

**PORTFOLIO MANAGER COMMENTARY - JUNE 30, 2019**

**Portfolio Review**

Brompton Tech Leaders Income ETF was up 22.8% during the first half of 2019, versus the S&P 500 Information Technology Index, which was up 27.1%, and the S&P 500 Index which was up 18.5%.

The Fund benefitted from being overweight the electronic equipment and communications equipment sub sectors, through its holdings of Amphenol (+19%), CDW (+38%), Keysight Technologies (+45%), Cisco (+28%) and Motorola (+46%). We believe demand for sensors, electronic components, related test equipment and network equipment would continue to see solid growth (2x to 3x faster than global GDP) driven by trends in automotive markets (autonomous driving), industrial (IoT), data centers (increasing scale) and 5G. As a result, we have positioned the Fund to invest in stocks that are well suited to capture the benefits from these trends.

The Fund also captured additional outperformance by being overweight technology-related sub sector such as interactive media given its holding in Amazon, which was up 26%. We believe marquee names such as Amazon will continue to leverage their market position to consolidate power in cloud, e-commerce and digital, while growing its total addressable market as it penetrates new verticals. Our discretionary position in technology-related companies, Crown Castle (up 22%), which is the largest tower REITs in the US is well positioned for 5G build-out radio access network buildout.

Partially offsetting the Fund's strong performance, were underweight positions in semiconductor and technology hardware sub sectors. We believe the risk-reward is not justified given the near-term headwinds. The benchmark has high concentration risk with Microsoft and Apple comprising over one-third of the S&P 500 Info Tech index. The Fund's more diversified approach resulted in a 5.9% weight in Microsoft, versus the benchmarks 18.5% weight, which negatively impacted performance. We favour diversification over concentration to guard against any one or two portfolio positions having undue influence on portfolio volatility and returns.

Laura Lau, SVP & Sr. PM

Michael D. Clare, VP & PM

June 30, 2019

Annual Compound Returns <sup>1</sup>	YTD	1-Year	3-Year	5-Year	Since Inception
Brompton Tech Leaders Income ETF	22.8%	10.1%	23.5%	12.0%	11.3%
S&P/TSX Composite Index	16.2%	3.9%	8.4%	4.7%	5.4%
S&P 500 Information Technology Index	27.1%	14.3%	26.3%	18.5%	17.4%

<sup>1</sup> Returns are for the periods ended June 30, 2019. Inception date May 20, 2011. The table shows the Fund's compound return for each period indicated compared with the S&P/TSX Composite Index ("Composite Index") and the S&P Information Technology Index ("Technology Index"). The Composite Index tracks the performance, on a market weight basis, of a broad index of large-capitalization issuers listed on the TSX. The Technology Index, a sub-index of the S&P 500 Index, tracks the performance of major North American technology companies on a market-weight basis. The Fund's portfolio is comprised of technology companies and is rebalanced at least annually in accordance with the Fund's investment guidelines. Since the indices contain a substantially larger number of companies, it is not expected that the Funds performance will mirror that of the indices. The benchmark 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 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 does not take into account sales, redemption, distribution or optional charges or income tax 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 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**  
EXCHANGE TRADED 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