



2019 YEAR IN REVIEW

BROMPTON
FUNDS

VALUE
INTEGRITY
PERFORMANCE
THE FOUNDATION FOR EXCELLENCE



ABOUT BROMPTON

Brompton was founded in 2000 and has had a long, successful track record of delivering well-conceived alternative investments that are focused on providing investors with a meaningful level of regular distributions. We have been in an extremely low interest rate environment for some time now, and investors struggle to find suitable investments that generate sufficient income to meet their cash flow needs. Our funds are designed to address investors' cash flow requirements and to provide them with value-added diversification strategies. Since inception, Brompton has paid out over \$2.5 billion in distributions. For those investors that do not require the regular cash flow, our funds also offer commission-free distribution reinvestment plans for additional units in the funds. Of course, no investment will be successful over the long run if you pay too much for it. For the level of service provided, our funds are known for their low management fees and costs.

Our active equity strategies consider ESG factors as part of our selection of securities. Our goal is to deliver superior risk adjusted returns while considering ESG scores of our underlying investments. The ESG Score is an overall score of a company as determined by an independent consultant based on reported information in the environment, social and corporate governance pillars. Our ESG ratings are available on our website and in our marketing materials.

the foundation for excellence

VALUE

- Fair investor terms, including net asset value redemption rights and prohibition against dilutive offerings
- Among the lowest management fees in the industry
- Maintain low general and administrative costs to improve overall investor returns

INTEGRITY

- Brompton maintains high standards of business practice
- Independent Review Committee members are highly respected business leaders who provide valuable insight, experience and oversight
- Exceeds the requirements set out for Independent Review Committees

PERFORMANCE

- Brompton offers income, growth, sector specific and tax-advantaged investment solutions
- Many funds provide a high level of monthly distributions

January 2020

Dear Investors,

I would like to take this opportunity to thank you for your continued interest in Brompton Funds. We aim to provide unique investment solutions for investors seeking monthly income and/or growth with a focus on top-performing portfolio management, low costs and investor-friendly product features.

Brompton launched a series of exchange traded funds (ETFs) in 2018 and 2019 which are listed on the TSX, each with a focus on attractive monthly distributions and low-cost active management. Our ETF solutions were designed to benefit from well positioned investment themes: Healthcare (HIG), Technology (TLF), Global Dividend Growth (BDIV), North American Financials (BFIN), U.S. Preferred Shares (BPRF) and European Dividend Growth (EDGF). We also recently launched a refreshed website which includes a wealth of information for each of the Brompton funds, including commentaries from our portfolio managers, recorded webinars and presentations providing fund and sector updates, along with complete portfolio holdings and fund data. Investors are encouraged to visit the website at www.bromptonfunds.com to view the resources available.

Our preferred share fund, Brompton Flaherty & Crumrine Investment Grade Preferred ETF (BPRF), and our European Equity Fund, Brompton European Dividend Growth ETF (EDGF) were each the top performing ETFs in their respective categories¹. All Brompton ETFs provide active management and high monthly distributions. We have summarised our investment solutions on the next page.

Tax slips to complete your 2019 tax return will be provided by your investment dealer.

Again, we appreciate your continued interest in Brompton and look forward to offering you additional timely, high-quality investment products in 2020. Please call our investor relations line if you have questions about any Brompton fund at 1-866-642-6001 or 416-642-6000.

Yours truly,

Brompton Funds

A stylized, handwritten signature in black ink, appearing to read 'Mark A. Caranci'.

Mark A. Caranci

President & Chief Executive Officer

⁽¹⁾ Based on total return performance as at December 31, 2019. BPRF: 1-year (January 1, 2019 to December 31, 2019) absolute ranking out of 73 funds in the Canada Fund Preferred Share Fixed Income category, which includes Canadian-domiciled open-end and exchange-traded funds that invest at least 90% of their fixed income holdings in preferred shares. EDGF: 1-year (January 1, 2019 to December 31, 2019) absolute ranking out of 196 funds in the Canada Fund European Equity category, which includes Canadian-domiciled open-end and exchange-traded funds that must invest at least 90% of their equity holdings in a diversified portfolio of securities domiciled in 2 or more countries in Europe. Rankings accessed on January 8, 2020. Performance and rankings are subject to change daily. © 2020 Morningstar. All Rights Reserved. The information contained herein: (i) is proprietary to Morningstar and/or its content providers; (ii) may not be copied or distributed; and (iii) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

