportunity for capital appreciation through an investment in an actively managed portfolio of large cap global Technology companies selected by Brompton, complemented by a proprietary covered call options program.

Our PM team first uses top-down analysis to identify attractive sub-sectors. Rigorous fundamental analysis focuses the portfolio on 15 to 20 global Technology companies which offer a combination of growth and value characteristics. The PMs then actively set the level of covered call writing, with the goal of optimizing distributable cash and total returns while reducing portfolio volatility.

## Investment Highlights: Technology Sector

Tech sector is profitable, with minimal debt and significant free cash flow.

Tech is under-represented in Canada; ETF provides diversification benefits.

### Long term trends are supportive of Technology equities:

- **Technological Disruption:** Emerging technologies have the potential to reshape the world
- **Accelerating Adoption:** New technologies are being adopted more quickly than in the past
- **Demographics:** Millennials will continue to fuel demand for services such as mobile applications, user experiences, social media/messaging and e-commerce
- **Digitization:** Manual/offline businesses converting to online, networked platforms and computer supported environments, enabling real-time decision making and more efficient operations

## Portfolio: April 30, 2020

Top 10 Holdings	% of Portfolio	Sector Allocation	% of Portfolio
Apple Inc.	7.9%	Data Processes & Services	18.2%
Adobe Inc.	7.6%	Application Software	17.9%
ServiceNow Inc.	7.4%	Systems Software	14.1%
Amazon.com Inc.	6.7%	Semiconductor Equipment	9.4%
Microsoft Corp.	6.7%	Technology Hardware	7.9%
Alphabet Inc.	6.3%	Internet & Dir. Marketing Retail	6.7%
Visa Inc.	6.3%	Int. Media and Entertainment	6.3%
Mastercard Inc.	6.1%	Research and Cons. Services	5.9%
IHS Markit Ltd.	5.9%	IT Consulting & Other Services	5.1%
Fiserv. Inc.	5.8%	Semiconductors	4.5%
<b>Total</b>	<b>66.7%</b>	Electronic Equip. & Instruments	3.1%
		Cash	0.9%
		<b>Total</b>	<b>100.0%</b>

## Portfolio Manager and Manager: Brompton Funds Limited



**Laura Lau**  
**BASc (Hons), CFA, DMS**  
Senior Vice President and  
Chief Investment Officer



**Michael Clare**  
**BComm (Hons), CPA, CA, CFA**  
Vice President and Portfolio 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: April 30, 2020

Annual Compound Returns <sup>3</sup>	YTD	1-Year	3-Year	5-Year	Since Inception
Brompton Tech Leaders Income ETF (CAD Hedged)	(4.1%)	7.8%	16.9%	12.1%	11.0%
S&P 500 Equal Weighted Information Technology Index	(6.9%)	3.1%	15.9%	16.4%	15.4%
S&P/TSX Composite Index	(12.4%)	(7.9%)	1.3%	2.5%	4.0%

<sup>(1)</sup> Distribution rate is based on market price on April 30, 2020. Source: Thomson Reuters.

<sup>(2)</sup> Source: Thomson Reuters as at April 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](https://www.refinitiv.com/content/dam/marketing/en_us/documents/methodology/esg-scores-methodology.pdf) for more information.

<sup>(3)</sup> Returns are for the periods ended April 30, 2020. Inception date May 20, 2011. The table shows the ETF's compound returns for each period indicated compared with the S&P/TSX Composite Index ("Composite Index") and the S&P 500 Equal Weight Information Technology Index ("S&P Equal Weight Technology Index") (together the "Indices"). The Composite Index tracks the performance, on a market weight basis, of a broad index of large-capitalization issuers listed on the Toronto Stock Exchange. The S&P Equal Weight Technology Index tracks the performance of information technology companies in the S&P 500 Index on an equal weight basis. The Fund invests on an equal weight basis in at least 15 technology companies. Since the Indices contain a substantially larger number of companies, it is not expected that the ETF's performance will mirror that of the Indices. 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

The Fund has changed its technology benchmark from the S&P Information Technology Index to the S&P Equal Weight Technology Index. The S&P Equal Weight Technology Index tracks the performance of information technology companies included in the S&P 500 Index on an equal weight basis. The S&P Information Technology Index, a sub-index of the S&P 500 Index, tracks the performance of information technology companies on a market cap weighted basis. Since the Fund also invests on an equal weight basis the Manager believes that the S&P Equal Weight Technology Index provides a more comparable benchmark to assess relative performance of the Fund.

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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.

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 ETF, to the future outlook of the ETF and anticipated events or results and may include statements regarding the future financial performance of the ETF. 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.

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