

Brompton Flaherty & Crumrine Investment Grade Preferred ETF



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## Introducing BEPR - Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF

Brompton Flaherty & Crumrine *Enhanced* Investment Grade Preferred ETF ("BEPR"), Brompton Fund's latest ETF offering, commenced trading on the TSX under ticker symbol BEPR on November 26, 2021.

Originally listed as a closed-end fund in 2004 (former ticker symbol FFI.UN), BEPR has provided high income to investors for over 16 years prior to receiving unitholder approval on November 1, 2021 to convert to an ETF.

BEPR is Canada's first actively managed, leveraged long-only Fixed Income ETF. Preferred securities specialist Flaherty & Crumrine Incorporated ("FCI") is the sub-advisor to BEPR. BEPR provides a leverage-enhanced investment in U.S Preferred Securities, complementing the unleveraged version, BPRF – Brompton Flaherty & Crumrine Investment Grade Preferred ETF. BEPR is an attractive option for investors seeking enhanced income in today's low-interest-rate environment, offering a distribution rate of over 6% by continuing its longstanding leveraged investment exposure to primarily investment-grade U.S. preferred securities.

Our BEPR Launch Webinar is available online along with other informative videos at bromptongroup.com/media.

For more information, contact your wholesaler or our Investor Relations team (1-866-642-6001 | info@bromptongroup.com).



BEPR growth of \$10,000 is represented by the NAV total return of its predecessor closed-end fund, FFI.UN – Flaherty & Crumrine Investment Grade Preferred Fund. US Preferred Index is comprised of 50% of the ICE BofA 8% Capped Hybrid Preferred Securities Index (P8HO) and 50% of the ICE BofA 8% Capped Corporate US Capital Securities Index (C8CT) prior to 4/30/2012, and thereafter of the ICE BofA 8% Constrained Core West Preferred & Jr Subordinated Securities Index (P8JC).

### Two Ways to Invest in U.S. Preferred Shares

Ticker	BPRF	BEPR			
Distribution Rate	~4.5%	~6.5%			
Proforma Total Assets (approx.)2	\$190,000,000	~\$105,000,000			
Portfolio Quality	Minimum 75% Investment Grade				
ETF Facts Risk Rating	Low-Medium	Medium			
MER Cap	0.95%	1.20%			
Fund Type	Conventional	Liquid Alternative			
Leverage % of Total Assets	Unleveraged	20-33%			
Primary Ticker Currency	CAD-H	CAD-H			
USD Unit Available?	BPRF.U	BEPR.U (target mid Jan/22)			
Inception Date	October 15, 2018	December 15, 2004			

# Historical Performance: October 31, 2021

Annual Compound Returns <sup>3</sup>	YTD	1-YR	3-YR	5-YR	10-YR	S.I.
Brompton Flaherty & Crumrine Investment Grade Preferred ETF (CAD-H)		9.8%	7.2%	-	-	7.4%
Brompton Flaherty & Crumrine Investment Grade Preferred ETF (USD)		10.5%	-	-	-	8.1%
Brompton Flaherty & Crumrine <i>Enhanced</i> Investment Grade Preferred ETF (CAD-H)		17.7%	9.5%	7.1%	9.8%	6.0%

**Sub-Advisor** Established in 1983, Flaherty & Crumrine Incorporated specializes in US dollar denominated preferred securities and corporate debt instruments. The firm uses 30 years of proprietary data on over 1,500 preferred securities to carry out intensive credit analysis, thorough vetting of securities' terms and structures, and active portfolio management, with the goal of exploiting pricing inefficiencies in the fixed income markets to provide attractive rates of return on its funds.

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

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.



### **Investor Relations**

PHONE 416.642.6000 TOLL FREE 1.866.642.6001 FAX 416.642.6001 info@bromptongroup.com www.bromptonfunds.com

### Address

Bay Wellington Tower, Brookfield Place 181 Bay Street Suite 2930, Box 793 Toronto, Ontario M5J 2T3

<sup>&</sup>lt;sup>2</sup> BEPR current Total Assets at approx. \$90 million. Proforma Total Assets assumes completion of BEPR's planned investment in BPRF for US Preferreds exposure to be completed in December 2021.

<sup>&</sup>lt;sup>3</sup> Returns are for the periods ended October 31, 2021 and are unaudited. BPRF inception date October 15, 2018. BPRF.U inception date August 8, 2019. BEPR inception date December 15, 2004. The table shows the ETF's compound returns for each period indicated. Past performance does not necessarily indicate how the ETF will perform in the future. The information shown is based on Net Asset Value per unit and assumes that distributions made by the ETF on its units in the period shown were reinvested at Net Asset Value per unit in additional units of the ETF.