

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities.*

## PROSPECTUS



*Continuous Offering*

March 27, 2024

**Brompton Global Healthcare Income & Growth ETF**  
**Brompton Tech Leaders Income ETF**  
**Brompton European Dividend Growth ETF**  
**Brompton Flaherty & Crumrine Investment Grade Preferred ETF**  
**Brompton Global Dividend Growth ETF**  
**Brompton North American Financials Dividend ETF**  
**Brompton Sustainable Real Assets Dividend ETF**  
**Brompton North American Low Volatility Dividend ETF**  
**Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF**  
**Brompton Enhanced Multi-Asset Income ETF**  
**Brompton Split Corp. Preferred Share ETF**

(each, a “**Brompton ETF**” and together, the “**Brompton ETFs**”)

This prospectus qualifies the distribution of CAD Units (as defined herein) of the Brompton ETFs, which are actively managed exchange traded funds, each of which is established under the laws of the Province of Ontario. This prospectus also qualifies the distribution of USD Units (as defined herein) of Brompton Global Healthcare Income & Growth ETF, Brompton Tech Leaders Income ETF, Brompton Flaherty & Crumrine Investment Grade Preferred ETF, Brompton North American Financials Dividend ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF. The CAD Units of the Brompton ETFs are denominated in Canadian dollars and the USD Units are denominated in U.S. dollars. The CAD Units and USD Units are collectively referred to herein as “**Units**”.

### **Brompton Global Healthcare Income & Growth ETF**

The investment objectives of Brompton Global Healthcare Income & Growth ETF are to provide holders of Units (“**Unitholders**”) of the Brompton ETF with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of Healthcare Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct exposure to foreign currencies back to the Canadian dollar. However, any exposure that the Brompton ETF’s assets allocable to the USD Units have to foreign currencies will not be hedged.

### **Brompton Tech Leaders Income ETF**

The investment objectives of Brompton Tech Leaders Income ETF are to provide Unitholders of the Brompton ETF with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of Technology Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct exposure to foreign currencies back to the Canadian dollar. However, any exposure that the Brompton ETF’s assets allocable to the USD Units have to foreign currencies will not be hedged.

### **Brompton European Dividend Growth ETF**

The investment objectives of Brompton European Dividend Growth ETF are to provide Unitholders of the Brompton ETF with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of European Dividend Growth

Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct exposure to foreign currencies back to the Canadian dollar.

#### **Brompton Flaherty & Crumrine Investment Grade Preferred ETF**

The investment objectives of Brompton Flaherty & Crumrine Investment Grade Preferred ETF are to provide Unitholders of the Brompton ETF with: (a) stable monthly cash distributions and (b) a stable net asset value. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar. However, any exposure that the Brompton ETF's assets allocable to the USD Units have to foreign currencies will not be hedged.

#### **Brompton Global Dividend Growth ETF**

The investment objectives of Brompton Global Dividend Growth ETF are to provide Unitholders with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of global Dividend Growth Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar.

#### **Brompton North American Financials Dividend ETF**

The investment objectives of Brompton North American Financials Dividend ETF are to provide Unitholders with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of North American Financial Services Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar. However, any exposure that the Brompton ETF's assets allocable to the USD Units have to foreign currencies will not be hedged.

#### **Brompton Sustainable Real Assets Dividend ETF**

The investment objectives of Brompton Sustainable Real Assets Dividend ETF are to provide Unitholders with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of global Real Asset Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar. The Manager integrates environmental, social and corporate governance ("ESG") factors when selecting securities for the Brompton ETF's portfolio. The qualitative ESG policies and practices considered by the Manager may include, but are not limited to, a company's environmental sustainability, diversity of employees and corporate governance.

#### **Brompton North American Low Volatility Dividend ETF**

The investment objectives of Brompton North American Low Volatility Dividend ETF are to provide Unitholders with: (a) stable monthly cash distributions (b) the opportunity for capital appreciation; and (c) low overall volatility of portfolio returns by investing in a portfolio of North American large capitalization equity securities. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar. However, any exposure that the Brompton ETF's assets allocable to the USD Units have to foreign currencies will not be hedged.

#### **Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF**

The investment objectives of Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF are to provide Unitholders with (a) stable monthly cash distributions; and (b) a stable net asset value. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar. However, any exposure that the Brompton ETF's assets allocable to the USD Units have to foreign currencies will not be hedged.

#### **Brompton Enhanced Multi-Asset Income ETF**

The investment objectives of Brompton Enhanced Multi-Asset Income ETF are to provide Unitholders with: (a) attractive monthly distributions and (b) the opportunity for capital appreciation by investing, directly or indirectly, on a leveraged basis, in a portfolio of equity and fixed income securities. The Brompton ETF seeks to hedge substantially all of its direct exposure to foreign currencies back to the Canadian dollar.

## **Brompton Split Corp. Preferred Share ETF**

The investment objectives of Brompton Split Corp. Preferred Share ETF are to provide Unitholders with: (a) monthly distributions and (b) the opportunity for capital preservation, primarily through a portfolio of preferred shares of split share corporations (“**Split Corp. Preferred Shares**”).

See “Investment Objectives” for further information.

Brompton Funds Limited (the “**Manager**”) acts as trustee, promoter, manager and portfolio manager of the Brompton ETFs and is responsible for the administration of the Brompton ETFs. See “Organization and Management Details of the Brompton ETFs – Manager”.

Flaherty & Crumrine Incorporated (the “**Sub-advisor**”) acts as the investment sub-advisor to Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF and is responsible for implementing the investment strategy of such Brompton ETFs. The Sub-advisor is located in the United States. See “Organization and Management Details of the Brompton ETFs – Sub-advisor (Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF only)”.

While each Brompton ETF (other than Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF) is a mutual fund under the securities legislation of certain provinces and territories of Canada, the Brompton ETFs have received exemptive relief from certain provisions of Canadian securities legislation applicable to conventional mutual funds. See “Exemptions and Approvals”.

Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF are alternative mutual funds within the meaning of National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”) each existing as a trust under the laws of the Province of Ontario. Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF each have the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. While these strategies will be used in accordance with Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF’s investment objectives and strategies, during certain market conditions, they may accelerate the pace at which your investment in such Brompton ETFs decreases in value. Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF are subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and will be managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities. See “Exemptions and Approvals”.

Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF are considered to be alternative funds because they may borrow for investment purposes and have some greater flexibility in the use of derivatives and in the instance of Brompton Split Corp. Preferred Share ETF because it may hold more than 10% of its assets in Split Corp. Preferred Shares. The Brompton ETFs may use leverage to seek to achieve their investment objectives. See “Investment Strategies”.

### **Purchases of Units**

Units of the Brompton ETFs are listed for trading on the Toronto Stock Exchange (the “**TSX**”) and investors may buy or sell Units of the Brompton ETFs on the TSX through registered brokers and dealers in the province or territory where the investor resides.

Investors may incur customary brokerage commissions in buying or selling Units of the Brompton ETFs. All orders to purchase Units directly from a Brompton ETF must be placed by Designated Brokers (as defined herein) or Dealers (as defined herein). See “Purchases of Units” for further information.

In the opinion of counsel, provided that a Brompton ETF qualifies as a mutual fund trust within the meaning of the *Income Tax Act* (Canada) (the “**Tax Act**”), is a “registered investment” within the meaning of the Tax Act, or the Units of the Brompton ETF are listed on a “designated stock exchange” within the meaning of the Tax Act (which currently includes the TSX), such Units will be qualified investments for trusts governed by registered retirement

savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, registered education savings plans, tax-free savings accounts and first home savings accounts.

### **Additional Considerations**

While each Brompton ETF is a mutual fund under the securities legislation of certain provinces and territories of Canada, the Brompton ETFs have received exemptive relief from certain provisions of Canadian securities legislation applicable to conventional mutual funds. See “Exemptions and Approvals”.

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and as such, no Designated Broker or Dealer has performed many of the usual underwriting activities in connection with the distribution by the Brompton ETFs of their Units under this prospectus.

For a discussion of the risks associated with an investment in Units of the Brompton ETFs, see “Risk Factors”.

Registration of interests in, and transfer of, the Units will be made only through CDS Clearing and Depository Services Inc. Beneficial owners will not have the right to receive physical certificates evidencing their ownership.

### **Documents Incorporated by Reference**

Additional information about each Brompton ETF is or will be available in the most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance (“MRFP”), any interim MRFP filed after the annual MRFP for each Brompton ETF, and the most recently filed ETF Facts for each Brompton ETF. These documents are or will be incorporated by reference into, and legally form an integral part of, this prospectus. See “Documents Incorporated by Reference” for further details.

You can get a copy of these documents at your request, and at no cost, by calling (416) 642-6000 or 1-866-642-6001 (toll-free) or by e-mail at [info@bromptongroup.com](mailto:info@bromptongroup.com) or from your dealer. These documents are or will also be available on the internet at [www.bromptongroup.com](http://www.bromptongroup.com). These documents and other information about the Brompton ETFs are or will also be available on the website of SEDAR+ (the System for Electronic Data Analysis and Retrieval +) at [www.sedarplus.ca](http://www.sedarplus.ca).

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## GLOSSARY

*Unless otherwise indicated, the references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.*

**“Additional Distribution”** means, with respect to any taxation year of each of the Brompton ETFs, the amount, if any, by which the aggregate of the Net Income and Net Realized Capital Gains, less any Net Realized Capital Gains (the tax on which would be refundable to the applicable Brompton ETF in respect of the current year under Part I of the Tax Act for such taxation year) exceeds the aggregate of the Distributions paid or payable by such Brompton ETFs to Unitholders for such taxation year.

**“Basket of Securities”** means, in relation to a particular Brompton ETF, a group of securities and/or assets determined by the Manager from time to time representing the constituent securities of the portfolio of the Brompton ETF.

**“Brompton ETFs”** means collectively, the exchange traded funds listed on the cover page of this prospectus.

**“Brompton Funds”** means Brompton Corp., and its wholly owned subsidiary Brompton Funds Limited, which acts as the manager of the Brompton ETFs.

**“CAD Units”** means the Canadian dollar denominated Units offered by the Brompton ETFs.

**“Canadian Securities Legislation”** means the securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the Securities Regulatory Authorities, as the same may be amended, restated or replaced from time to time.

**“Capital Gains Refund”** has the meaning ascribed thereto under “Income Tax Considerations – Taxation of the Brompton ETFs”.

**“Cash Creation Fee”** means, in relation to a particular Brompton ETF, the fee payable in connection with cash-only payments for subscriptions of a PNU of a Brompton ETF, representing, as applicable, brokerage expenses, commissions, transaction costs and other costs or expenses that the Brompton ETF incurs or expects to incur in purchasing securities on the open market with such proceeds.

**“Cash Exchange Fee”** means, in relation to a particular Brompton ETF, the fee payable in connection with cash-only payments for exchange of a PNU of a Brompton ETF, representing, as applicable, brokerage expenses, commissions, transaction costs and other costs or expenses that the Brompton ETF incurs or expects to incur in selling securities on the open market to obtain necessary cash for the exchanges.

**“CDS”** means CDS Clearing and Depository Services Inc.

**“CDS Participant”** means a registered dealer or other financial institution that is a participant in CDS and that holds Units on behalf of beneficial owners of Units.

**“Counterparty”** has the meaning ascribed thereto under “Risk Factors – Securities Lending”.

**“CRA”** means the Canada Revenue Agency.

**“CRS Rules”** has the meaning ascribed thereto under “International Information Reporting”.

**“Custodial Services Agreement”** means the master custodial services agreement between the Brompton ETFs and the Custodian dated as of June 2, 2023, as may be further supplemented, amended, and/or amended and restated from time to time.

**“Custodian”** means CIBC Mellon Trust Company or its successor, in its capacity as custodian of the Brompton ETFs pursuant to the applicable Custodial Services Agreement.

**“Dealer”** means a registered dealer (that may or may not be the Designated Broker) that has entered into a continuous distribution dealer agreement with the Manager, on behalf of a Brompton ETF, and that subscribes for and purchases Units from that Brompton ETF.

**“Declaration of Trust”** means the amended and restated master declaration of trust governing the Brompton ETFs dated June 2, 2023, as it may be amended and/or amended and restated from time to time.

**“derivatives”** means instruments that derive their value from the market price, value or level of an underlying security, commodity, economic indicator, index or financial instrument and which may include, options, futures contracts, forward contracts, swaps or debt-like securities.

**“Designated Broker”** means the registered dealer that has entered into a designated broker agreement with the Manager, on behalf of a Brompton ETF, pursuant to which the Designated Broker agrees to perform certain duties in relation to that Brompton ETF.

**“Distribution Record Date”** means, in relation to a particular Brompton ETF, a date determined by the Manager as a record date for the determination of the Unitholders of the Brompton ETF entitled to receive a distribution.

**“Distributions”** means the distributions of the Brompton ETFs declared in accordance with the Declaration of Trust.

**“Dividend Growth Companies”** means large capitalization global dividend growth companies selected by the Manager.

**“DPSP”** means a deferred profit sharing plan within the meaning of the Tax Act.

**“EBITDA”** means earnings before interest, taxes, depreciation and amortization.

**“Equity ETF”** means an exchange traded mutual fund listed on a recognized Canadian stock exchange that hold equities.

**“ESG”** has the meaning ascribed thereto under “Investment Objectives – Brompton Sustainable Real Assets Dividend ETF”.

**“European Dividend Growth Company”** means a company that, at the time of investment, (a) is domiciled, incorporated and/or listed in Europe, or in the Manager’s view, has significant operating exposure to Europe; (b) has a market capitalization of at least \$10 billion; and (c) has a history of dividend growth or, in the Manager’s view, has potential for future dividend growth.

**“FHSA”** means a first home savings account within the meaning of the Tax Act.

**“Financial Services Companies”** means companies that operate in the financial services industry, as determined by the Manager.

**“Fixed Income ETF”** means an exchange traded mutual fund listed on a recognized Canadian stock exchange that engages in fixed income strategies.

**“GICS”** means Global Industry Classification Standards.

**“GST/HST”** means taxes exigible under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder.

**“Healthcare Company”** means an issuer that is included in the healthcare sector of the GICS (or any other internationally recognized industry classification system as determined by the Manager, such determination being conclusive for all purposes herein) at the time of investment. Such companies are expected to engage in business activities which include (but are not limited to) the provision of healthcare goods and services, including manufacturing and distributing healthcare products, equipment, supplies and technologies, producing and marketing of pharmaceuticals and biotechnology products, and/or engaging in research and development.

