

# Brompton North American Low Volatility Dividend ETF

TSX:BLOV

## FUND PROFILE

AS AT MAY 31, 2021

TSX Symbol	BLOV
CUSIP	11222V1004
Inception Date	Apr. 30, 2020
NAV	\$22.16
Distribution Rate <sup>1</sup>	3.6%
Monthly Distribution	\$ 0.06667
Total Assets	\$2 million
Management Fee	0.55% p.a.
Management Style	Quantitative/Active
Manager/PM	Brompton Funds Limited
Registered Account Eligibility?	Yes
Risk Rating	Low to Medium

## Overview

This ETF provides stable monthly cash distributions, and the opportunity for capital appreciation and low overall volatility of portfolio returns by investing in a portfolio of North American large capitalization equity securities selected by Brompton, complemented by a proprietary covered call options program to enhance monthly income. BLOV focuses on lowering total portfolio volatility through investing in a diversified blend of equities from North American issuers with a minimum market cap of \$5 billion. Our Portfolio Management team employs quantitative analysis with an active fundamentals overlay to construct a portfolio with lower overall volatility than the market. The team also overlays an options strategy with the goal of further lowering volatility while increasing distributable cash and total returns.

## Investment Highlights: Low Volatility Dividend Equities

- Through the most recent 15 year period - including the two highest-volatility equity market sell-offs on record (2008 & 2020) - low volatility strategies have offered greater portfolio stability, higher risk-adjusted returns, and higher absolute returns than US or Canadian broad equity markets.
- Investor preference to seek outperformance in higher-volatility equities has created the Low Volatility Effect: less "exciting" low volatility equity portfolios are observed to consistently outperform on both an absolute and a risk-adjusted basis
- Brompton believes that its blended quantitative and fundamental approach to constructing Low-Volatility portfolios is a more effective strategy than taken by many competing Low Volatility ETFs.

## Portfolio: May 31, 2021

Sector Allocation <sup>3</sup>	% of NAV	Geographic Allocation <sup>3</sup>	% of NAV
Consumer Staples	37.9%	United States	54.4%
Communication Services	11.8%	Canada	36.5%
Healthcare	11.2%	Netherlands	3.8%
Utilities	10.8%	Ireland	3.5%
Consumer Discretionary	9.6%	Switzerland	2.5%
Information Technology	7.3%	Cash & short-term inv.	1.2%
Industrials	6.8%	Other net liabilities	(1.8%)
Materials	5.2%		
Cash & short-term inv.	1.2%		
Other net liabilities	(1.8%)		

Top 10 Holdings	% of NAV
Procter & Gamble Co	7.4%
Target Corp	7.2%
Telus Corp	6.9%
Johnson & Johnson	6.6%
Brookfield Infrastructure Partners LP	5.6%
Nextera Energy Inc	5.3%
Franco-Nevada Corp	5.2%
Archer-Daniels-Midland Co	5.1%
Costco Wholesale Corp	5.1%
BCE Inc	4.9%
<b>Total</b>	<b>59.3%</b>

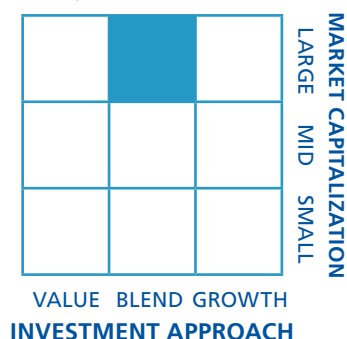
## THIS ETF IS FOR INVESTORS WHO ARE:

- Seeking reliable monthly income
- Looking for equity exposure with a focus on risk-adjusted return over absolute return
- Comfortable with equity risk

ESG SCORE<sup>2</sup>

B+

## EQUITY STYLE BOX



**BROMPTON**  
EXCHANGE TRADED FUNDS

**Michael Clare**

BComm (Hons), CPA, CA, CFA

Vice President

Portfolio Manager

**Varun Choyah**

M.Sc, MBA

Assistant Vice President

Associate 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. 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 \$2.8 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. For the level of service provided, our funds are known for their low management

## Historical Performance: May 31, 2021

Annual Compound Returns <sup>4</sup>	YTD	1-YR	Since Inception
Brompton North American Low Volatility Dividend ETF	3.6%	11.8%	14.1%

<sup>(1)</sup> Distribution rate based on May 31, 2021 closing market price. Source: Thomson Reuters.

<sup>(2)</sup> Source: Thomson Reuters as at May 31, 2021. 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> Totals may not equal 100% due to rounding.

<sup>(4)</sup> Returns are for the periods ended May 31, 2021. Inception date April 30, 2020. The table shows the ETF's compound returns for each period indicated.

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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.