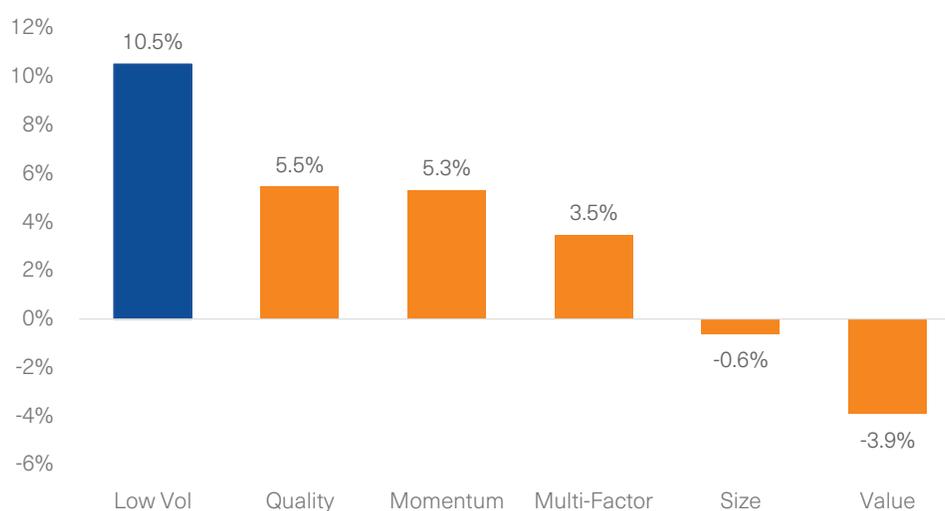


Funds in focus: Brompton North American Low Volatility Dividend ETF (BLOV)

Low volatility strategies offer investors a less risky way to participate in the equity market, and these strategies have performed well in a number of different market environments. This is supported by over 90 years of empirical data, which show that, relative to the broad market, low-volatility strategies offer better stability, higher risk-adjusted and absolute returns, and shallower drawdowns in volatile markets.

Low volatility strategies work because they are boring, and many are not paying attention to them because investors tend to chase big payoffs by taking outsized risks. For example, retail investors tend to chase large returns in the latest hot market, recently crypto assets, the innovation sector and meme stocks, which have proven to be extremely volatile. Institutional investors often skew towards high beta stocks in an attempt to beat the index. With investors focusing their attention on these high beta asset classes, low volatility strategies become systematically underpriced and then tend to outperform in the long run. On a 10-year basis, through 2021, Low Volatility was the top performer out of all the major factors, as shown in the chart below.

Factor Returns – 2012-2021 (Annualized)



Source: Factor Research (January 2, 2022)

While low volatility portfolios in general have outperformed, we believe the Brompton North American Low Volatility Dividend ETF (BLOV) employs a superior low volatility strategy. BLOV uses a quantitative approach with minimal constraints along with traditional fundamental analysis to structure a portfolio with reduced overall volatility relative to the broad market. The distinction is that the fund is not just a collection of low volatility stocks, but rather is carefully constructed so that the portfolio taken as a whole is low volatility. We also use an active covered call overlay, which further reduces volatility and supplements the income generated.

BLOV's strategy allows the portfolio to capture relatively larger portions of the equity market's positive performance while limiting downside participation. Over the last year, BLOV has a 125% upside/downside capture ratio vs the S&P 500 TR.1 Additionally, over the last 12 months when the MSCI US/Canada Blended Index declined by more than 1%, Brompton North American Low Volatility Dividend ETF outperformed by an average of 51 basis points. Since BLOV's inception, on down days of more than 1%, BLOV outperformed by an average of 54 basis points.

Daily Performance on Days With > 1% Market Declines



Source: Brompton Funds, Refinitiv Datastream, as at March 31, 2022. North American Equities is represented by an equal weighted blend of the MSCI USA Index and the MSCI Canada Index.

Given the recent volatility in the market surrounding the war in Ukraine, worries about inflation, and rising interest rates, we believe that BLOV is an excellent, less volatile way for investors to get exposure to the North American equity market. Over the past 12 months to March 31, 2022, BLOV has generated a 20.2% total return and since inception, the fund has produced a 16.1% per annum return.

Brompton's Approach

Brompton North American Low Volatility Dividend ETF (BLOV) is designed to produce equity returns with lower volatility through investing in a diversified portfolio of North American large capitalization equities. Our Portfolio Management team employs quantitative analysis with an active fundamental overlay to construct a portfolio with lower overall volatility than the market. The PM team also overlays an options strategy with the goal of further lowering volatility, while also aiming to increase distributable cash and total returns.

Annual Compound Returns ²	YTD	1-YR	Since Inception
Brompton North American Low Volatility Dividend ETF	(2.0%)	20.2%	16.0%

¹ Morningstar, as at February 28, 2022.

² Returns are for the periods ended March 31, 2022 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 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. **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.** Please read the prospectus before investing. Exchange-traded funds are not guaranteed, their values change frequently and past performance may not be repeated.

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