**“Healthcare-Related Company”** means an issuer that is not a Healthcare Company but which, in the Manager’s view, generates a portion of its revenue or earnings from business exposure to the healthcare industry. Such issuers may include, but will not be limited to, food and drug retailers, healthcare real estate investment trusts and life and health insurers.

**“Holder”** has the meaning ascribed thereto under “Income Tax Considerations”.

**“Investment Grade”** in respect of a security means a security, and in respect of an issuer means an issuer, which has at least one of the following ratings: (i) at least BBB- by Standard & Poor’s, Inc.; (ii) at least Baa3 by Moody’s Investor Services, Inc.; (iii) at least BBB- by Fitch Ratings; or (iv) the equivalent rating by another nationally recognized credit rating organization.

**“Investment Sub-Advisory Agreement”** means the investment sub-advisory agreement between the Manager and the Sub-Advisor (a) in respect of Brompton Flaherty & Crumrine Investment Grade Preferred ETF dated as of October



5, 2018 and (b) in respect of Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF dated as of November 26, 2021, as each may be amended from time to time.

**“IRC” or “Independent Review Committee”** means the independent review committee of each of the Brompton ETFs, each established by the Manager in accordance with under NI 81-107.

**“IRS”** has the meaning ascribed thereto under “International Information Reporting”.

**“Lending Agents”** means the Canadian Imperial Bank of Commerce and the Bank of New York Mellon, in their capacity as lending agents to the Brompton ETFs pursuant to the applicable Securities Lending Agreement.

**“Manager”** means Brompton Funds Limited, or if applicable, its successor.

**“Management Fee”** has the meaning ascribed thereto under “Fees and Expenses – Fees and Expenses Payable by the Brompton ETFs – Management Fees”.

**“Management Fee Distributions”** has the meaning ascribed thereto under “Fees and Expenses – Fees and Expenses Payable by the Brompton ETFs – Management Fees”.

**“MRFP”** has the meaning ascribed thereto on the cover page.

**“NAV and NAV per Unit”** means, in relation to a particular Brompton ETF, the net asset value of the Brompton ETF and the net asset value per Unit of a class of the Brompton ETF, calculated by the Manager as described under “Calculation of Net Asset Value”.

**“Net Income or Net Loss”** means, in relation to a particular Brompton ETF, the amount for any taxation year, if any, by which the income or loss of the Brompton ETF for such taxation year computed in accordance with the provisions of the Tax Act, other than paragraph 82(1)(b) and subsection 104(6) thereof and disregarding any designations made by the Brompton ETF under subsection 104(19) of the Tax Act, without reference to the Brompton ETF’s “capital gains” or “capital losses” (as those terms are defined in the Tax Act) for the taxation year, exceeds the non-capital losses of the Brompton ETF (as defined in the Tax Act) for any preceding taxation years of the Brompton ETF, to the extent that they may be and are deducted in computing taxable income of the Brompton ETF for such taxation year for the purposes of the Tax Act.

**“Net Realized Capital Gains”** means, in relation to a particular Brompton ETF, the amount for any taxation year, if any, by which the capital gains realized by a Brompton ETF in the taxation year exceed the aggregate of:

- (a) the capital losses incurred by such Brompton ETF in the taxation year;
- (b) the unapplied capital losses incurred by such Brompton ETF in the preceding taxation years, to the extent that they may be, and are applied against capital gains realized by such Brompton ETF in the taxation year; and
- (c) any Net Loss for the year and, if the Manager so determines, any unapplied non-capital losses (as defined in the Tax Act) of the Brompton ETF for preceding years of such Brompton ETF, in each case multiplied by the reciprocal of the applicable fraction in paragraph 38(a) of the Tax Act,

where, for this purpose, “capital gains” and “capital losses” shall be computed in accordance with the provisions of the Tax Act.

**“NI 41-101”** means National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators (or any successor policy, rule or instrument), as amended, restated or replaced from time to time.

**“NI 81-102”** means National Instrument 81-102 – *Investment Funds* of the Canadian Securities Administrators (or any successor policy, rule or national instrument), as amended, restated or replaced from time to time.

**“NI 81-107”** means National Instrument 81-107 – *Independent Review Committee for Investment Funds* of the Canadian Securities Administrators (or any successor policy, rule or national instrument), as amended, restated or replaced from time to time.

**“Non-Portfolio Income”** has the meaning ascribed thereto under “Income Tax Considerations – Taxation of the Brompton ETFs”.

**“NP 11-203”** means National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions* as the same may be amended, restated or replaced from time to time.

“**Other Fund**” means another investment fund, including another investment fund managed by the Manager.

“**Operating Expenses**” has the meaning ascribed thereto under “Fees and Expenses – Operating Costs and Expenses”.

“**Permitted Mergers**” has the meaning ascribed thereto under “Unitholder Matters – Permitted Mergers”.

“**Plan Agent**” means TSX Trust Company, in its capacity as agent under the Reinvestment Plan.

“**Plan Participants**” means Unitholders who are participants in the Reinvestment Plan.

“**PNU**” or “**Prescribed Number of Units**” means, in relation to a particular Brompton ETF, the number of Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

“**Predecessor Funds**” means, collectively, Global Healthcare Income & Growth Fund and Tech Leaders Income Fund.

“**Prime Broker**” means RBC Dominion Securities Inc. or any successor or any additional prime broker(s) appointed by the Manager from time to time.

“**RDSP**” means a registered disability savings plan within the meaning of the Tax Act.

“**Real Asset Company**” means a large capitalization global real assets company selected by the Manager.

“**Reference Index**” has the meaning ascribed thereto under “Investment Risk Classification Methodology”.

“**Registered Plans**” means, collectively, RRSPs, RRIFs, DPSPs, RDSPs, RESPs, TFSAAs and FHSAAs.

“**Registrar and Transfer Agent**” means TSX Trust Company or its successor, in its capacity as transfer agent of the Brompton ETFs.

“**Reinvestment Plan**” means the distribution reinvestment plan of each Brompton ETF, as each may be amended from time to time.

“**Reinvestment Plan Agency Agreement**” means the master reinvestment plan agency agreement entered into among the Manager and the Plan Agent, establishing the Reinvestment Plans, as it may be amended from time to time.

“**Reportable Jurisdictions**” has the meaning ascribed thereto under “International Information Reporting”.

“**RESP**” means a registered education savings plan within the meaning of the Tax Act.

“**RRIF**” means a registered retirement income fund within the meaning of the Tax Act.

“**RRSP**” means a registered retirement savings plan within the meaning of the Tax Act.

“**Securities Lending Agreement**” has the meaning ascribed thereto under “Organization and Management Details of the Brompton ETFs – Securities Lending Agents”.

“**Securities Regulatory Authorities**” means the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian Securities Legislation in force in such province or territory.

“**SIFT Rules**” means the rules in the Tax Act that apply to a “SIFT trust” within the meaning of the Tax Act and its unitholders.

“**Split Corp. Preferred Shares**” means preferred shares issued by split share corporations.

“**Substituted Property**” has the meaning ascribed thereto under “Income Tax Considerations – Taxation of the Brompton ETFs”.

“**Sub-advisor**” means Flaherty & Crumrine Incorporated, or such other sub-advisor appointed from time to time by the Manager on behalf of Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF to make investment decisions concerning the investment portfolios of Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended, or successor statutes, and shall include the regulations promulgated thereunder.

**“Tax Amendment”** means a proposed amendment to the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof.

**“Tax Treaties”** has the meaning ascribed thereto under “Risk Factors – Taxation of the Brompton ETFs”.

**“Technology Company”** means a company that, in the Manager’s view, focuses primarily on: (a) the development of technology, (b) the manufacturing of technology, and/or (c) the use of technology to deliver its products/services to customers. This may include companies that are classified as Information Technology, Telecommunication Services, Transaction and Payment Processing Services, or Data Processing & Outsourced Services among others as applicable, by Standard & Poor’s, Inc. under its GICS or equivalent by some other internationally recognized classification system.

**“Technology-Related Company”** means an issuer that is not a Technology Company but, in the Manager’s view, generates a portion of its revenue or earnings from business exposure to the technology industry or through the use of technology.

**“TFSA”** means a tax-free savings account within the meaning of the Tax Act.

**“Total Assets”** means the aggregate value of the assets of the applicable Brompton ETF.

**“Trading Day”** means, for each Brompton ETF, unless otherwise agreed by the Manager, a day on which: (a) a regular session of the TSX (or any other marketplace on which the Units of a Brompton ETF are listed for trading) is held and (b) the primary market or exchange for the majority of securities held by the Brompton ETF is open for trading.

**“TSX”** means the Toronto Stock Exchange.

**“Unit”** means, in relation to a particular Brompton ETF, a redeemable, transferable unit of that Brompton ETF, being either a CAD Unit or USD Unit, as applicable, which represents an equal, undivided interest in the net assets of that Brompton ETF.

**“Unitholder”** means a holder of Units of a Brompton ETF.

**“USD Units”** means the U.S. dollar denominated units of Brompton Global Healthcare Income & Growth ETF, Brompton Tech Leaders Income ETF, Brompton Flaherty & Crumrine Investment Grade Preferred ETF, Brompton North American Financials Dividend ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF.

**“Valuation Date”** means each Trading Day and any other day designated by the Manager on which the NAV of each class of Units of a Brompton ETF and the NAV per Unit of each class of a Brompton ETF is calculated, as applicable.

**“Valuation Time”** means, in relation to a Brompton ETF, 4:00 p.m. (Toronto time) or such other time as the Manager may determine on each Valuation Date.

## PROSPECTUS SUMMARY

*The following is a summary of the principal features of this distribution and should be read together with the more detailed information, financial data and financial statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.*

**Issuers:**                    **Brompton Global Healthcare Income & Growth ETF**  
                                  **Brompton Tech Leaders Income ETF**  
                                  **Brompton European Dividend Growth ETF**  
                                  **Brompton Flaherty & Crumrine Investment Grade Preferred ETF**  
                                  **Brompton Global Dividend Growth ETF**  
                                  **Brompton North American Financials Dividend ETF**  
                                  **Brompton Sustainable Real Assets Dividend ETF**  
                                  **Brompton North American Low Volatility Dividend ETF**  
                                  **Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF**  
                                  **Brompton Enhanced Multi-Asset Income ETF**  
                                  **Brompton Split Corp. Preferred Share ETF**

(each, a “**Brompton ETF**” and together, the “**Brompton ETFs**”)

While each Brompton ETF (other than Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF) is a mutual fund under the securities legislation of certain provinces and territories of Canada, the Brompton ETFs have received exemptive relief from certain provisions of Canadian securities legislation applicable to conventional mutual funds. See “Exemptions and Approvals”.

Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF are alternative mutual funds within the meaning of National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”) each established as a trust under the laws of the Province of Ontario pursuant to the Declaration of Trust (as defined herein). Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF are subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and will be managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities. Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF are considered to be alternative funds because they may borrow for investment purposes and have some greater flexibility in the use of derivatives and in the instance of Brompton Split Corp. Preferred Share ETF because it may hold more than 10% of its assets in Split Corp. Preferred Shares. The Brompton ETFs may use leverage to seek to achieve their investment objectives. See “Investment Strategies”.

Each Brompton ETF is an exchange-traded fund established as a trust under the laws of the province of Ontario.

Brompton Funds Limited (the “**Manager**”) is the manager, trustee, portfolio manager and promoter of the Brompton ETFs.

See “Overview of the Legal Structure of the Brompton ETFs”.

**Offerings:**                    Each Brompton ETF offers a class of units denominated in Canadian dollars (the “**CAD Units**”). Brompton Global Healthcare Income & Growth ETF, Brompton Tech Leaders Income ETF, Brompton Flaherty & Crumrine Investment Grade Preferred ETF, Brompton North American Financials Dividend ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF also offer a class of units denominated in U.S. dollars (the “**USD Units**”).

The USD Units of Brompton Global Healthcare Income & Growth ETF, Brompton Tech Leaders Income ETF, Brompton Flaherty & Crumrine Investment Grade Preferred ETF, Brompton North American Financials Dividend ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF are identical to the CAD Units of such Brompton ETFs except that (a) the USD Units are denominated in U.S. dollars whereas the CAD Units are denominated in Canadian dollars, and (b) any exposure that the portion of the Brompton ETF's portfolio which is allocable to the USD Units has to foreign currencies will not be hedged.

The CAD Units and USD Units are collectively referred to herein as “Units”.

**Purchases of Units:** Units of the Brompton ETFs are listed for trading on the Toronto Stock Exchange (the “TSX”) and investors may buy or sell Units of the Brompton ETFs on the TSX through registered brokers and dealers in the province or territory where the investor resides.

Each Brompton ETF issues Units on a continuous basis and there is no maximum number of Units that may be issued. All orders to purchase Units directly from a Brompton ETF must be placed by Designated Brokers or Dealers.

The following table sets out the TSX ticker symbol for each of the Brompton ETFs:

Brompton ETF	TSX Ticker Symbol	
	CAD Units	USD Units
Brompton Global Healthcare Income & Growth ETF	HIG	HIG.U
Brompton Tech Leaders Income ETF	TLF	TLF.U
Brompton European Dividend Growth ETF	EDGF	n/a
Brompton Flaherty & Crumrine Investment Grade Preferred ETF	BPRF	BPRF.U
Brompton Global Dividend Growth ETF	BDIV	n/a
Brompton North American Financials Dividend ETF	BFIN	BFIN.U
Brompton Sustainable Real Assets Dividend ETF	BREA	n/a
Brompton North American Low Volatility Dividend ETF	BLOV	n/a
Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF	BEPR	BEPR.U
Brompton Enhanced Multi-Asset Income ETF	BMAX	n/a
Brompton Split Corp. Preferred Share ETF	SPLT	n/a

Investors may incur customary brokerage commissions in buying or selling Units of the Brompton ETFs. No fees are paid by investors to the Manager or any Brompton ETF in connection with the buying or selling of Units on the TSX (or any other marketplace on which the Units of a Brompton ETF may be traded). Investors may trade Units in the same way as other securities listed on the TSX, including by using market orders and limit orders.

The Manager, in certain circumstances, will be able to create additional classes of units for issuance without requiring Unitholder approval.

See “Purchases of Units – Listing of Units”, “Purchases of Units – Continuous Distribution” and “Purchases of Units – Future Issuances of Units”.

**Investment Objectives:**

**Brompton ETF**

**Investment Objectives**

Brompton Global Healthcare Income & Growth ETF

The investment objectives of Brompton Global Healthcare Income & Growth ETF are to provide holders of Units (“Unitholders”) of the Brompton ETF with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of Healthcare Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct exposure to foreign currencies back to the Canadian dollar.

