

**BFIN**

# Brompton North American Financials Dividend ETF

BFIN

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**5.9% | 6.0%**Distribution Rate<sup>1</sup>

## Overview

This ETF provides monthly distributions and the opportunity for capital appreciation through an investment in an actively managed portfolio of large-cap North American-listed financial services companies selected by Brompton, complemented by a proprietary covered call options program.

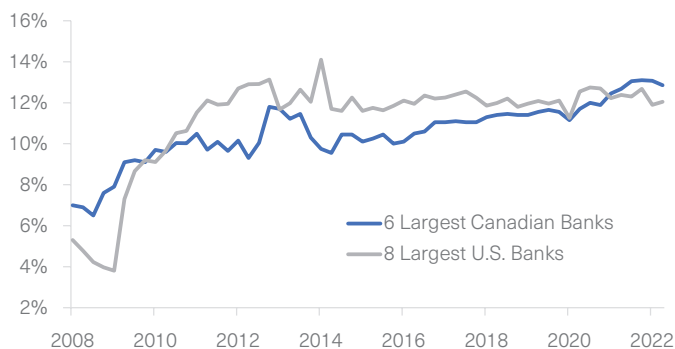
Our Portfolio Management team first uses a top-down analysis to identify attractive sub-sectors. Rigorous fundamental analysis focuses the portfolio on North American Financial Services Companies with a market capitalization of at least \$5 billion. The Portfolio Managers then actively set the level of covered call writing with the goal of optimizing distributable cash and total returns, while reducing portfolio volatility.

## North American Financials - Investment Rationale

### 1 Banks are Well Capitalized

Regulatory changes since 2008 have forced banks to raise capital levels. North American banks remain very well capitalized with capital levels in excess of regulatory requirements. Strong capital levels should drive future shareholder returns through dividend growth and share buybacks.

**Strong Capital Levels - North American Banks<sup>2</sup>**  
(Median Common Equity Tier 1 Capital Ratio)

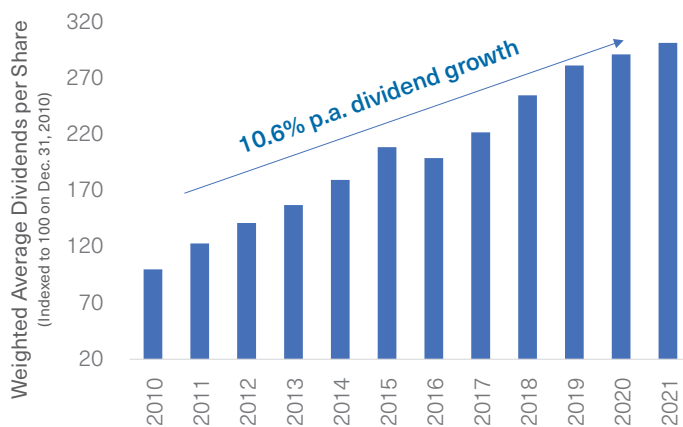


### 2 Dividend Growth in Financials

Since 2010, Canadian financials have grown dividends by 6.2% p.a. and U.S. financials have grown dividends by 16.1% p.a. on average.<sup>3</sup>

Strong balance sheets and a positive economic outlook supports higher profitability, further dividend growth, and share buybacks for financial companies.

**Strong Dividend Growth - North American Financials<sup>3</sup>**



<sup>1</sup> Distribution rate based on July 31, 2022 closing market price. Source: Thomson Reuters.

<sup>2</sup> Source: Bloomberg, as of June 30, 2022.

<sup>3</sup> Source: Thomson Reuters Datastream, as at December 31, 2021. Reflects weighted average dividends per share for the S&P/TSX Capped Financials Index and the S&P 500 Financials Index, equally weighted on an annual basis and indexed to 100 on December 31, 2010.

### 3 Attractive Entry Point

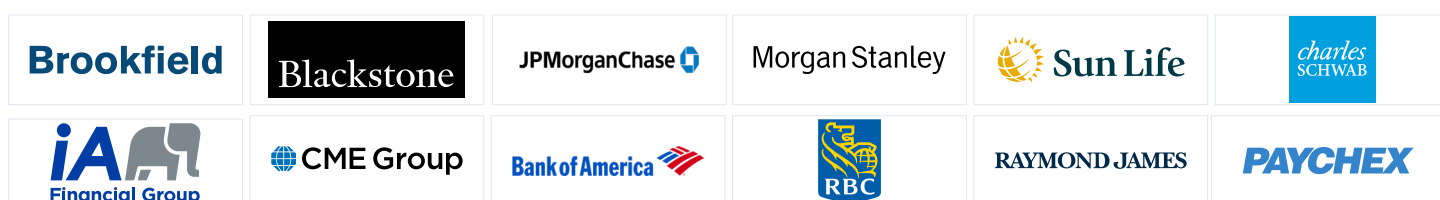
Manager believes financial stocks are currently attractively valued relative to the broader market, representing a compelling entry point.

Based on price-to-earnings multiples ("P/E"), financial stocks are trading close to the lowest level in over 15 years relative to the S&P 500 Index.

#### S&P 500 Financials Index Relative to S&P 500 Index Forward Price-to-Earnings<sup>4</sup>



#### Select Portfolio Holdings: July 31, 2022<sup>5</sup>



#### About Brompton Funds Limited

- Provides investment management and portfolio advisory services to 19 investment funds
- Brompton manages approximately \$2.7 billion in AUM, including approximately \$2.3 billion in covered call option writing strategies
- Since inception in 2000, Brompton's funds have paid over \$3.0 billion in distributions to investors

For more information, please contact your Investment Advisor or visit [www.bromptongroup.com](http://www.bromptongroup.com)

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<sup>4</sup>Source: Thomson Reuters Datastream as at July 31, 2022.

<sup>5</sup>Please visit [www.bromptongroup.com](http://www.bromptongroup.com) for a portfolio summary.

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*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.*