As at December 31, 2019	Inception Date	2019 Total Return ¹	Market Distribution Rate ²	Cash Distributions per Unit/Share Since Inception
Leveraged Equity Investments				
Brompton Split Banc Corp. (SBC) - Portfolio of the Big Six Canadian banks.	16-Nov-05	27.1%	9.2%	\$16.55
Life & Banc Split Corp. (LBS) - Portfolio of Canadian banks and life insurance companies.	17-Oct-06	57.8%	15.1%	\$14.85
Brompton Lifeco Split Corp. (LCS) - Portfolio of Canada's four largest listed life insurance companies.	18-Apr-07	157.9%	14.4%	\$6.11
Dividend Growth Split Corp. (DGS) - Portfolio of primarily Canadian high dividend growth stocks.	03-Dec-07	70.5%	22.8%	\$13.29
Brompton Oil Split Corp. (OSP) - Portfolio of large-cap North American oil and gas issuers.	24-Feb-15	1,377.6%	n/a	\$3.22
Global Dividend Growth Split Corp. (GDV) - Portfolio of large-cap global dividend growth companies	15-Jun-18	44.7%	10.7%	\$1.85
Equity Income ETFs				
Brompton Tech Leaders Income ETF (TLF) - Actively managed portfolio of equity securities of large-capitalization technology companies. Cdn \$ unit hedged to Cdn dollar with an active covered call strategy to enhance income and reduce volatility in the portfolio. US \$ unit is TLF.U.	20-May-11	37.2%	4.6%	\$5.58
Brompton Global Healthcare Income & Growth ETF (HIG) - Actively managed portfolio of equity securities of large cap global healthcare companies. Cdn \$ unit hedged to Cdn \$ with an active covered call strategy to enhance income and reduce volatility in the portfolio. US \$ unit is HIG.U.	24-Sept-15	22.0%	6.1%	\$2.56
Brompton European Dividend Growth ETF (EDGF) - Actively managed portfolio of equity securities of large capitalization European dividend growth companies. Cdn \$ unit hedged to Cdn \$ with an active covered call strategy to enhance income and reduce volatility in the portfolio.	21-Jul-17	34.8%	4.7%	\$1.21
Brompton Global Dividend Growth ETF (BDIV) - Actively managed portfolio of of large-cap global dividend growth companies. Hedged to the Cdn \$ with an active covered call strategy to enhance income and reduce volatility in the portfolio.	17-Oct-18	22.8%	5.7%	\$1.45
Brompton North American Financials Dividend ETF (BFIN) - Actively managed portfolio of equity securities of large-cap North American financial services companies. Cdn \$ unit hedged to Cdn \$ with an active covered call strategy to enhance income and reduce volatility in the portfolio. US \$ unit is BFIN.U.	17-Oct-18	29.8%	4.7%	\$1.20
Equity Income - TSX Traded Funds				
Blue Ribbon Income Fund (RBN.UN) - Diversified portfolio of high income equities, consisting primarily of dividend paying Canadian equities and REITs.	16-Sept-97	22.3%	7.2%	\$19.38
Canadian High Income Equity Fund (CIQ.UN) - Diversified portfolio of high income equities, consisting primarily of dividend paying Canadian equities and REITs.	18-Feb-10	19.6%	7.9%	\$7.28
Floating Rate Income				
Symphony Floating Rate Senior Loan Fund (SSF.UN) - Diversified portfolio consisting primarily of short-duration floating rate senior secured loans. Senior loans have a first priority of repayment ahead of bonds, preferred shares and common equity.	01-Nov-11	8.3%	7.4%	\$5.28
Fixed Income				
Flaherty & Crumrine Investment Grade Preferred Income Fund (FFI.UN) - Investment grade portfolio of fixed income securities rated investment grade at time of purchase. The Fund primarily holds US Preferred securities, is highly diversified by issuer and issue and is rated P-2(low)ff by S&P.**	15-Dec-04	27.3%	6.5%	\$17.25
Brompton Flaherty & Crumrine Investment Grade Preferred ETF (BPRF) - Invests in a portfolio consisting primarily of U.S. dollar denominated corporate preferred securities, trust preferred securities and other corporate debt. At least 75% of the portfolio, at the time of investment, consists of securities that are investment grade. US \$ unit is BPRF.U.	17-Oct-18	17.4%	4.7%	\$1.51
Preferred Shares				
Brompton Split Banc Corp. (SBC.PR.A) - Pays quarterly dividends, rated Pfd-3 (high) by DBRS.**	16-Nov-05	5.1%	4.8%	\$6.99
Life & Banc Split Corp. (LBS.PR.A) - Pays quarterly dividends, rated Pfd-3 by DBRS.**	17-Oct-06	5.6%	5.3%	\$6.71
Brompton Lifeco Split Corp. (LCS.PR.A) - Pays quarterly dividends, rated Pfd-3 (low) by DBRS.**	18-Apr-07	6.3%	6.1%	\$6.88
Dividend Growth Split Corp. (DGS.PR.A) - Pays quarterly dividends, rated Pfd-3 by DBRS.**	03-Dec-07	5.4%	5.3%	\$6.30
Brompton Oil Split Corp. (OSP.PR.A) - Pays quarterly dividends, rated Pfd-5 by DBRS.**	24-Feb-15	5.1%	5.2%	\$2.43
Global Dividend Growth Split Corp. (GDV.PR.A) - Pays quarterly dividends, rated Pfd-3 (high) by DBRS**	15-Jun-18	5.1%	4.9%	\$0.77