However, any exposure that the Brompton ETF's assets allocable to the USD Units have to foreign currencies will not be hedged.

Brompton Tech Leaders Income ETF

The investment objectives of Brompton Tech Leaders Income ETF are to provide Unitholders of the Brompton ETF with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of Technology Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct exposure to foreign currencies back to the Canadian dollar. However, any exposure that the Brompton ETF's assets allocable to the USD Units have to foreign currencies will not be hedged.

Brompton European Dividend Growth ETF

The investment objectives of Brompton European Dividend Growth ETF are to provide Unitholders of the Brompton ETF with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of European Dividend Growth Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct exposure to foreign currencies back to the Canadian dollar.

Brompton Flaherty & Crumrine Investment Grade Preferred ETF

The investment objectives of Brompton Flaherty & Crumrine Investment Grade Preferred ETF are to provide Unitholders of the Brompton ETF with: (a) stable monthly cash distributions; and (b) a stable net asset value. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar. However, any exposure that Brompton ETF's assets allocable to the USD Units have to foreign currencies will not be hedged.

Brompton Global Dividend Growth ETF

The investment objectives of Brompton Global Dividend Growth ETF are to provide Unitholders with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of global Dividend Growth Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar.

Brompton North American Financials Dividend ETF

The investment objectives of Brompton North American Financials Dividend ETF are to provide Unitholders with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of North American Financial Services Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar. However, any exposure that the Brompton ETF's assets allocable to the USD Units have to foreign currencies will not be hedged.

Brompton Sustainable Real Assets Dividend ETF

The investment objectives of Brompton Sustainable Real Assets Dividend ETF are to provide Unitholders with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of global Real Asset Companies (as defined herein) directly. The Brompton ETF seeks

to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar. The Manager integrates environmental, social and corporate governance (“ESG”) factors when selecting securities for the Brompton ETF’s portfolio. The qualitative ESG policies and practices considered by the Manager may include, but are not limited to, a company’s environmental sustainability, diversity of employees and corporate governance.

**Brompton North American Low Volatility Dividend ETF** The investment objectives of Brompton North American Low Volatility Dividend ETF are to provide Unitholders with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) low overall volatility of portfolio returns by investing in a portfolio of North American large capitalization equity securities. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar.

**Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF** The investment objectives of Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF are to provide Unitholders with: (a) stable monthly cash distributions; and (b) a stable net asset value. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar. However, any exposure that the Brompton ETF’s assets allocable to the USD Units have to foreign currencies will not be hedged.

**Brompton Enhanced Multi-Asset Income ETF** The investment objectives of Brompton Enhanced Multi-Asset Income ETF are to provide Unitholders with: (a) attractive monthly distributions and (b) the opportunity for capital appreciation by investing, directly or indirectly, on a leveraged basis, in a portfolio of equity and fixed income securities. The Brompton ETF seeks to hedge substantially all of its direct exposure to foreign currencies back to the Canadian dollar.

**Brompton Split Corp. Preferred Share ETF** The investment objectives of Brompton Split Corp. Preferred Share ETF are to provide Unitholders with: (a) monthly distributions and (b) the opportunity for capital preservation, primarily through a portfolio of Split Corp. Preferred Shares.

See “Investment Objectives”.

**Investment Strategies:**

The investment strategy of each Brompton ETF is to invest in and hold a portfolio of securities selected by the Manager, or the Sub-advisor (as defined herein), as the case may be, in order to achieve its investment objectives.

**Brompton Global Healthcare Income & Growth ETF** The investment strategy of Brompton Global Healthcare Income & Growth ETF is to provide investors with exposure to an actively managed portfolio of equity securities of large capitalization global Healthcare Companies. To be considered for inclusion in the Brompton ETF’s portfolio, at the time of investment, each Healthcare Company comprising the Brompton ETF’s portfolio must have a market capitalization of at least \$5 billion.

The Brompton ETF may also invest up to 25% of the portfolio value, as measured at the time of investment, in equity securities of Healthcare-Related Companies, provided that the issuers satisfy the market capitalization.

The Manager may, at its discretion, write covered call options from time to time on the Brompton ETF's portfolio, in order to earn option premiums and lower the overall volatility of returns associated with owning a portfolio of equity securities. Call options will be written only in respect of the securities held in a Brompton ETF's portfolio. See "Investment Strategies – Covered Call Options" for further information.

Brompton Tech  
Leaders Income ETF

The investment strategy of Brompton Tech Leaders Income ETF is to provide investors with actively managed exposure to a portfolio of equity securities of large capitalization, primarily North American-listed Technology Companies. To be considered for inclusion in the Brompton ETF's portfolio, at the time of investment, each Technology Company comprising the Brompton ETF's portfolio must have a market capitalization of at least \$10 billion.

The Brompton ETF may also invest up to 25% of its Total Assets (as defined herein), as measured at the time of investment, in equity securities of Technology-Related Companies or non-North American listed Technology Companies, provided that the issuers satisfy the market capitalization criteria noted above.

The Manager may, at its discretion, write covered call options from time to time on the Brompton ETF's portfolio, in order to earn option premiums and lower the overall volatility of returns associated with owning a portfolio of equity securities. Call options will be written only in respect of the securities held in a Brompton ETF's portfolio. See "Investment Strategies – Covered Call Options" for further information.

Brompton European  
Dividend Growth  
ETF

The investment strategy of Brompton European Dividend Growth is to provide investors with exposure to an actively managed portfolio of equity securities of large capitalization European Dividend Growth Companies that, at the time of investment, (a) have a history of dividend growth or, in the Manager's view, have potential for future dividend growth; (b) be domiciled, incorporated and/or listed in Europe, or, in the Manager's view, has significant operating exposure to Europe; and (c) have a market capitalization of at least \$10 billion. The Manager may, at its discretion, write covered call options from time to time on the Brompton ETF's portfolio, in order to earn option premiums and lower the overall volatility of returns associated with owning a portfolio of equity securities. Call options will be written only in respect of the securities held in a Brompton ETF's portfolio. See "Investment Strategies – Covered Call Options" for further information.

Brompton Flaherty  
& Crumrine  
Investment Grade  
Preferred ETF

Brompton Flaherty & Crumrine Investment Grade Preferred ETF invests in an actively managed portfolio consisting primarily of preferred and income-producing corporate securities, including traditional preferred stock, trust preferred securities, hybrid securities that have characteristics of both equity and debt securities, contingent-capital securities, subordinated debt, and senior debt of North American issuers or of Canadian or U.S. dollar-denominated securities of global issuers. The Brompton ETF primarily invests in securities of issuers that are rated Investment Grade (as defined herein) however the Brompton ETF may also invest in securities that are not rated Investment Grade if



after investment in such securities at least 75% of the Brompton ETF's portfolio (by market weight, as measured at the time of investment) consists of securities of issuers that are rated Investment Grade.

Brompton Global  
Dividend Growth  
ETF

Brompton Global Dividend Growth ETF invests in an actively managed portfolio consisting of securities of global Dividend Growth Companies with a market capitalization of at least \$10 billion at the time of investment, that have a history (or in the Manager's view a future likelihood) of dividend growth.

The Manager may, at its discretion, write covered call options from time to time on the Brompton ETF's portfolio, in order to earn option premiums and lower the overall volatility of returns associated with owning a portfolio of equity securities. Call options will be written only in respect of the securities held in a Brompton ETF's portfolio. See "Investment Strategies – Covered Call Options" for further information.

Brompton North  
American Financials  
Dividend ETF

Brompton North American Financials Dividend ETF invests in an actively managed portfolio expected to consist of securities of North American Financial Services Companies with a market capitalization of at least \$5 billion at the time of investment.

The Manager may, at its discretion, write covered call options from time to time on the Brompton ETF's portfolio, in order to earn option premiums and lower the overall volatility of returns associated with owning a portfolio of equity securities. Call options will be written only in respect of the securities held in a Brompton ETF's portfolio. See "Investment Strategies – Covered Call Options" for further information.

Brompton  
Sustainable Real  
Assets Dividend  
ETF

Brompton Sustainable Real Assets Dividend ETF invests, directly or indirectly, in a diversified actively managed portfolio consisting of securities of global Real Asset Companies. Global Real Asset Companies include those companies involved in the Real Estate, Utilities, or Infrastructure sectors, and may at the Manager's discretion include companies that supply services or equipment to, or that make investments in, Real Estate, Utilities or Infrastructure companies. Such global Real Asset Companies may be involved in traditional real asset business activities such as ownership and operation of power plants, pipelines, transportation infrastructure, telecommunications networks, commodities-related businesses, or real estate. The portfolio may include investments in companies operating in the areas of renewable power (wind, solar, hydroelectric), green transportation (electric vehicles, energy transportation and storage, railroads, carbon capture), energy efficiency (smart grids, smart meters, building efficiency) among others. The Manager integrates ESG considerations to complement its security selection process. The qualitative ESG policies and practices considered by the Manager may include, but are not limited to, a company's environmental sustainability, diversity of employees and corporate governance.

The Manager may, at its discretion, write covered call options from time to time on the Brompton ETF's portfolio, in order to earn option premiums and lower the overall volatility of returns associated with owning a portfolio of equity securities. Call options will be written only in respect of the securities held in a Brompton

ETF's portfolio. See "Investment Strategies – Covered Call Options" for further information.

Brompton North American Low Volatility Dividend ETF

Brompton North American Low Volatility Dividend ETF invests in an actively managed portfolio consisting of equity securities of North American issuers with a minimum market capitalization of \$5 billion at the time of investment. A quantitative model is used to construct an overall low-volatility portfolio.

The Manager may, at its discretion, write covered call options from time to time on the Brompton ETF's portfolio, in order to earn option premiums and lower the overall volatility of returns associated with owning a portfolio of equity securities. Call options will be written only in respect of the securities held in a Brompton ETF's portfolio. In addition to writing covered call options, the Manager may also buy puts to protect portfolio value or may write cash-covered puts. See "Investment Strategies – Covered Call Options" for further information.

Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF

Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF invests, directly or indirectly, in an actively managed portfolio consisting primarily of preferred and income-producing corporate securities, including traditional preferred stock, trust preferred securities, hybrid securities that have characteristics of both equity and debt securities, contingent-capital securities, subordinated debt, and senior debt of North American issuers or of Canadian or U.S. dollar-denominated securities of global issuers. The Brompton ETF primarily invests in securities of issuers that are rated Investment Grade (as defined herein) however the Brompton ETF may also invest in securities that are not rated Investment Grade if after investment in such securities at least 75% of the Brompton ETF's portfolio (by market weight, as measured at the time of investment) consists of securities of issuers that are rated Investment Grade. The Brompton ETF generally intends to maintain an aggregate gross exposure to cash borrowing and specified derivative transactions of less than 50% of its net asset value.

Brompton Enhanced Multi-Asset Income ETF

Brompton Enhanced Multi-Asset Income ETF invests directly or indirectly in an actively managed portfolio of equity and equity-related securities and fixed income and fixed income-related securities, as selected by the Manager in order to achieve its investment objectives.

Equity related securities held by the Brompton ETF may include, but are not limited to, convertible debt, income trust units, single issuer equity options, contingent-capital securities and warrants.

Fixed income related securities include Split Corp. Preferred Shares, preferred shares, trust preferred securities, hybrid securities that have characteristics of both equity and debt securities, subordinated debt and senior debt. If market conditions require, in order to preserve capital, the Brompton ETF may seek to invest a substantial portion of its assets in cash and cash equivalents.

The Brompton ETF currently seeks to achieve its investment objectives by investing in securities of exchange-traded funds managed by the Manager which invest in equity, fixed income securities and/or fixed income related securities. The Manager

expects that the Brompton ETF will invest substantially all of its NAV in Equity ETFs and Fixed Income ETFs and that the asset allocation of the Brompton ETF will be approximately 70% Equity ETFs and 30% Fixed Income ETFs. Asset allocations are subject to change from time to time at the Manager's discretion.

It is expected that the Brompton ETF will employ leverage equal to approximately one-third of its NAV.

Brompton Split  
Corp. Preferred  
Share ETF

Brompton Split Corp. Preferred Share ETF primarily invests in an actively managed portfolio of Split Corp. Preferred Shares offered by Canadian split share corporations listed on a Canadian exchange. Brompton Split Corp. Preferred Share ETF may not invest more than 20% of its NAV in the Split Corp. Preferred Shares of any split share corporation at the time of investment. The Brompton ETF may also invest in preferred shares of other issuers, exchange-traded funds, other investment funds, equities or income-generating securities, and securities that are convertible into any of the above noted securities provided such investments are consistent with the Brompton ETF's investment objectives.

See "Investment Strategies".

**General  
Investment  
Strategies:**

Each Brompton ETF invests directly (or in the case of Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF, directly or indirectly) in an actively managed portfolio comprised of various securities and instruments which may include, but are not limited to, equity and equity related securities, fixed income and fixed income related securities, futures contracts and exchange traded funds (provided such investments are consistent with such Brompton ETF's investment objectives and strategies). Equity related securities held by a Brompton ETF may include, but are not limited to, convertible debt, income trust units, single issuer equity options, contingent-capital securities and warrants. Fixed income related securities include preferred shares, trust preferred securities, hybrid securities that have characteristics of both equity and debt securities, subordinated debt and senior debt. If market conditions require, in order to preserve capital, a Brompton ETF may seek to invest a substantial portion of its assets in cash and cash equivalents.

*Investment in Other Investment Funds* – In accordance with applicable Canadian securities legislation, including NI 81-102, and as an alternative to or in conjunction with investing in and holding securities directly, the Brompton ETFs may also invest in and hold securities of one or more other investment funds, including other investment funds managed by the Manager (each, an "**Other Fund**"), provided that no management fees or incentive fees are payable by a Brompton ETF that, to a reasonable person, would duplicate a fee payable by the Other Fund for the same service. Split Corp. Preferred Shares generally do not bear any management fees or operating expenses when the net asset value of the applicable split share corporation is in excess of the redemption value of the Split Corp. Preferred Share. A Brompton ETF's allocation to investments in Other Funds, if any, will vary from time to time depending on the liquidity of the Other Funds, and the ability of the Manager to identify appropriate investment funds that are consistent with such Brompton ETF's investment objectives and strategies.

