

# Brompton Flaherty & Crumrine Investment Grade Preferred ETF

**TSX: BPRF**

## FUND PROFILE

AS AT NOVEMBER 30, 2021

<b>TSX Symbol</b>	CAD Hedged USD	BPRF BPRF.U
<b>CUSIP</b>	BPRF BPRF.U	11221N109 11221N208
<b>Inception Date</b>	BPRF BPRF.U	Oct. 15, 2018 Aug. 8, 2019
<b>NAV</b>	BPRF BPRF.U	\$26.49 \$26.33
<b>Distribution Rate<sup>1</sup></b>	BPRF BPRF.U	4.8% 4.8%
<b>Distribution Frequency</b>		Monthly
<b>Total Assets</b>		\$90 million
<b>Management Fee</b>		0.75% p.a.
<b>Management Style</b>		Actively Managed
<b>Manager</b>		Brompton Funds Limited
<b>Sub-Advisor</b>		Flaherty & Crumrine Inc.
<b>Registered Account Eligibility?</b>		Yes
<b>Risk Rating</b>		Low to Medium

## THIS ETF IS FOR INVESTORS WHO ARE:

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

**ESG SCORE<sup>2</sup>**

**B**

Portfolio Statistics <sup>3</sup>	Nov. 30, 2021
Current Yield	5.2%
YTW	3.7%
Duration (years)	4.7
Average Rating	BBB-

**BROMPTON**  
EXCHANGE TRADED FUNDS

## Overview

This actively managed ETF seeks to provide: (i) stable monthly cash distributions; and (ii) a stable net asset value. The ETF actively 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 ETF's portfolio (at the time of investment) consists of securities that are rated investment grade.

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 will select a portfolio of preferred investments for the ETF, 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 securities, 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: November 30, 2021

Rating Distribution	% of NAV	Industry Weighting	% of NAV
Cash	3.1%	Banking	76.1%
A	0.3%	Insurance	73.2%
A-	0.3%	Energy	25.9%
BBB+	11.4%	Utilities	21.1%
BBB	38.7%	Cash & short-term inv.	6.6%
BBB-	24.2%	Finance	5.9%
BB+	15.4%	Communications	2.5%
BB	5.0%	Misc. industries	1.0%
BB-	1.0%	Currency fwd contracts & Other net liabilities	(112.3%)
B	0.1%		
NR	0.5%		

## Portfolio: November 30, 2021

Top 10 Holdings	% of NAV
Liberty Mutual Insurance, 7.697% due October 15, 2097	8.4%
Delphi Financial Group, 3.31475% due May 15, 2037	8.0%
Metlife Inc., 10.750% due August 01, 2039	7.9%
HSBC Capital Funding LP, 10.176%	6.9%
Cash and short-term investments	6.6%
Provident Financing TR I, 7.405% due March 15, 2038	6.1%
Enterprise Products Operating LP, 5.250% due Aug. 16, 2077	6.0%
Partnerre Finance II, 2.496% due December 01, 2066	5.2%
Transcanada Pipelines Limited, 5.500% due Sept. 15, 2079	5.0%
Lloyds Banking Group PLC, 7.50%	4.8%
<b>Total</b>	<b>64.9%</b>

## Sub-Advisor and Manager

### 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 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 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. 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>4</sup>	YTD	1-YR	3-Yr	Since Inception (BPRF)	Since Inception (BPRF.U)
Brompton Flaherty & Crumrine Investment Grade Preferred ETF (CAD hedged)	3.2%	4.8%	7.9%	6.9%	-
Brompton Flaherty & Crumrine Investment Grade Preferred ETF (USD)	3.4%	5.2%	-	-	7.3%

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

<sup>(2)</sup> Source: Thomson Reuters as at November 30, 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>Excludes cash.

<sup>(4)</sup>Returns are for the periods ended November 30, 2021 and are unaudited. BPRF inception date October 15, 2018. BPRF.U inception date August 8, 2019. 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.

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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.