¹ Calculations of the total returns are based on unaudited financial information. Please see www.bromptongroup.com for annualized returns over the 1-yr, 3-yr, 5-yr, 10-yr and since inception periods as applicable.

² Market Distribution Rate is calculated as the annualized distribution paid by a Fund as of December 31, 2019 divided by the closing price on December 31, 2019.

**Ratings as of December 31, 2019.

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.

You will usually pay brokerage fees to your dealer if you purchase or sell shares/units of the investment fund on the Toronto Stock Exchange or other alternative Canadian trading system (an "exchange"). If the shares/units are purchased or sold on an exchange, investors may pay more than the current net asset value when buying shares/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 shares/units of an investment fund. An investment fund must prepare disclosure documents that contain key information about a fund. You can find more detailed information about a 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 share or unit value and reinvestment of all dividends or 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.

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



Bloom Investment Counsel, Inc.

Bloom Investment Counsel, Inc. was established in 1985 and is the portfolio manager of Blue Ribbon Income Fund and Canadian High Income Equity Fund. Bloom specializes in the management of segregated investment portfolios for wealthy individuals, foundations, corporations, institutions and trusts. In addition to its conventional investment management business, Bloom currently manages specialty high-income equity portfolios comprised of dividend-paying common equity securities, income trusts and real estate investment trusts. Bloom has managed more than ten TSX-listed closed-end portfolios in this specialty area since 1997, with an aggregate market value of over \$2.5 billion and currently manages four closed end funds and one open-end mutual fund in this specialty area.



Brompton Funds Limited

In addition to providing Investment Fund Manager services to all funds under management, Brompton Funds Limited is also a Portfolio Manager. The team oversees investments for several large-capitalization Canadian, US and Global focused equity funds. They also provide active covered call writing overlays for approximately \$1.6 billion of Brompton AUM, with the goal of enhancing risk-adjusted returns for investors. Brompton has extensive experience in managing Resource and Energy equity funds.



Flaherty & Crumrine Incorporated

Flaherty & Crumrine Incorporated was founded in 1983 and specializes in the management of US preferred securities and corporate debt instruments. Flaherty & Crumrine is the portfolio manager for Flaherty & Crumrine Investment Grade Fixed Income Fund, which invests in investment grade preferred securities and corporate debt, primarily of US issuers. The firm uses intensive credit analysis, thorough analysis of securities' terms and structure and active portfolio management, exploiting pricing inefficiencies in the fixed income markets to provide attractive rates of return on its funds.



Symphony Asset Management LLC

Symphony Asset Management LLC is the investment manager of Symphony Floating Rate Senior Loan Fund. Backed by an institutional-calibre integrated credit platform and supported by a 22-member team of experienced credit investment professionals, Symphony manages approximately US\$14.6 billion in senior loans and has approximately US\$17.3 billion in total assets under management, as at December 31, 2019. Symphony is an indirect wholly-owned subsidiary of Nuveen LLC, which is a subsidiary of Teachers Insurance and Annuity Association of America.

INDEPENDENT REVIEW COMMITTEE OF BROMPTON FUNDS

The Independent Review Committee ("IRC") is comprised of a minimum of three members, each of whom must be independent of the funds, the manager, and any affiliate companies of the manager.