*Use of Derivative Instruments* –The Brompton ETFs may invest in or use derivative instruments, including futures contracts and forward contracts, from time to time, for hedging or non-hedging purposes provided that the use of such derivative instruments is in compliance with NI 81-102 or the appropriate regulatory exemptions have been obtained, and is consistent with the investment objectives and strategies of the Brompton ETFs.

*Currency Hedging* – Each of the Brompton ETFs will hedge substantially all of its direct foreign currency exposure back to the Canadian dollar through the utilization of currency forward agreements. All such currency forward agreements will be entered into in compliance with NI 81-102 with financial institutions that have a “designated rating” as defined in NI 81-102. Hedging currency exposure to reduce the impact of fluctuations in exchange rates is intended to reduce the direct exposure to foreign currency risk for Unitholders. Any exposure that the portion of a Brompton ETF’s portfolio which is allocable to the USD Units of the Brompton ETF has to foreign currencies will not be hedged.

*Securities Lending* – The Brompton ETFs may enter into securities lending transactions, repurchase and reverse purchase transactions in compliance with NI 81-102 to earn additional income for the Brompton ETFs.

*Alternative Mutual Fund and Leverage* – Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asst Income ETF and Brompton Split Corp. Preferred Share ETF are considered “alternative mutual funds” within the meaning of NI 81-102. As alternative mutual funds, the Brompton ETFs are permitted to use strategies generally prohibited by conventional mutual funds under NI 81-102. Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF are considered to be alternative funds because they may borrow for investment purposes and have some greater flexibility in the use of derivatives and in the instance of Brompton Split Corp. Preferred Share ETF because it may hold more than 10% of its assets in Split Corp. Preferred Shares. The Brompton ETFs may use leverage to seek to achieve their investment objectives. See “Investment Strategies”.

See “Investment Strategies – General Investment Strategies”.

**Special Considerations for Purchasers:**

The “early warning” reporting requirements do not apply in connection with the ownership or control of securities issued by a mutual fund such as Units of a Brompton ETF. In addition, the Brompton ETFs have obtained exemptive relief from the securities regulatory authorities to permit a Unitholder of a Brompton ETF to acquire more than 20% of the Units of a class of such Brompton ETF through purchases on the TSX (or any other marketplace on which the Units of a Brompton ETF may be traded) without regard to the takeover bid requirements of applicable Canadian Securities Legislation.

See “Attributes of the Securities – Description of the Securities Distributed”.

**Risk Factors:**

There are certain general risk factors inherent in an investment in the Brompton ETFs, including, if applicable, indirect risks that arise as a result of the Brompton ETF’s exposure to certain underlying funds:

- the general risks of investments;
- the risks associated with investing in particular asset classes;
- the risks associated with the issuers in which the Brompton ETF’s invest;
- the risk that the Brompton ETFs may have investment objectives that are less diversified than the overall market;
- the risks associated with investment by the Brompton ETFs in other investment funds;
- the risks associated with investment by the Brompton ETFs in other exchange traded funds;
- the risks associated with an absence of an active market for Units;
- the risks associated with illiquid securities;
- the risks associated with equity investments;
- the risks associated with foreign investments
- the risks associated with investment in large-capitalization issuers;
- the risks associated with the sensitivity of the Brompton ETFs to interest rates;

- the risk that securities in which the Brompton ETFs invest may trade below, at or above their respective net asset values per security;
- risks related to market volatility;
- the risks associated with the potential inability of the Brompton ETFs to meet their applicable investment objectives or make distributions;
- the risks associated with market disruptions;
- the risks associated with the loss of investment and no guaranteed returns;
- the risks associated with duration;
- the risks associated with credit;
- the risks associated with changes in legislation and regulatory risk;
- tax-related risks;
- the risks associated with the inability of the Designated Broker and Dealers to meet their settlement obligations;
- the risks associated with the potential cease trading of securities of an issuer included in the portfolio of a Brompton ETF;
- the risks associated with a differential between the closing price of the Units and their NAV;
- the risks associated with an early or unexpected closing of the TSX or any other marketplace on which the securities held by a Brompton ETF may be traded;
- the risks associated with cybersecurity;
- the risks associated with the nature of the Units;
- the risks associated with currency hedging;
- the risks associated with reliance on key personnel;
- the risk that Units may trade at a premium or a discount to the NAV per Unit and risks relating to potential acquisition of PNUs by Dealers at discounts or premiums;
- the risks associated with the use of derivatives;
- counterparty risk associated with securities lending;
- the risks associated with the fact that the Brompton ETFs are not trust companies; and
- the risk associated with large redemptions.

See “Risk Factors – General Risks Relating to an Investment in the Brompton ETFs”. In addition to the general risk factors, the following additional risk factors are inherent in an investment in one of the Brompton ETFs as indicated below

**Brompton Global Healthcare Income & Growth ETF:**

- the risks related to the healthcare industry;
- the risks related to issuers operating in healthcare-related industries;
- the risks associated with covered call strategies;
- the risks associated with a multi-class structure; and
- the risks associated with USD Units

**Brompton Tech Leaders Income ETF:**

- the risks associated with fluctuations in value of technology companies and technology-related companies;
- the risks related to investments focused in a specific region;
- risks associated with covered call strategies;
- the risks associated with a multi-class structure; and
- the risks associated with USD Units.

**Brompton European Dividend Growth ETF:**

- the risks related to investments focused in a specific region;
- the risks relating to investing in Europe; and

- the risks associated with covered call strategies.

Brompton Flaherty & Crumrine Investment Grade Preferred ETF:

- the general risks associated with preferred contingent capital and other subordinated securities;
- the risk associated with the residency of the Sub-advisor;
- the risks related to investments focused in a specific region;
- the risks associated with a multi-class structure; and
- the risks associated with USD Units.

Brompton North American Financials Dividend ETF:

- risks related to investments focused in a specific region;
- the risks associated with covered call strategies;
- the risks associated with a multi-class structure;
- the risks associated with the financial sector; and
- the risks associated with USD Units.

Brompton Sustainable Real Assets Dividend ETF:

- the risks associated with infrastructure securities;
- the risks associated with investing in property securities;
- the risks associated with investing in a real estate investment trust;
- the risks associated with covered call strategies;
- the risks associated with ESG investing; and
- the risks associated with investing in commodities.

Brompton North American Low Volatility Dividend ETF:

- the risks related to investments focused in a specific region;
- the risks associated with covered call strategies; and
- the risks associated with investing in commodities.

Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF:

- the risks associated with alternative mutual funds;
- the risks associated with the use of leverage;
- the risks associated with prime brokers;
- the risks related to investments focused in a specific region;
- the general risks associated with preferred contingent capital and other subordinated securities;
- the risk associated with the residency of the Sub-advisor;
- the risks associated with a multi-class structure; and
- the risks associated with USD Units.

Brompton Enhanced Multi-Asset Income ETF:

- the risks associated with alternative mutual funds;
- the risks associated with the use of leverage;
- the risks associated with prime brokers;
- the risks related to investments focused in a specific region;
- the general risks associated with preferred contingent capital and other subordinated securities;
- the risks associated with the healthcare industry;
- the risks associated to issuers operating in healthcare-related industries;
- the risks associated with fluctuations in value of technology companies and technology-rated companies;
- the risks associated with infrastructure securities;
- the risks associated with investing in real property securities;
- the risks associated with investing in real estate investment trusts;

- the risks associated with a non-concurrent retraction of Split Corp. Preferred Shares;
- the risks associated with significant retractions of the underlying shares of a portfolio constituent; and
- the risks associated with covered call strategies.

Brompton Split Corp. Preferred Share ETF:

- the risks associated with the financial sector;
- the general risks associated with preferred contingent capital and other subordinated securities;
- the risks associated with a non-concurrent retraction of Split Corp. Preferred Shares;
- the risks associated with significant redemptions of the underlying shares of a portfolio constituent;
- the risks associated with alternative mutual funds;
- the risks associated with leverage;
- the risks associated with prime brokers;
- the risks associated with the suspension of subscription orders;
- the risks associated with accrued gains; and
- the risks associated with covered call strategies.

See “Risk Factors – Additional Risks Relating to an Investment in each Brompton ETF”.

**Income Tax Considerations:**

This summary of Canadian tax considerations for the Brompton ETFs and for Canadian resident Unitholders is subject in its entirety to the qualifications, limitations and assumptions set out in “Income Tax Considerations”.

A Unitholder of a Brompton ETF who is an individual (other than a trust) resident in Canada and who holds Units as capital property (all within the meaning of the Tax Act) will generally be required to include, in computing income for a taxation year, the amount of net income and net taxable capital gains of the Brompton ETF that is paid or becomes payable to the Unitholder by that Brompton ETF in that year and deducted by the Brompton ETF in computing its income (including such income that is paid in Units of the Brompton ETF or reinvested in additional Units of the Brompton ETF).

A Unitholder of a Brompton ETF who disposes of a Unit of that Brompton ETF, including on a redemption or otherwise, will generally realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of costs of disposition, exceed (or are exceeded by) the aggregate of the adjusted cost base to the Unitholder of that Unit.

Each investor should satisfy himself or herself as to the federal and provincial tax consequences of an investment in Units of a Brompton ETF by obtaining advice from his or her tax advisor.

See “Income Tax Considerations”.

**Exchanges and Redemptions:**

Unitholders may redeem Units for cash, subject to a redemption discount. Unitholders may also exchange a Prescribed Number of Units (or integral multiple thereof) for Baskets of Securities and cash or, in the discretion of the Manager, cash only.

See “Exchange and Redemption of Units – Redemption of Units of a Brompton ETF for Cash” and “Exchange and Redemption of Units – Exchange of Units of a Brompton ETF at Net Asset Value per Unit for Baskets of Securities and/or Cash” for further information.

**Distributions:**

Cash distributions, if any, on Units of a Brompton ETF will be made in the currency in which the Units of the Brompton ETF are denominated and will be payable monthly by each of the Brompton ETFs. The Brompton ETFs do not have a fixed distribution amount. The amount of ordinary cash distributions, if any, will be set at the Manager’s sole

discretion and may be based on the Manager's assessment of the prevailing market conditions, the Brompton ETF's ability to generate sufficient levels of distributable cash and any other factors that the Manager, in its discretion, may deem relevant. The date of any cash distribution of each Brompton ETF will be announced in advance by issuance of a press release. Subject to compliance with the investment objectives of the respective Brompton ETFs, the Manager may, in its complete discretion, change the frequency of these distributions and any such change will be announced by issuance of a press release.

Depending on the underlying investments of a Brompton ETF, distributions on Units may consist of ordinary income, including foreign source income, if any, and taxable dividends from taxable Canadian corporations, sourced from dividends, distributions or interest received by the Brompton ETF but may also include Net Realized Capital Gains, in any case, less the expenses of that Brompton ETF and may include returns of capital.

In addition, a Brompton ETF may from time to time pay Additional Distributions on its Units, including without restriction in connection with returns of capital.

The tax treatment to Unitholders of distributions is discussed under the heading "Income Tax Considerations".

See "Distribution Policy".

**Distribution Reinvestment Plan:** Unitholders, other than Unitholders of Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF, may reinvest cash distributions in additional CAD Units through participation in a distribution reinvestment plan. Cash distributions on USD Units are currently not eligible for reinvestment under the Brompton ETFs' distribution reinvestment plan.

See "Distribution Policy – Distribution Reinvestment Plan".

**Termination:** The Brompton ETFs do not have a fixed termination date but may be terminated at the discretion of the Manager in accordance with the terms of the Declaration of Trust.

See "Termination of the Brompton ETFs".

**Eligibility for Investment:** Provided that a Brompton ETF qualifies as a mutual fund trust within the meaning of the Tax Act, is a "registered investment" within the meaning of the Tax Act or that the Units of the Brompton ETF are listed on a "designated stock exchange" within the meaning of the Tax Act, which includes the TSX, the Units of the Brompton ETF will be qualified investments under the Tax Act for trusts governed by Registered Plans.

Holders of TFSAs, FHSAs or RDSPs, subscribers of RESPs and annuitants of RRSPs or RRIFs should consult with their tax advisers as to whether Units would be a prohibited investment within the meaning of the Tax Act for such accounts or plans in their particular circumstances.

See "Income Tax Considerations – Taxation of Registered Plans".

**Documents Incorporated by Reference:** Additional information about each Brompton ETF is or will be available in the most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance ("MRFP"), any interim MRFP filed after the annual MRFP for each Brompton ETF, and the most recently filed ETF Facts for each Brompton ETF. These documents are or will be incorporated by reference into, and legally form an integral part of, this prospectus. These documents are, or will be, publicly available on the Manager's website at [www.bromptongroup.com](http://www.bromptongroup.com) and may be obtained upon request, at no cost, by calling (416) 642-6000 or toll-free at 1-866-642-6001, by sending an email request to [info@bromptongroup.com](mailto:info@bromptongroup.com) or by contacting a registered dealer. These documents and other information about the Brompton ETFs are or will also be publicly available at [www.sedarplus.ca](http://www.sedarplus.ca).

See "Documents Incorporated by Reference".



