

# Brompton Flaherty & Crumrine

## Enhanced Investment Grade Preferred ETF

TSX:BEPR

### FUND PROFILE

AS AT NOVEMBER 30, 2021

<b>TSX Symbol</b>	BEPR
<b>Currency</b>	CAD Hedged
<b>CUSIP</b>	11223L101
<b>Inception Date</b>	Dec. 15, 2004
<b>NAV</b>	\$12.14
<b>Distrb. Rate<sup>1</sup></b>	6.8%
<b>Distrb. Frequency</b>	Monthly
<b>Total Assets</b>	\$103 million
<b>Leverage</b>	Up to 33% of Total Assets
<b>Mgmt. Fee</b>	1.0% of NAV p.a.
<b>Mgmt. Style</b>	Actively Managed
<b>Manager</b>	Brompton Funds Limited
<b>Sub-Advisor</b>	Flaherty & Crumrine Inc.
<b>Reg Account Eligibility?</b>	Yes

### THIS ETF IS FOR INVESTORS WHO ARE:

- Seeking monthly cash distributions
- Seeking stable net asset value
- Seeking primarily investment-grade income sources

### Overview

This ETF seeks to provide: (i) stable monthly cash distributions; and (ii) a stable net asset value. The ETF invests in an actively managed portfolio consisting primarily of U.S. dollar denominated corporate preferred securities, trust preferred securities and other corporate debt. At least 75% of the ETF's portfolio (at the time of investment) consists of securities that are rated investment grade. The ETF employs a moderate amount of leverage to enhance distributable income and total return potential. Low borrowing costs and attractive current yields on US preferred securities allows the ETF to offer a high level of income relative to traditional fixed income investments.

The Sub-Advisor, Flaherty & Crumrine, is the longest tenured U.S. investment firm focusing exclusively on managing portfolios of preferred securities for institutional investors. The Sub-Advisor selects preferred investments for the portfolio, giving consideration to the opportunity for income, issuer and security diversification, credit quality and duration/interest rate sensitivity.

### Investment Highlights: Preferred Securities

U.S. preferred securities offer:

- Primarily investment-grade credit, with higher yield than many other fixed income categories
- Historical outperformance compared to the S&P/TSX Preferred Share Index with lower volatility
- Low correlation of returns; effective tool to diversify portfolio returns and risk

### Portfolio: December 2, 2021

Holdings	% of Portfolio
Brompton Flaherty & Crumrine Investment Grade Preferred ETF (BPRF)	97.4%
Cash and short-term investments	2.6%
<b>Total</b>	<b>100.0%</b>

BPRF Top 10 Holdings	% of Portfolio
Liberty Mutual Insurance, 7.697% due October 15, 2097	4.0%
Delphi Financial Group, 3.346% due May 15, 2037	3.8%
Metlife Inc., 10.750% due August 01, 2039	3.7%
HSBC Capital Funding LP, 10.176%	3.3%
Provident Financing TR I, 7.405% due March 15, 2038	2.9%
Enterprise Products Operating LP, 5.250% due August 16, 2077	2.8%
Cash and short-term investments	2.6%
Partnerre Finance II, 2.496% due December 01, 2066	2.5%
Transcanada Pipelines Limited, 5.500% due September 15, 2079	2.4%
Sempra Energy, 5.750% due July 01, 2079	2.3%
<b>Total</b>	<b>30.3%</b>

## Sub-Advisor and Manager

### Sub-Advisor

Flaherty & Crumrine is the longest tenured U.S. investment firm focusing exclusively on managing portfolios of preferred securities for institutional investors. 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 1500 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

### 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 their low management fees and costs.

## Historical Performance: November 30, 2021

Annual Compound Returns <sup>2</sup>	YTD	1-YR	3-YR	5-YR	10-YR	Since Inception
Brompton Flaherty & Crumrine <i>Enhanced</i> Investment Grade Preferred ETF	6.4%	8.6%	9.9%	7.4%	9.8%	5.8%

<sup>(1)</sup> Distribution rate based on November 30, 2021 closing market price. Source: Thomson Reuters.

<sup>(2)</sup> Returns are for the periods ended November 30, 2021 and are unaudited. 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.

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 revise them to reflect new events or circumstances.

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**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