The function of the IRC is to provide decisions on conflict of interest matters that the Manager has referred to the IRC and to provide oversight on any conflicts that IRC members identify on their own. The IRC is invited to attend all Board meetings and has access to management at all times.

PATRICIA MEREDITH, BS, MBA, PHD



Patricia Meredith is a global thought leader, author and consultant in the emerging field of strategic governance. She is best known for her role as Chair of Canada's Task Force for the Payment System Review, bringing together government, community and industry leaders to transform the payments system in under two years. Dr. Meredith is a Director of many public, private and not-for-profit organizations. She was Executive Vice-President and Chief Strategy Officer of a major financial institution and Senior Strategy Advisor to financial services and technology companies for a global strategy consultancy. From 2010 to 2012, Pat was the Chair of the Task Force for the Payments Review. The Task Force, which applied a catalytic governance process, delivered a community supported action plan that enabled government and industry to quickly act on all four of the recommendations. With her Catalytic Governance co-authors, Steven Rosell and Ged Davis, she is working to create a community of leaders developing better approaches to governing in the information age. Dr. Meredith has a PhD in Business Strategy, an MBA in Management Information Systems and a Bachelor of Mathematics. She is a Fellow of the Institute of Chartered Professional Accountants of Ontario and of the Clarkson Institute for Board Effectiveness at the Rotman School of Management at the University of Toronto. She teaches Advanced Strategic Management and Competitive and Organizational Strategy to MBAs and executives. Patricia is Chair, of the Audit and Finance Committee of the Canadian Institute for Advanced Research (CIFAR). She is also the winner of the 2017 Donner Prize Award for the Best Public Policy Book by a Canadian.

ARTHUR R.A. SCACE, QC, CM



Mr. Scace is an independent director and former partner of McCarthy Tétrault LLP and has over 35 years of legal and business experience. Mr. Scace began his career at McCarthy Tétrault LLP in 1967 and became a partner in 1972. Mr. Scace served as the Managing Partner of the Toronto office from 1989 to 1996 and as the firm's National Chairman from 1997 to 1999. Mr. Scace received a Bachelor of Arts degree from the University of Toronto, a Bachelor of Law degree from Oxford University as a Rhodes Scholar, a Master of Arts degree from Harvard University, and a Bachelor of Laws degree from Osgoode Hall Law School at York University. Mr. Scace is also a Queen's Counsel, has been appointed as a member of the Order of Canada and has received honorary Doctorates of Law from The Law Society of Upper Canada, York University, the University of Toronto and Trinity College of the University of Toronto. Mr. Scace is former Chairman of the Board of Directors of The Bank of Nova Scotia and a director of several other Canadian companies, and is a former Treasurer of The Law Society of Upper Canada.

KEN S. WOOLNER, BSc, PEng



Mr. Woolner has over 30 years of experience in the oil and gas industry and currently serves as President, Chief Executive Officer and Director of Velvet Energy Ltd., a private Calgary based production and exploration company. From February 2006 to June 2011 he served as a corporate director. From April 2005 to February 2006, Mr. Woolner was Executive Chairman of White Fire Energy Ltd., a public oil and gas company operating in Western Canada and a trustee of Sequoia Oil & Gas Trust. Mr. Woolner was President and Chief Executive Officer of Lightning Energy Ltd. from December 2001 to April 2005, when it merged with Argo Energy Ltd. to create Sequoia Oil & Gas Trust and White Fire Energy Ltd. Mr. Woolner was the President and Chief Executive Officer and a director of Velvet Exploration Ltd. from April 1997 to July 2001 when it was acquired by El Paso Oil & Gas Inc., and was a director of El Paso Oil and Gas Canada Inc. from July 2001 to May 2002. Mr. Woolner is a professional engineer and received a Bachelor of Science degree in Geological Engineering from the University of Toronto.

DIRECTORS OF BROMPTON FUNDS

The Board of Directors of the Manager of each of Brompton's funds consists of four members who are responsible for overseeing the management of the funds and their reporting.

The Board of Directors monitors the performance of the portfolio managers and periodically reviews the investment strategies of the existing funds to ensure that they meet the long-term objectives of the funds and their investors.

MARK A. CARANCI, BComm, CPA, CA



Mr. Caranci has over 25 years of experience in the investment business, merchant banking and public accounting and, as a principal of Brompton, participates in the direction of all activities in the group. Mr. Caranci was appointed as the Chief Financial Officer of Brompton Group of companies in 2000 and in 2007, was appointed as the President, Chief Executive Officer and director of Brompton Funds. Mr. Caranci is a Chartered Professional Accountant and is a member of the Ontario Institute of Chartered Accountants and received a Bachelor of Commerce degree from the University of Toronto.