## ***Organization and Management of the Brompton ETFs***

<b>Trustee, Manager and Portfolio Manager:</b>	<p>Brompton Funds Limited is the manager, trustee and portfolio manager of the Brompton ETFs and is responsible for the operations of the Brompton ETFs, including the management of the Brompton ETFs' investment portfolios. The principal office of the Brompton ETFs and the Manager is located at 181 Bay Street, Suite 2930, Toronto, Ontario M5J 2T3.</p> <p>See "Organization and Management Details of the Brompton ETFs – Trustee and Manager".</p>
<b>Sub-advisor (Brompton Flaherty &amp; Crumrine Investment Grade Preferred ETF and Brompton Flaherty &amp; Crumrine Enhanced Investment Grade Preferred ETF only):</b>	<p>Flaherty &amp; Crumrine Incorporated acts as the portfolio sub-advisor to Brompton Flaherty &amp; Crumrine Investment Grade Preferred ETF and Brompton Flaherty &amp; Crumrine Enhanced Investment Grade Preferred ETF and is responsible for implementing the investment strategy of such Brompton ETFs pursuant to the terms of the applicable Investment Sub-Advisory Agreement (as defined herein).</p> <p>The Sub-advisor is an investment advisor located in the United States and is an investment advisor registered with the U.S. Securities and Exchange Commission under the U.S. Investment Advisers Act of 1940.</p> <p>See "Organization and Management Details of the Brompton ETFs – Sub-advisor (Brompton Flaherty &amp; Crumrine Investment Grade Preferred ETF and Brompton Flaherty &amp; Crumrine Enhanced Investment Grade Preferred ETF only)".</p>
<b>Promoter:</b>	<p>The Manager has taken the initiative of founding and organizing or reorganizing the Brompton ETFs and may be considered to be the promoter of the Brompton ETFs within the meaning of securities legislation of certain provinces and territories of Canada.</p> <p>See "Organization and Management Details of the Brompton ETFs – Promoter".</p>
<b>Custodian:</b>	<p>CIBC Mellon Trust Company, at its principal office in Toronto, Ontario, is the Custodian of the assets of the Brompton ETFs and holds those assets in safekeeping. The Custodian is entitled to receive fees from the Manager as described under "Fees and Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Brompton ETFs.</p> <p>See "Organization and Management Details of the Brompton ETFs – Custodian".</p>
<b>Registrar and Transfer Agent:</b>	<p>TSX Trust Company, at its principal office in Toronto, Ontario, is the registrar and transfer agent for the Units of the Brompton ETFs and maintains the register of registered Unitholders. The register of the Brompton ETFs is kept in Toronto, Ontario.</p> <p>See "Organization and Management Details of the Brompton ETFs – Transfer Agent and Registrar".</p>
<b>Securities Lending Agents:</b>	<p>The Canadian Imperial Bank of Commerce and the Bank of New York Mellon, each at their principal offices in Toronto, Ontario, may act as the securities lending agents for the Brompton ETFs pursuant to a securities lending authorization agreement.</p> <p>See "Organization and Management Details of the Brompton ETFs – Securities Lending Agents".</p>
<b>Auditor:</b>	<p>PricewaterhouseCoopers LLP, at its principal offices in Toronto, Ontario, is the auditor of the Brompton ETFs. The auditor audits each Brompton ETF's annual financial statements and provides an opinion as to whether they present fairly the Brompton ETF's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards. The auditor is independent with respect to the Brompton ETFs within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.</p> <p>See "Organization and Management Details of the Brompton ETFs – Auditor".</p>

**Prime Broker:** RBC Dominion Securities Inc. acts as prime broker to Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF in respect of the Brompton ETFs' margin facilities. The Prime Broker provides margin lending to Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF to acquire additional portfolio holdings. The Prime Broker is located in Toronto, Ontario.

See "Organization and Management Details of the Brompton ETFs – Prime Broker."

**Summary of Fees and Expenses**

The following table lists the fees and expenses that an investor may have to pay if the investor invests in the Brompton ETFs. An investor may have to pay some of these fees and expenses directly. The Brompton ETFs may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Brompton ETFs. See "Fees and Expenses".

*Fees and Expenses Payable by the Brompton ETFs*

**Type of Fee                      Amount and Description**

**Management Fee:** Each Brompton ETF, except Brompton Enhanced Multi-Asset Income ETF, pays an annual management fee (the "**Management Fee**") to the Manager equal to an annual percentage of the NAV of that Brompton ETF, calculated and payable monthly in arrears, plus applicable taxes.

The Management Fee is based on a percentage of the NAV of each of the following Brompton ETFs and is listed below:

<b>Brompton ETFs</b>	<b>Management Fee</b>
Brompton Global Healthcare Income & Growth ETF	0.75% of NAV
Brompton Tech Leaders Income ETF	0.75% of NAV
Brompton European Dividend Growth ETF	0.75% of NAV
Brompton Flaherty & Crumrine Investment Grade Preferred ETF	0.75% of NAV
Brompton Global Dividend Growth ETF	0.75% of NAV
Brompton North American Financials Dividend ETF	0.75% of NAV
Brompton Sustainable Real Assets Dividend ETF	0.75% of NAV
Brompton North American Low Volatility Dividend ETF	0.55% of NAV
Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF	1.00% of NAV
Brompton Enhanced Multi-Asset Income ETF	n/a
Brompton Split Corp. Preferred Share ETF	0.50% of NAV

Brompton Enhanced Multi-Asset Income ETF does not pay the Manager an annual management fee for the services that the Manager provides to the Brompton ETF.

Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF may, in accordance with their investment strategies and applicable Canadian securities legislation, invest in exchange traded funds, mutual funds or other public investment funds. The returns of such Brompton ETFs on the portion of the Brompton ETF's portfolio assets invested in any Other Funds will be reduced by the management fees paid by the Other Fund regardless of whether such Other Fund is managed by the Manager or a third-party manager. There will be no duplication of fees payable by a Brompton ETF and Other Fund for the same service. Split Corp. Preferred Shares generally do not bear any management fees or operating expenses when the net asset value of the split share corporation is in excess of the redemption value of the Split Corp. Preferred Shares.

No sales fees or redemption fees are payable to Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF in relation to purchases or redemptions

of the securities of the underlying funds in which it invests if such underlying funds are managed by the Manager or an affiliate or associate of the Manager. Accordingly, no sales fees or redemption fees will be payable by Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF in relation to its purchases or redemptions of securities of underlying funds that, to a reasonable person, would duplicate a fee payable by an investor in the Brompton ETF.

Brompton Enhanced Multi-Asset Income ETF invests in exchange traded funds managed by the Manager. The exchange traded funds that Brompton Enhanced Multi-Asset Income ETF will initially invest in currently pay the Manager an annual management fee of between 0.50% of net asset value to 0.75% of net asset value for acting as manager, calculated daily and payable monthly in arrears, plus applicable taxes. The underlying funds in which Brompton Enhanced Multi-Asset Income ETF invests is subject to change from time to time at the Manager's discretion.

The Manager pays any fees and expenses payable to the Sub-advisor in connection with its provision of investment sub-advisory services to Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF out of the Management Fee it receives from the applicable Brompton ETF, as negotiated between the Manager and the Sub-advisor from time to time.

See "Fees and Expenses – Management Fees".

**Management Fee Distributions:**

The Manager may, at its discretion, agree to charge a reduced Management Fee as compared to the Management Fee that it otherwise would be entitled to receive from a Brompton ETF (other than Brompton Enhanced Multi-Asset Income ETF) provided that the difference between the fee otherwise chargeable and the reduced fee is distributed periodically by the Brompton ETF to the applicable Unitholders as a Management Fee Distribution. Any reduction will depend on a number of factors, including the amount invested, the Total Assets (as defined herein) of the Brompton ETF under administration, the NAV of the Brompton ETF and the expected amount of account activity. The availability, amount and timing of Management Fee Distributions with respect to Units of a Brompton ETF will be determined by the Manager, in its sole discretion, from time to time.

See "Fees and Expenses – Management Fee Distributions".

**Operating Costs and Expenses:**

In addition to the payment of the Management Fee (directly or indirectly), as applicable, each of the Brompton ETFs, except Brompton Split Corp. Preferred Share ETF, will pay for all expenses incurred in connection with its operation and administration. The Manager intends to waive a portion of the Management Fees and/or reimburse the Brompton ETFs to ensure that the sum of the Management Fees and certain normal-course operating expenses (as described below in more detail, "**Operating Expenses**"), in each case inclusive of associated GST/HST, is limited to approximately 0.95% of NAV with the exception of Brompton North American Low Volatility Dividend ETF which is limited to approximately 0.75% of NAV, Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF which is limited to approximately 1.2% of NAV (inclusive of Management Fees and Operating Expenses of underlying funds) and Brompton Enhanced Multi-Asset Income ETF which is limited to 0.20% of NAV (exclusive of Management Fees and Operating Expenses of underlying funds), in each case excluding certain expenses as set out below including interest charges and principal repayment obligations on account of any indebtedness (if applicable). The Manager is under no obligation to waive fees or reimburse expenses for any Brompton ETF and may in its discretion, discontinue or alter this practice at any time.

Expenses payable by each of the Brompton ETFs, except Brompton Split Corp. Preferred Share ETF, which are defined as "Operating Expenses" are: (a) costs and expenses related to the preparation, translation, mailing and printing of periodic financial and other reports to Unitholders, (b) fees payable to the trustee for acting as trustee (in the event that the Manager appoints a third party trustee in the future), (c) fees payable to the registrar and

transfer agent, (d) fees payable to the custodian for acting as custodian of the assets of the Brompton ETFs including fees payable to the Custodian for valuation services, (e) any reasonable out of pocket expenses incurred by the Manager or its directors, officers or agents in connection with their ongoing obligations to the Brompton ETFs, (f) fees and expenses relating to voting of proxies by a third party, (g) fees payable to the auditors and legal advisors of the Brompton ETFs in the normal course, (h) stock exchange, licensing and regulatory filing fees and CDS fees, (i) costs and expenses of complying with all laws, regulations and policies which are currently applicable, including expenses and costs incurred in connection with the continuous public filing requirements such as permitted prospectus preparation and filing expenses, (j) costs and expenses incurred for investor relations activities, (k) fees payable to the plan agent with respect to the distribution reinvestment plan of each Brompton ETF, as applicable, and (l) any additional fees payable to third party service providers.

Expenses payable by each of the Brompton ETFs, except Brompton Split Corp. Preferred Share ETF, which are excluded from the definition of “Operating Expenses”, without limitation, include (a) IRC committee member fees and expenses, and expenses related to compliance with NI 81-107, (b) insurance coverage for members of the IRC and director and officer insurance premiums for directors and officers of the Manager, (c) banking, interest charges and principal repayment obligations on account of any indebtedness (if applicable), (d) costs relating to financial instruments including currency hedging, call or put options, or any other derivatives, if applicable, (e) brokerage commissions, custodian transaction fees and/or expenses, and other costs of portfolio transactions, (f) any taxes payable by the Brompton ETFs or to which the Brompton ETFs may be subject, including income taxes, withholding taxes and/or any applicable sales taxes (including GST/HST), (g) the cost of complying with any new governmental or regulatory requirement introduced after the first Brompton ETFs were established including, as applicable, any costs associated with the printing and distribution of any documents that the securities regulatory authorities require be sent or delivered to purchasers of Units of the Brompton ETFs, (h) expenditures incurred upon termination of the Brompton ETFs, (i) expenses of any action, suit or other proceedings in which or in relation to which the Manager, Sub-advisor, members of the IRC, the custodian or the trustee (if applicable) and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by the Brompton ETFs, to the extent permitted under the Declaration of Trust, (j) expenses relating to meetings of Unitholders of a Brompton ETF, including the preparation, printing and mailing of information to such Unitholders, (k) legal, accounting and audit fees and fees and expenses of the trustee (if applicable), custodian and Manager which are incurred in respect of matters which in the Manager’s opinion are not in the normal course of the Brompton ETFs’ operating activities, and (l) other expenses that the Brompton ETFs may incur which, in the Manager’s view, are outside of the normal course of business.

In the case of Brompton Split Corp. Preferred Share ETF, in addition to the payment of the applicable Management Fee, the Brompton ETF is responsible for (a) the costs and expenses incurred in complying with NI 81-107 (including any expenses related to the implementation and on-going operation of the IRC), (b) brokerage expenses and commissions, (c) income and withholding taxes as well as all other applicable taxes, including HST, (d) the costs of complying with any new governmental or regulatory requirement introduced after the Brompton ETF was established and (e) extraordinary expenses. The Manager is responsible for all other costs and expenses of Brompton Split Corp. Preferred Share ETF, including the fees payable to the Custodian, registrar and transfer agent and other service providers.

**Investments in  
Other Investment  
Funds:**

In the event a Brompton ETF invests in one or more other investment funds listed on a stock exchange in Canada or the United States, there shall be no management fees or incentive

fees that are payable by the Brompton ETF that, to a reasonable person, would duplicate a fee payable by the underlying investment fund for the same service.

A Brompton ETF will indirectly bear the operating expenses (including operating, administrative and portfolio transaction costs) that are borne by each of the underlying funds in which it invests.

*Fees and Expenses Payable by the Designated Broker and Dealers*

Type of Fee	Amount and Description
<b>Cash Creation Fee:</b>	<p>The Manager may, in its complete discretion, accept subscription proceeds consisting of (i) cash only in an amount equal to the NAV of the applicable PNU of the Brompton ETF determined at the Valuation Time on the effective date of the subscription order, plus (ii) if applicable, the fee payable in connection with cash-only payments for subscriptions of a PNU, representing, as applicable, brokerage expenses, commissions, transaction costs and other costs or expenses that the Brompton ETF incurs or expects to incur in purchasing securities on the market with such cash proceeds (the “<b>Cash Creation Fee</b>”).</p> <p>The Cash Creation Fee, if any, applicable in respect of a Brompton ETF will be specified from time to time at the discretion of the Manager. The Cash Creation Fee, if any, will accrue to the applicable Brompton ETF.</p>
<b>Cash Exchange Fee:</b>	<p>Upon the request of the Designated Broker or Dealer, the Manager may, in its complete discretion, satisfy an exchange request by delivering cash only in an amount equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, provided that the Designated Broker or Dealer agrees to pay the fee payable in connection with cash-only payments for exchange of a PNU of the applicable Brompton ETF, representing, as applicable, brokerage expenses, commissions, transaction costs and other costs or expenses that the applicable Brompton ETF incurs or expects to incur in selling securities on the market to obtain the necessary cash for the exchange (the “<b>Cash Exchange Fee</b>”), if applicable.</p> <p>The Cash Exchange Fee, if any, applicable in respect of the applicable Brompton ETF will be specified from time to time at the discretion of the Manager.</p>
<b>Administration Fee:</b>	<p>An amount as may be agreed to between the Manager and the Designated Broker or a Dealer, of a Brompton ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of that Brompton ETF. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the TSX (or any other marketplace on which the Units of a Brompton ETF may be traded).</p> <p>See “Fees and Expenses – Fees and Expenses Payable by the Designated Broker and Dealers – Administration Fees” and “Exchange and Redemption of Units – Administration Fee”.</p>

## OVERVIEW OF THE LEGAL STRUCTURE OF THE BROMPTON ETFs

The Brompton ETFs are actively managed exchange traded mutual funds established under the laws of the province of Ontario, pursuant to the terms of the Declaration of Trust. Units of the Brompton ETFs are listed for trading on the TSX and investors may buy or sell Units on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Units of the Brompton ETFs. All orders to purchase Units directly from a Brompton ETF must be placed by Designated Brokers or Dealers. See “Purchases of Units”.

While each Brompton ETF (other than Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF) is a mutual fund under the securities legislation of certain provinces and territories of Canada, it has been granted exemptive relief from certain provisions of Canadian Securities Legislation applicable to conventional mutual funds. See “Exemptions and Approvals”.

With respect to Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF, certain provisions of Canadian securities legislation applicable to conventional mutual funds will not apply to the Brompton ETFs because the Brompton ETFs are “alternative mutual funds” within the meaning of NI 81-102. Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF are subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and will be managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities.

