

# Brompton North American Low Volatility Dividend ETF

TSX:BLOV

## FUND PROFILE

AS AT AUGUST 31, 2021

TSX Symbol	BLOV
CUSIP	11222V1004
Inception Date	Apr. 30, 2020
NAV	\$23.94
Distribution Rate <sup>1</sup>	3.3%
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

- Over a 20 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.<sup>3</sup>
- 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: August 31, 2021

Sector Allocation <sup>4</sup>	% of NAV	Geographic Allocation <sup>4</sup>	% of NAV
Consumer Staples	36.8%	United States	65.7%
Healthcare	12.2%	Canada	30.8%
Communication Services	11.8%	Ireland	2.6%
Industrials	10.6%	Netherlands	2.4%
Consumer Discretionary	10.2%	Cash & short-term inv.	1.8%
Utilities	9.1%	Other net liabilities	(3.3%)
Information Technology	5.0%		
Materials	3.7%		
Financials	2.0%		
Cash & short-term inv.	1.8%		
Other net liabilities	(3.3%)		

Top 10 Holdings	% of NAV
Costco Wholesale Corp	9.1%
Target Corp	7.5%
Procter & Gamble Co	7.3%
Telus Corp	6.8%
Johnson & Johnson	6.5%
BCE Inc	5.0%
Loblaw Companies Ltd	4.6%
Brookfield Infrastructure Partners LP	4.6%
Monster Beverage Corp	4.6%
Nextera Energy Inc	4.5%
<b>Total</b>	<b>60.5%</b>

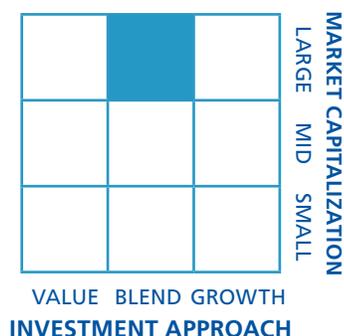
## THIS ETF IS FOR INVESTORS WHO ARE:

- 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 exchange-traded funds (ETFs) and other TSX traded investment 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

Historical Performance: August 31, 2021

Annual Compound Returns <sup>5</sup>	YTD	1-YR	Since Inception
Brompton North American Low Volatility Dividend ETF	12.9%	14.3%	18.7%

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

<sup>(2)</sup> Source: Thomson Reuters as at August 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> Source: Refinitiv Datastream. Based on monthly returns for the period 2001-06-29 - 2021-06-30. US Low Volatility represents the MSCI USA Minimum Volatility Total Return Index, US Index represents the MSCI USA Total Return Index, Canada Low Volatility represents the MSCI Canada Minimum Volatility Total Return Index, and Canada Index represents MSCI Canada Total Return Index.

<sup>(4)</sup> Totals may not equal 100% due to rounding.

<sup>(5)</sup> Returns are for the periods ended August 31, 2021 and are unaudited. Inception date April 30, 2020. The table shows the ETF's compound returns for each period indicated. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown is based on Net Asset Value per unit and assumes that distributions made by the Fund on its units in the period shown were reinvested at Net Asset Value per unit in additional units of the Fund.

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 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 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