RAYMOND R. PETHER, BA, MBA



Mr. Pether has over 35 years of experience in the investment business having held numerous high level positions in investment management, oil & gas, banking and real estate finance. Mr. Pether co-founded the Brompton Group in 2000 and participates in the direction of all activities in the group, and is a director of Brompton Funds. Mr. Pether received a Bachelor of Arts degree in Economics from the University of Western Ontario and a Master of Business Administration degree from McMaster University.

CRAIG T. KIKUCHI, BA, CPA, CA, CFA



Mr. Kikuchi has over 20 years of financial experience with public and private companies. Mr. Kikuchi joined Brompton in 2002 as Controller, served as Vice-President and became Chief Financial Officer of Brompton Funds in 2006. Mr. Kikuchi worked for PricewaterhouseCoopers LLP from September 1996 to January 2002, where he held progressively senior roles, including the role as manager in both the assurance and business advisory services practice and the taxation and legal services practice. Mr. Kikuchi is a Chartered Professional Accountant and Chartered Accountant and is a member of the Ontario Institute of Chartered Accountants. He is also a CFA charter holder and is a member of the Toronto CFA Society. He received a Bachelor of Arts degree in Economics from the University of Western Ontario.

CHRISTOPHER S.L. HOFFMANN, LLB, MS



Mr. Hoffmann joined the Brompton Group of companies in 2004. From 1989 to 2004 Mr. Hoffmann was a partner at McCarthy Tétrault. From 1987 to 1989 Mr. Hoffmann was Executive Vice President and Chief Operating Officer of a private investment and holding company. From 1980 to 1987 Mr. Hoffmann was a partner at Burnet, Duckworth & Palmer. Mr. Hoffmann is a member of the Law Society of Ontario and received a Bachelor of Laws and a Bachelor of Civil Law from McGill University, and a Master of Science from University of California, Berkeley. Mr. Hoffmann has been a director of numerous public and private companies and not-for-profit corporations. He is currently a director of the Canadian Opera Foundation and the Toronto Central Local Health Integration Network.

OFFICERS & DIRECTORS

Brompton has assembled a highly qualified team to manage the affairs of the funds and to provide a superior level of service to unitholders.



FROM LEFT TO RIGHT:

BACK ROW: Stephen Allen, Craig Kikuchi, Ann Wong, Kathryn Banner, Michelle Tiraborelli, Christopher Cullen, Michael Clare.

FRONT ROW: Raymond Pether, Mark Caranci, Laura Lau, Christopher Hoffmann

CORPORATE INFORMATION

Independent Review Committee

Patricia Meredith, BS, MBA, PHD

Arthur R.A. Scace, QC, CM

Ken S. Woolner, BSc, PEng

Officers & Directors

Mark A. Caranci, BComm, CPA, CA
Director, President and Chief Executive Officer

Christopher S.L. Hoffmann, LLB, MS
Director

Craig T. Kikuchi, BA, CPA, CA, CFA
Director and Chief Financial Officer

Raymond R. Pether, BA, MBA
Director

Stephen Allen, BA
Senior Vice President

Christopher Cullen, BSc (Hons), MBA, CFA
Senior Vice President

Laura Lau, BSc (Hons), CFA, DMS
Senior Vice President and Senior Portfolio Manager

Michael Clare, BComm (Hons), CPA, CA, CFA
Vice President and Portfolio Manager

Michelle L. Tiraborelli, BSc (Hons), MBA
Vice President

Ann P. Wong, BA, MAcc, CPA, CA, CPA (Delaware), CFA
Vice President and Controller

Kathryn A.H. Banner, BA, MA
Vice President and Corporate Secretary

Investor Relations

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INVESTOR INFORMATION

BROMPTON'S WEBSITE PROVIDES INVESTORS WITH A WEALTH OF INFORMATION ON ALL OF OUR FUNDS. THE WEBSITE INCLUDES:

- Fund overviews and a summary of each fund's key investment features
- NAV per unit/share and distributions
- Tax information, regulatory filings and financial reports
- Portfolio Manager reports and conference calls
- Web-based presentations
- Links to media appearances
- Quarterly summaries of portfolio holdings and sector allocations

For further information, please visit
our website or contact investor relations:

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