The Predecessor Funds were originally established as closed-end investment trusts under the laws of the Province of Ontario. As approved by unitholders at special meetings of each of the Predecessor Funds held on February 28, 2018, the Predecessor Funds changed their names from Global Healthcare Income & Growth Fund and Tech Leaders Income Fund to “Global Healthcare Income & Growth ETF” and “Tech Leaders Income ETF”, respectively, and each Predecessor Fund was converted from a closed-end investment trust into an exchange traded fund, all in accordance with the terms of their respective declarations of trust.

Brompton European Dividend Growth ETF was originally established as a closed-end investment trust under the laws of the Province of Ontario. As approved by the unitholders of European Dividend Growth Fund at a special meeting held on February 14, 2019, Brompton European Dividend Growth ETF changed its name from European Dividend Growth Fund to Brompton European Dividend Growth ETF and converted from a closed-end investment trust into an exchange traded fund in accordance with the terms of its declaration of trust.

Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF was originally established as a closed-end investment trust under the laws of the Province of Alberta on October 29, 2004. As approved by the unitholders of Flaherty & Crumrine Investment Grade Preferred Income Fund at a special meeting held on November 1, 2021, the Brompton ETF changed its name from Flaherty & Crumrine Investment Grade Preferred Income Fund to Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF and converted from a closed-end investment trust into an exchange traded fund in accordance with the terms of its declaration of trust.

Brompton Funds is the promoter, manager, trustee and portfolio manager of the Brompton ETFs, and in its capacity as manager, is responsible for the administration of the Brompton ETFs. The principal office of the Manager and the Brompton ETFs is located at 181 Bay Street, Suite 2930, Toronto, Ontario M5J 2T3.

Flaherty & Crumrine Incorporated acts as the portfolio sub-advisor to Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF and is responsible for implementing the investment strategy of such Brompton ETFs.

The following chart sets out the full legal name as well as the TSX ticker symbol for each of the Brompton ETFs:

Brompton ETFs	TSX Ticker Symbol	
	CAD Units	USD Units
Brompton Global Healthcare Income & Growth ETF	HIG	HIG.U
Brompton Tech Leaders Income ETF	TLF	TLF.U

<b>Brompton ETFs</b>	<b>TSX Ticker Symbol</b>	
Brompton European Dividend Growth ETF	EDGF	n/a
Brompton Flaherty & Crumrine Investment Grade Preferred ETF	BPRF	BPRF.U
Brompton Global Dividend Growth ETF	BDIV	n/a
Brompton North American Financials Dividend ETF	BFIN	BFIN.U
Brompton Sustainable Real Assets Dividend ETF	BREA	n/a
Brompton North American Low Volatility Dividend ETF	BLOV	n/a
Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF	BEPR	BEPR.U
Brompton Enhanced Multi-Asset Income ETF	BMAX	n/a
Brompton Split Corp. Preferred Share ETF	SPLT	n/a

## **INVESTMENT OBJECTIVES**

The investment objective of each of the Brompton ETFs is described below.

### *Brompton Global Healthcare Income & Growth ETF*

The investment objectives of Brompton Global Healthcare Income & Growth ETF are to provide Unitholders of the Brompton ETF with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of Healthcare Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct exposure to foreign currencies back to the Canadian dollar. However, any exposure that the Brompton ETF's assets allocable to the USD Units have to foreign currencies will not be hedged.

### *Brompton Tech Leaders Income ETF*

The investment objectives of Brompton Tech Leaders Income ETF are to provide Unitholders of the Brompton ETF with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of Technology Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct exposure to foreign currencies back to the Canadian dollar. However, any exposure that the Brompton ETF's assets allocable to the USD Units have to foreign currencies will not be hedged.

### *Brompton European Dividend Growth ETF*

The investment objectives of Brompton European Dividend Growth ETF are to provide Unitholders of the Brompton ETF with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of European Dividend Growth Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct exposure to foreign currencies back to the Canadian dollar.

### *Brompton Flaherty & Crumrine Investment Grade Preferred ETF*

The investment objectives of Brompton Flaherty & Crumrine Investment Grade Preferred ETF are to provide Unitholders of the Brompton ETF with: (a) stable monthly cash distributions and (b) a stable net asset value. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar. However, any exposure that the Brompton ETF's assets allocable to the USD Units have to foreign currencies will not be hedged.

### *Brompton Global Dividend Growth ETF*

The investment objectives of Brompton Global Dividend Growth ETF are to provide Unitholders with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of global Dividend Growth Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar.

#### *Brompton North American Financials Dividend ETF*

The investment objectives of Brompton North American Financials Dividend ETF are to provide Unitholders with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of North American Financial Services Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar. However, any exposure that the Brompton ETF's assets allocable to the USD Units have to foreign currencies will not be hedged.

#### *Brompton Sustainable Real Assets Dividend ETF*

The investment objectives of Brompton Sustainable Real Assets Dividend ETF are to provide Unitholders with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of global Real Asset Companies (as defined herein) directly. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar. The Manager integrates environmental, social and corporate governance (“ESG”) factors when selecting securities for the Brompton ETF's portfolio. The qualitative ESG policies and practices considered by the Manager may include, but are not limited to, a company's environmental sustainability, diversity of employees and corporate governance.

#### *Brompton North American Low Volatility Dividend ETF*

The investment objectives of Brompton North American Low Volatility Dividend ETF are to provide Unitholders with: (a) stable monthly cash distributions; (b) the opportunity for capital appreciation; and (c) low overall volatility of portfolio returns by investing in a portfolio of North American large capitalization equity securities. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar. However, any exposure that the Brompton ETF's assets allocable to the USD Units have to foreign currencies will not be hedged.

#### *Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF*

The investment objectives of Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF are to provide Unitholders of the Brompton ETF with: (a) stable monthly cash distributions and (b) a stable NAV. The Brompton ETF seeks to hedge substantially all of its direct foreign currency exposure back to the Canadian dollar. However, any exposure that the Brompton ETF's assets allocable to the USD Units have to foreign currencies will not be hedged.

#### *Brompton Enhanced Multi-Asset Income ETF*

The investment objectives of Brompton Enhanced Multi-Asset Income ETF are to provide Unitholders of the Brompton ETF with: (a) attractive monthly distributions and (b) the opportunity for capital appreciation by investing, directly or indirectly, on a leveraged basis, in a portfolio of equity and fixed income securities. The Brompton ETF seeks to hedge substantially all of its direct exposure to foreign currencies back to the Canadian dollar.

#### *Brompton Split Corp. Preferred Share ETF*

The investment objectives of Brompton Split Corp. Preferred Share ETF are to provide Unitholders of the Brompton ETF with: (a) monthly distributions and (b) the opportunity for capital preservation primarily through investment in a portfolio of Split Corp. Preferred Shares.

The investment objectives of each Brompton ETF may not be changed except with the approval of its Unitholders. See “Unitholder Matters” for additional descriptions of the process for calling a meeting of Unitholders and the requirements of Unitholder approval.

## **INVESTMENT STRATEGIES**

The investment strategy of each Brompton ETF is to invest in and hold a portfolio of securities selected by the Manager, or the Sub-advisor, as the case may be, in order to achieve its investment objectives.



### *Brompton Global Healthcare Income & Growth ETF*

The investment strategy of Brompton Global Healthcare Income & Growth ETF is to provide investors with exposure to an actively managed portfolio of equity securities of large capitalization global Healthcare Companies. To be considered for inclusion in the Brompton ETF's portfolio, at the time of investment, each Healthcare Company comprising the Brompton ETF's portfolio must have a market capitalization of at least \$5 billion. The Manager employs a top-down, bottom-up approach. The Manager first uses top-down analysis to determine sub-sector weightings. When analyzing companies for inclusion in the portfolio, many factors may be considered including financial, valuation, business model, management, strategy, competitive positioning, products, future prospects, geographic exposure and/or others as applicable. The Manager gives preference to profitable Healthcare companies with long/durable product cycles and promising product pipelines.

The Brompton ETF may also invest up to 25% of the portfolio value, as measured at the time of investment, in equity securities of Healthcare-Related Companies, provided that the issuers satisfy the market capitalization.

The Manager may, at its discretion, write covered call options from time to time on the Brompton ETF's portfolio, in order to earn option premiums and lower the overall volatility of returns associated with owning a portfolio of equity securities. Call options will be written only in respect of the securities held in a Brompton ETF's portfolio. See "Investment Strategies – Covered Call Options" for further information.

### *Brompton Tech Leaders Income ETF*

The investment strategy of Brompton Tech Leaders Income ETF is to provide investors with actively managed exposure to a portfolio of equity securities of large capitalization, primarily North American-listed Technology Companies. To be considered for inclusion in the Brompton ETF's portfolio, at the time of investment, each Technology Company comprising the Brompton ETF's portfolio must have a market capitalization of at least \$10 billion.

The Manager employs a top-down, bottom-up approach. The Manager first uses top-down analysis to determine sub-sector weightings, considering a combination of quantitative, technical, style, market positioning, fundamental and valuation factors, among others as applicable. When analyzing companies for inclusion in the portfolio, many factors may be considered including financial, valuation, business model, management, strategy, competitive positioning, products, future prospects, geographic exposure and/or others as applicable. The Manager gives preference to Technology Companies and Technology Related Companies that, in the Manager's view, have market leading positions, a combination of revenue growth and free cash flow generation, and expanding pipeline of opportunities.

The Brompton ETF may also invest up to 25% of its Total Assets, as measured at the time of investment, in equity securities of Technology-Related Companies or non-North American listed Technology Companies, provided that the issuers satisfy the market capitalization criteria noted above.

The Manager may, at its discretion, write covered call options from time to time on the Brompton ETF's portfolio, in order to earn option premiums and lower the overall volatility of returns associated with owning a portfolio of equity securities. Call options will be written only in respect of the securities held in a Brompton ETF's portfolio. See "Investment Strategies – Covered Call Options" for further information.

### *Brompton European Dividend Growth ETF*

The investment strategy of Brompton European Dividend Growth ETF is to provide investors with exposure to an actively managed portfolio of equity securities of large capitalization European Dividend Growth Companies. In order to qualify for inclusion in the Brompton ETF's portfolio, at the time of investment, each European Dividend Growth Company comprising the Brompton ETF's portfolio must (i) have a history of dividend growth or, in the Manager's view, have potential for future dividend growth, (ii) be domiciled, incorporated and/or listed in Europe, or, in the Manager's view, has significant operating exposure to Europe; and (iii) have a market capitalization of at least \$10 billion.

The Manager employs a top-down, bottom-up approach to constructing portfolios. The Manager first uses top-down analysis to determine sector weightings, considering a combination of quantitative, technical, style, market positioning, fundamental and valuation factors, among others as applicable. When analyzing companies for inclusion in the portfolio, many factors may be considered including financial, valuation, business model, management, strategy, competitive positioning, products, future prospects, geographic exposure and/or others as applicable. The objective of

this process is to construct a well-diversified portfolio of high-quality dividend growth equities with strong cash flow generation focused on European companies that, in the Manager’s view, are leaders in their respective segments.

The Manager may, at its discretion, write covered call options from time to time on the Brompton ETF’s portfolio, in order to earn option premiums and lower the overall volatility of returns associated with owning a portfolio of equity securities. Call options will be written only in respect of the securities held in a Brompton ETF’s portfolio. See “Investment Strategies – Covered Call Options” for further information.

#### *Brompton Flaherty & Crumrine Investment Grade Preferred ETF*

Brompton Flaherty & Crumrine Investment Grade Preferred ETF invests in an actively managed portfolio consisting primarily of preferred and income-producing corporate securities, including traditional preferred stock, trust preferred securities, hybrid securities that have characteristics of both equity and debt securities, contingent-capital securities, subordinated debt, and senior debt of North American issuers or of Canadian or U.S. dollar-denominated securities of global issuers. The Brompton ETF primarily invests in securities of issuers that are rated Investment Grade (as defined herein) however the Brompton ETF may also invest in securities that are not rated Investment Grade if after investment in such securities at least 75% of the Brompton ETF’s portfolio (by market weight, as measured at the time of investment) consists of securities of issuers that are rated Investment Grade. The Brompton ETF may invest in Other Funds. See “Investment Strategies – General Investment Strategies of the Brompton ETFs – Investment in Other Investment Funds”. In constructing the portfolio, the Sub-Advisor gives consideration to the opportunity for income, issuer and security diversification, credit quality and duration/interest rate sensitivity.

#### *Brompton Global Dividend Growth ETF*

Brompton Global Dividend Growth ETF invests directly or indirectly in an actively managed portfolio consisting of securities of global Dividend Growth Companies with a market capitalization of at least \$10 billion at the time of investment, that have a history (or in the Manager’s view a future likelihood) of dividend growth. The Brompton ETF may invest in Other Funds. See “Investment Strategies – General Investment Strategies of the Brompton ETFs – Investment in Other Investment Funds”.

The Manager employs a top-down, bottom-up approach to constructing portfolios. The Manager first uses top-down analysis to determine sector weightings, considering a combination of quantitative, technical, style, market positioning, fundamental and valuation factors, among others as applicable. When analyzing companies for inclusion in the portfolio, many factors may be considered including financial, valuation, business model, management, strategy, competitive positioning, products, future prospects, geographic exposure and/or others as applicable. The objective of this process is to construct a well-diversified portfolio of high-quality dividend growth equities with strong cash flow generation.

The Manager may, at its discretion, write covered call options from time to time on the Brompton ETF’s portfolio, in order to earn option premiums and lower the overall volatility of returns associated with owning a portfolio of equity securities. Call options will be written only in respect of the securities held in a Brompton ETF’s portfolio. See “Investment Strategies – Covered Call Options” for further information.

#### *Brompton North American Financials Dividend ETF*

Brompton North American Financials Dividend ETF invests in an actively managed portfolio expected to consist of securities of North American Financial Services Companies with a market capitalization of at least \$5 billion at the time of investment. The Manager may invest up to 20% of the Brompton ETF’s portfolio in other financial services companies, or in financial services-related companies, or in global financial services companies. The Brompton ETF may invest in Other Funds. See “Investment Strategies – General Investment Strategies of the Brompton ETFs – Investment in Other Investment Funds”. The Manager employs a top-down, bottom-up approach. The Manager first uses top-down analysis to determine sub-sector weightings, considering a combination of quantitative, technical, style, market positioning, fundamental and valuation factors, among others as applicable. When analyzing companies for inclusion in the portfolio, many factors may be considered including financial, valuation, business model, management, strategy, competitive positioning, products, future prospects, geographic exposure and/or others as applicable.

The Manager may, at its discretion, write covered call options from time to time on the Brompton ETF’s portfolio, in order to earn option premiums and lower the overall volatility of returns associated with owning a portfolio of equity securities. Call options will be written only in respect of the securities held in a Brompton ETF’s portfolio. See

“Investment Strategies – Covered Call Options” for further information. See “Investment Strategies – Covered Call Options” for further information.

#### *Brompton Sustainable Real Assets Dividend ETF*

Brompton Sustainable Real Assets Dividend ETF will invest directly or indirectly, in a diversified actively managed portfolio consisting of securities of global Real Asset Companies. Global Real Asset Companies include those companies involved in the Real Estate, Utilities, or Infrastructure sectors, and may at the Manager’s discretion include companies that supply services or equipment to, or that make investments in, Real Estate, Utilities, Energy, Materials or Infrastructure companies. Such global Real Asset Companies may be involved in traditional real asset business activities such as ownership and operation of power plants, pipelines, transportation infrastructure, telecommunications networks, commodities-related businesses, or real estate. The portfolio may include investments in companies operating in the areas of renewable power (wind, solar, hydroelectric), green transportation (electric vehicles, energy transportation and storage, railroads, carbon capture) energy efficiency (smart grids, smart meters, building efficiency), among others. The Brompton ETF may invest in Other Funds. See “Investment Strategies – General Investment Strategies of the Brompton ETFs – Investment in Other Investment Funds”. The Manager integrates ESG considerations to complement fundamental analysis in its security selection process. The qualitative ESG policies and practices considered may include, but are not limited to, a company’s (i) environmental sustainability, which assesses a company’s impact on the natural or physical environment based on factors such as greenhouse gas emissions, energy efficiency, waste management, and/or natural resource use; (ii) diversity of employees as represented by gender, age, race, ethnicity, religion, and/or physical abilities; and (iii) corporate governance, through an examination of a company’s board structure, board diversity, board independence, executive compensation, information disclosure, and/or shareholder rights.

The Manager reviews ESG ratings from third party data providers such as Bloomberg, L.P. (“Bloomberg”), Morgan Stanley Capital International (“MSCI”), S&P Global, Inc. (“S&P Global”), Morningstar Sustainalytics, (“Sustainalytics”), Institutional Shareholder Services (“ISS”), and others that provide independent and objective ratings as an input to the overall investment analysis and risk assessment of a company. Bloomberg’s ESG dataset offers ESG metrics and ESG disclosure scores for more than 14,000 companies, providing over 2,000 fields across different ESG topics such as air quality, climate change, health & safety, compensation, diversity, water, health & safety and governance. MSCI uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. MSCI ESG ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). S&P Global’s ESG Evaluation is a ranking on a 100-point scale. A higher ranking expresses S&P Global’s view that the entity is more likely to be sustainable, based on active management of ESG-related risks and opportunities, relatively strong governance, and the entity’s ability to adapt to change and take advantage of long-term trends and disruptive opportunities. Sustainalytics ESG Risk Ratings for companies is comprised of a quantitative score and a risk category. The quantitative score represents units of unmanaged ESG risk with lower scores representing less unmanaged risk. Unmanaged risk is measured on an open-ended scale starting at zero (no risk) and, for 95% of cases, a maximum score below 50. Based on their quantitative scores, companies are grouped into one of five risk categories (negligible, low, medium, high, severe). These risk categories are absolute, meaning that a ‘high risk’ assessment reflects a comparable degree of unmanaged ESG risk across all subindustries covered. The ISS Governance QualityScore uses a numeric, decile-based score that indicates a company’s governance risk relative to their index or region. A score in the 1st decile (QS:1) indicates relatively higher quality governance practices and relatively lower governance risk, and, conversely, a score in the 10th decile (QS:10) indicates relatively higher governance risk. Companies receive an overall QualityScore and a score for each of four categories: board structure, compensation/remuneration, shareholder rights, and audit & risk oversight. The Manager also reviews issuers’ public disclosure, including annual reports and presentations, and the Manager may also engage directly with issuers, including from time to time having discussions with management teams to assess initiatives and strategies that have been put in place by the issuers to deal with ESG considerations material to such issuers.

The Manager employs a top-down, bottom-up approach. The Manager first uses top-down analysis to determine sector weightings, considering a combination of quantitative, technical, style, market positioning, fundamental and valuation factors, among others as applicable.

The Manager uses a multi-disciplinary investment process which includes fundamental, qualitative, and technical research to select securities of issuers for inclusion in the Brompton ETF’s portfolio. Factors considered may include

financial, valuation, business model, management, strategy, competitive positioning, products, culture, future prospects, geographic exposure and/or others as applicable.

The Manager targets investments in global Real Assets Companies that have strong and/or improving ESG characteristics as identified by the Manager. The process of reviewing the ESG characteristics of each potential investment will vary at the discretion of the Manager, taking into consideration the specific circumstances of the issuer. Global Real Assets Companies selected for inclusion in the Brompton ETF's will be based on the Manager's overall analysis of an issuer and will not rely on specific ESG targets.

The Manager may, at its discretion, write covered call options from time to time on the Brompton ETF's portfolio, in order to earn option premiums and lower the overall volatility of returns associated with owning a portfolio of equity securities. Call options will be written only in respect of the securities held in a Brompton ETF's portfolio. See "Investment Strategies – Covered Call Options" for further information.

#### *Brompton North American Low Volatility Dividend ETF*

Brompton North American Low Volatility Dividend ETF invests in an actively managed portfolio consisting of equity securities of North American issuers with a minimum market capitalization of \$5 billion at the time of investment. A quantitative model with an active fundamentals overlay is used to construct an overall low-volatility portfolio.

The Manager may, at its discretion, write covered call options from time to time on the Brompton ETF's portfolio, in order to earn option premiums and lower the overall volatility of returns associated with owning a portfolio of equity securities. Call options will be written only in respect of the securities held in a Brompton ETF's portfolio. In addition to writing covered call options, the Manager may also buy puts to protect portfolio value, or may write cash-covered puts. See "Investment Strategies – Covered Call Options" for further information.

#### *Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF*

Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF invests, directly or indirectly, in an actively managed portfolio consisting primarily of preferred and income-producing corporate securities, including traditional preferred stock, trust preferred securities, hybrid securities that have characteristics of both equity and debt securities, contingent-capital securities, subordinated debt, and senior debt of North American issuers or of Canadian or U.S. dollar-denominated securities of global issuers. The Brompton ETF primarily invests in securities of issuers that are rated Investment Grade however the Brompton ETF may also invest in securities that are not rated Investment Grade if after investment in such securities at least 75% of the Brompton ETF's portfolio (by market weight, as measured at the time of investment) consists of securities of issuers that are rated Investment Grade. The Brompton ETF generally intends to maintain an aggregate gross exposure to cash borrowing and specified derivative transactions of less than 50% of its net asset value. In constructing the portfolio, the Sub-Advisor gives consideration to the opportunity for income, issuer and security diversification, credit quality and duration/interest rate sensitivity.

#### *Brompton Enhanced Multi-Asset Income ETF*

Brompton Enhanced Multi-Asset Income ETF invests directly or indirectly in an actively managed portfolio of equity and equity-related securities and fixed income and fixed income-related securities, as selected by the Manager in order to achieve its investment objectives.

Equity related securities held by the Brompton ETF may include, but are not limited to, convertible debt, income trust units, single issuer equity options, contingent-capital securities and warrants.

Fixed income related securities include Split Corp. Preferred Shares, preferred shares, trust preferred securities, hybrid securities that have characteristics of both equity and debt securities, subordinated debt and senior debt. If market conditions require, in order to preserve capital, the Brompton ETF may seek to invest a substantial portion of its assets in cash and cash equivalents.

The Brompton ETF currently seeks to achieve its investment objectives by investing in securities of exchange-traded funds managed by the Manager which invest in equity, fixed income securities and/or fixed income related securities. The Manager expects that the Brompton ETF will invest substantially all of its NAV in Equity ETFs and Fixed Income ETFs and that the asset allocation of the Brompton ETF will be approximately 70% Equity ETFs and 30% Fixed Income ETFs. Asset allocations are subject to change from time to time at the Manager's discretion. The Brompton ETF combines a variety of investment strategies, diversified by geography, sector and asset class to provide an efficient means to access a portfolio designed for various market conditions.

It is expected that the Brompton ETF will employ leverage equal to approximately one third of its NAV.

#### *Brompton Split Corp. Preferred Share ETF*

Brompton Split Corp. Preferred Share ETF primarily invests in an actively managed portfolio of Split Corp. Preferred Shares offered by Canadian split share corporations listed on a Canadian exchange. Brompton Split Corp. Preferred Share ETF may not invest more than 20% of its NAV in the Split Corp. Preferred Shares of any split share corporation at the time of investment. The Brompton ETF may also invest in preferred shares of other issuers, exchange-traded funds, other investment funds, equities or income-generating securities, and securities that are convertible into any of the above noted securities provided such investments are consistent with the Brompton ETF's investment objectives.

The Manager manages the portfolio of the Brompton ETF to seek to meet the Brompton ETF's investment objectives and therefore the composition of the Brompton ETF's portfolio will vary from time to time based on the Manager's assessment of market conditions and other factors.

The Brompton ETF does not currently intend to use leverage; however, it may use leverage in certain circumstances to enhance dividend income or to pursue attractive investment opportunities, as determined by the Manager, in its sole discretion, from time to time. The Brompton ETF does not expect to employ leverage in excess of 15% of its NAV.

#### **Covered Call Options**

The Manager may, at its discretion, write covered call options from time to time on a Brompton ETF's portfolio (other than Brompton Flaherty & Crumrine Investment Grade Preferred ETF, Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF), in order to earn option premiums and lower the overall volatility of returns associated with owning a portfolio of equity securities. Call options will be written only in respect of the securities held in a Brompton ETF's portfolio. The Manager will determine from time to time the terms of such call options including the extent to which such options are written out-of-the-money.

The holder of a call option purchased from a Brompton ETF will have the option, exercisable during a specific time period or at expiry, to purchase the securities underlying the option from the Brompton ETF at the strike price per security. By selling call options, the Brompton ETF will receive option premiums, which are generally paid within one business day of the writing of the option. If the volatility of the securities held in the portfolio of the Brompton ETF decreases, it is anticipated that a greater percentage of the Brompton ETF's portfolio will be subject to covered call options and that the strike price of the call options will be closer to, and potentially lower than, the market price of the security underlying the call option at the time the call option is written. If at any time during the term of a call option or at expiry, the market price of the underlying securities is above the strike price, the holder of the option may exercise the option and the Brompton ETF would be obligated to sell the securities to the holder at the strike price per security. Alternatively, the Brompton ETF may repurchase a call option which is in-the-money by paying the market value of the call option. In the event an option is repurchased or exercised, the Manager may elect to sell additional calls on the same security from time to time. If, however, the option is out-of-the-money at expiration of the call option, the holder of the option will likely not exercise the option and the option will expire. In each case, the Brompton ETF will retain the option premium.

The amount of option premium depends upon, among other factors, the expected volatility of the price of the underlying security – the higher the volatility, the higher the option premium. In addition, the amount of the option premium will depend upon the difference between the strike price of the option and the market price of the underlying security at the time the option is written – the smaller the positive difference (or the larger the negative difference), the more likely it is that the option will become in-the-money during the term and, accordingly, the greater the option premium. The Manager will determine the number of call options that will be written and the strike price at which the options will be sold. The Manager intends that the options sold by the Brompton ETF will generally be sold at strike prices which are close to or slightly above the then current market price of the securities held in the Brompton ETF's portfolio.

If a call option is written on a security in a Brompton ETF's portfolio, the amounts that such Brompton ETF will be able to realize on the security during the term of the call option will be limited to the distributions received during such period plus an amount equal to the sum of the strike price and the premium received from writing the option. In essence, the Brompton ETF forgoes potential returns resulting from any price appreciation of the security underlying the option above the strike price because the security will be "called away" or the Brompton ETF will pay to close out

the option by repurchasing the option at the then current market price of the option. The current market price of an in-the-money option may exceed the premium received when the option was sold.

With respect to Brompton North American Low Volatility Dividend ETF, in addition to writing covered call options, the Manager may also buy puts to protect portfolio value or may write cash-covered puts in accordance with NI 81-102 or as permitted by the Canadian securities regulatory authorities.

### **General Investment Strategies of the Brompton ETFs**

Each Brompton ETF invests directly (or in the case of Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF, directly or indirectly) in an actively managed portfolio comprised of various securities and instruments which may include, but are not limited to, equity and equity-related securities, fixed income and fixed income related securities, futures contracts and exchange traded funds (provided such investments are consistent with such Brompton ETF's investment objectives and strategies). Equity-related securities held by a Brompton ETF may include, but are not limited to, convertible debt, income trust units, single issuer equity options, contingent capital securities and warrants. Fixed income related securities include preferred shares, preferred securities, hybrid securities that have characteristics of both equity and debt securities, subordinated debt and senior debt. If market conditions require, in order to preserve capital, a Brompton ETF may seek to invest a substantial portion of its assets in cash and cash equivalents.

*Investment in Other Investment Funds* – In accordance with applicable Canadian securities legislation, including NI 81-102, and as an alternative to or in conjunction with investing in and holding securities directly, the Brompton ETFs may also invest in and hold securities of one or more other investment funds, including Other Funds, provided that no management fees or incentive fees are payable by the Brompton ETFs that, to a reasonable person, would duplicate a fee payable by the Other Fund for the same service. Split Corp. Preferred Shares generally do not bear any management fees or operating expenses when the net asset value of the applicable split share corporation is in excess of the redemption value of the Split Corp. Preferred Share. A Brompton ETF's allocation to investments in Other Funds, if any, will vary from time to time depending on the liquidity of the Other Funds, and the ability of the Manager to identify appropriate investment funds that are consistent with such Brompton ETF's investment objectives and strategies.

*Use of Derivative Instruments* – The Brompton ETFs may use derivative instruments for hedging purposes (i.e., to hedge the foreign currency exposure of the securities included in the Brompton ETF's portfolio to the Canadian dollar) or for non-hedging purposes (i.e., as a substitute for investing directly in one or more securities). The Brompton ETFs may use derivative instruments to reduce transaction costs and increase the liquidity and efficiency of trading. The Brompton ETFs may, from time to time, use derivatives to hedge their exposure to equity, fixed income and hybrid securities. The Brompton ETFs may invest in or use derivative instruments, including futures contracts and forward contracts, provided that the use of such derivative instruments is in compliance with NI 81-102 or the appropriate regulatory exemptions have been obtained, and is consistent with the investment objectives and strategies of the Brompton ETFs. The Manager may, at its discretion, write covered call options from time to time on the portfolio of a Brompton ETF (with the exception of Brompton Flaherty & Crumrine Investment Grade Preferred ETF, Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF) in order to earn option premiums and lower the overall volatility of returns associated with owning the portfolio directly. See "Investment Strategies – Covered Call Options" above for further information.

*Currency Hedging* – Each of the Brompton ETFs will hedge substantially all of their direct foreign currency exposure back to the Canadian dollar through the utilization of currency forward agreements. All such currency forward agreements will be entered into in compliance with NI 81-102 with financial institutions that have a "designated rating" as defined in NI 81-102. Hedging currency exposure to reduce the impact of fluctuations in exchange rates is intended to reduce the direct exposure to foreign currency risk for Unitholders. Any exposure that the portion of a Brompton ETF's portfolio which is allocable to the USD Units of the Brompton ETF has to foreign currencies will not be hedged.

*Securities Lending* – A Brompton ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to it in order to earn additional income for the Brompton ETF pursuant to the terms of a securities lending agreement between each Brompton ETF and a securities lending agent under which: (a) the borrower will pay to the Brompton ETF a negotiated securities lending fee and will make compensation payments to the Brompton ETF equal to any distributions received by the borrower on the securities borrowed; (b) the securities loans qualify as "securities

lending arrangements” for the purposes of the Tax Act; and (c) the Brompton ETF will receive collateral security equal to at least 102% of the value of the portfolio securities loaned. The securities lending agent for a Brompton ETF will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis.

*Alternative Mutual Fund and Leverage* – Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF are considered “alternative mutual funds” within the meaning of NI 81-102. As an alternative mutual fund, the Brompton ETFs are permitted to use strategies generally prohibited by conventional mutual funds under NI 81-102.

Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF are considered to be alternative funds because they may borrow for investment purposes and have some greater flexibility in the use of derivatives and in the instance of Brompton Split Corp. Preferred Share ETF because it may hold more than 10% of its assets in Split Corp. Preferred Shares. The Brompton ETFs may use leverage to seek to achieve their investment objectives.

## **OVERVIEW OF THE SECTORS THAT THE BROMPTON ETFs INVEST IN**

Brompton Global Healthcare Income & Growth ETF primarily invests in equity securities of large capitalization global Healthcare Companies.

Brompton Tech Leaders Income & Growth ETF primarily invests in equity securities of large capitalization North American listed Technology Companies.

Brompton European Dividend Growth ETF primarily invests in equity securities of large capitalization European Dividend Growth Companies.

Brompton Flaherty & Crumrine Investment Grade Preferred ETF primarily invests in corporate preferred shares, trust preferred shares and other hybrid preferred shares and corporate debt of North American issuers or of Canadian or U.S. dollar denominated securities of global issuers.

Brompton Global Dividend Growth ETF primarily invests in equity securities of global Dividend Growth Companies with a market capitalization of at least \$10 billion, that have a history (or in the Manager’s view a future likelihood) of dividend growth.

Brompton North American Financials Dividend ETF primarily invests in equity securities of North American Financial Services Companies with a market capitalization of at least \$5 billion and global financials companies.

Brompton Sustainable Real Assets Dividend ETF primarily invests in a diversified actively managed portfolio consisting of securities of global Real Asset Companies.

Brompton North American Low Volatility Dividend ETF primarily invests in large-capitalization equity securities of North American issuers.

Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF primarily invests, directly or indirectly, in corporate preferred shares, trust preferred shares and other hybrid preferred shares and corporate debt of North American issues or of Canadian or U.S. dollar denominated securities of global issuers.

Brompton Enhanced Multi-Asset Income ETF primarily invests, directly or indirectly, in equity and equity-related securities and fixed income and fixed income-related securities.

Brompton Split Corp. Preferred Share ETF primarily invests in preferred shares issued by Canadian split share corporations which are listed on an exchange in Canada.

Please see “Investment Objectives” and “Investment Strategies” for additional information on the sectors applicable to each Brompton ETF.

## **INVESTMENT RESTRICTIONS**

The Brompton ETFs are subject to certain investment restrictions and practices contained in securities legislation, including NI 81-102, which are designed in part to ensure that the investments of the Brompton ETFs are diversified and relatively liquid and to ensure their proper administration. Brompton Flaherty & Crumrine Enhanced Investment

Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF are “alternative mutual funds” and the Brompton ETFs are not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives. Brompton Split Corp. Preferred Share ETF may not invest more than 20% of its NAV in the Split Corp. Preferred Shares of any split share corporation at the time of investment. See “Investment Strategies – Brompton Split Corp. Preferred Share ETF”. A change to the fundamental investment objective of a Brompton ETF would require the approval of the Unitholders of that Brompton ETF. See “Unitholder Matters – Matters Requiring Unitholders Approval”.

Subject to any exemptive relief that has been or will be obtained, the Brompton ETFs are managed in accordance with the investment restrictions and practices set out in the applicable securities legislation, including NI 81-102. See “Exemptions and Approvals”.

## FEES AND EXPENSES

This section details the fees and expenses that an investor may have to pay if the investor invests in the Brompton ETFs. An investor may have to pay some of these fees and expenses directly. The Brompton ETFs may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Brompton ETFs.

### Fees and Expenses Payable by the Brompton ETFs

#### *Management Fees*

Each Brompton ETF, except Brompton Enhanced Multi-Asset Income ETF, pays an annual Management Fee to the Manager equal to an annual percentage of the NAV of that Brompton ETF, calculated and payable monthly in arrears, plus applicable taxes. See “Organization and Management Details of the Brompton ETFs – Trustee, Manager and Portfolio Manager – Duties and Services to be Provided by the Manager” for a description of the services provided by the Manager.

The Management Fee is based on a percentage of the NAV of each of the following Brompton ETFs and is listed below:

<b>Brompton ETFs</b>	<b>Management Fee</b>
Brompton Global Healthcare Income & Growth ETF	0.75% of NAV
Brompton Tech Leaders Income ETF	0.75% of NAV
Brompton European Dividend Growth ETF	0.75% of NAV
Brompton Flaherty & Crumrine Investment Grade Preferred ETF	0.75% of NAV
Brompton Global Dividend Growth ETF	0.75% of NAV
Brompton North American Financials Dividend ETF	0.75% of NAV
Brompton Sustainable Real Assets Dividend ETF	0.75% of NAV
Brompton North American Low Volatility Dividend ETF	0.55% of NAV
Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF	1.00% of NAV
Brompton Enhanced Multi-Asset Income ETF	n/a
Brompton Split Corp. Preferred Share ETF	0.50% of NAV

Brompton Enhanced Multi-Asset Income ETF does not pay the Manager an annual management fee for the services.

Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF, in accordance with their investment strategies and applicable Canadian securities legislation, may invest in exchange traded funds, mutual funds or other public investment funds to obtain exposure to securities for their portfolios. The Brompton ETF’s returns on the portion of the Brompton ETF’s portfolio assets invested in such exchange traded funds, mutual funds and/or other public investment funds will be reduced by the management fees paid by the applicable underlying fund regardless of whether such Other Fund is managed by the Manager or a third-party manager. There will be no duplication of fees payable by the Brompton ETF and the underlying fund for the same service. Split Corp. Preferred Shares generally do not bear any management fees or operating expenses when the net asset value of the split share corporation is in excess of the redemption value of the Split Corp. Preferred Shares.



No sales fees or redemption fees are payable to Brompton Enhanced Multi-Asset Income ETF in relation to purchases or redemptions of the securities of the underlying funds in which it invests if such underlying funds are managed by the Manager or an affiliate or associate of the Manager. Accordingly, no sales fees or redemption fees will be payable by the Brompton ETF in relation to its purchases or redemptions of securities of underlying funds that, to a reasonable person, would duplicate a fee payable by an investor in the Brompton ETF.

Brompton Enhanced Multi-Asset Income ETF intends to invest in exchange traded funds and preferred shares of split share corporations managed by the Manager. The exchange traded funds that the Brompton ETF will initially invest in currently pay the Manager an annual management fee of between 0.50% of net asset value to 0.75% of net asset value for acting as manager, calculated daily and payable monthly in arrears, plus applicable taxes. The underlying funds in which the Brompton ETF invests is subject to change from time to time at the Manager's discretion.

The Manager pays any fees and expenses payable to the Sub-advisor in connection with its provision of investment sub-advisory services to Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF out of the Management Fee it receives from the applicable Brompton ETF, as negotiated between the Manager and the Sub-advisor from time to time.

The Manager may, at its discretion, agree to charge a reduced Management Fee as compared to the Management Fee that it otherwise would be entitled to receive from a Brompton ETF (other than Brompton Enhanced Multi-Asset Income ETF), provided that the difference between the fee otherwise chargeable and the reduced fee is distributed periodically by the Brompton ETF to the applicable Unitholders as a Management Fee Distribution. Any reduction will depend on a number of factors, including the amount invested, the Total Assets of the Brompton ETF under administration, the NAV of the Brompton ETF and the expected amount of account activity. Management Fee Distributions will be paid first out of net income of the Brompton ETF then out of capital gains of the Brompton ETF and thereafter out of capital.

The availability and amount of Management Fee Distributions with respect to Units will be determined by the Manager. Management Fee Distributions for the Brompton ETFs (other than Brompton Enhanced Multi-Asset Income ETF) will generally be calculated and applied based on a Unitholder's average holdings of Units over each applicable period as specified by the Manager from time to time. Management Fee Distributions will be available only to beneficial owners of Units and not to the holdings of Units by dealers, brokers or other CDS Participants that hold Units on behalf of beneficial owners. Management Fee Distributions will be paid first out of net income of the Brompton ETFs, then out of capital gains of the Brompton ETFs and thereafter out of capital. In order to receive a Management Fee Distribution for any applicable period, a beneficial owner of Units must submit a claim for a Management Fee Distribution that is verified by a CDS Participant on the beneficial owner's behalf and provide the Manager with such further information as the Manager may require in accordance with the terms and procedures established by the Manager from time to time.

The Manager reserves the right to discontinue or change Management Fee Distributions at any time. The tax consequences of Management Fee Distributions made by the Brompton ETFs generally will be borne by the Unitholders of the Brompton ETFs receiving these distributions from the Manager.

#### *Operating Costs and Expenses*

In addition to the payment of the Management Fee (directly or indirectly), as applicable, each of the Brompton ETFs, except Brompton Split Corp. Preferred Share ETF, will pay for all expenses incurred in connection with its operation and administration. The Manager intends to waive a portion of the Management Fees and/or reimburse the Brompton ETFs to ensure that the sum of the Management Fees and certain normal-course operating expenses (as described below in more detail, "**Operating Expenses**"), in each case inclusive of associated GST/HST, is limited to approximately 0.95% of NAV with the exception of Brompton North American Low Volatility Dividend ETF which is limited to approximately 0.75% of NAV), Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF which is limited to approximately 1.2% of NAV (inclusive of Management Fees and Operating Expenses of underlying funds) and Brompton Enhanced Multi-Asset Income ETF which is limited to 0.20% of NAV (exclusive of Management Fees and Operating Expenses of underlying funds), in each case excluding certain expenses as set out below including interest charges and principal repayment obligations on account of any indebtedness (if applicable). The Manager is under no obligation to waive fees or reimburse expenses for any Brompton ETF and may in its discretion, discontinue or alter this practice at any time.

Expenses payable by each of the Brompton ETFs, except Brompton Split Corp. Preferred Share ETF, which are defined as “Operating Expenses” are: (a) costs and expenses related to the preparation, translation, mailing and printing of periodic financial and other reports to Unitholders, (b) fees payable to the trustee for acting as trustee (in the event that the Manager appoints a third party trustee in the future), (c) fees payable to the registrar and transfer agent, (d) fees payable to the custodian for acting as custodian of the assets of the Brompton ETFs including fees payable to the Custodian for valuation services, (e) any reasonable out of pocket expenses incurred by the Manager or its directors, officers or agents in connection with their ongoing obligations to the Brompton ETFs, (f) fees and expenses relating to voting of proxies by a third party, (g) fees payable to the auditors and legal advisors of the Brompton ETFs in the normal course, (h) stock exchange, licensing and regulatory filing fees and CDS fees, (i) costs and expenses of complying with all laws, regulations and policies which are currently applicable, including expenses and costs incurred in connection with the continuous public filing requirements such as permitted prospectus preparation and filing expenses, (j) costs and expenses incurred for investor relations activities, (k) fees payable to the plan agent with respect to the distribution reinvestment plan of each Brompton ETF, as applicable, and (l) any additional fees payable to third party service providers.

Expenses payable by each of the Brompton ETFs, except Brompton Split Corp. Preferred Share ETF, which are excluded from the definition of “Operating Expenses”, without limitation, include (a) IRC committee member fees and expenses, and expenses related to compliance with NI 81-107, (b) insurance coverage for members of the IRC and director and officer insurance premiums for directors and officers of the Manager, (c) banking, interest charges and principal repayment obligations on account of any indebtedness (if applicable), (d) costs relating to financial instruments including currency hedging, call or put options, or any other derivatives, if applicable, (e) brokerage commissions, custodian transaction fees and/or expenses, and other costs of portfolio transactions, (f) any taxes payable by the Brompton ETFs or to which the Brompton ETFs may be subject, including income taxes, withholding taxes and/or any applicable sales taxes (including GST/HST), (g) the cost of complying with any new governmental or regulatory requirement introduced after the first Brompton ETFs were established including, as applicable, any costs associated with the printing and distribution of any documents that the securities regulatory authorities require be sent or delivered to purchasers of Units of the Brompton ETFs, (h) expenditures incurred upon termination of the Brompton ETFs, (i) expenses of any action, suit or other proceedings in which or in relation to which the Manager, Sub-advisor, members of the IRC, the custodian or the trustee (if applicable) and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by the Brompton ETFs, to the extent permitted under the Declaration of Trust, (j) expenses relating to meetings of Unitholders of a Brompton ETF, including the preparation, printing and mailing of information to such Unitholders, (k) legal, accounting and audit fees and fees and expenses of the trustee (if applicable), custodian and Manager which are incurred in respect of matters which in the Manager’s opinion are not in the normal course of the Brompton ETFs’ operating activities, and (l) other expenses that the Brompton ETFs may incur which, in the Manager’s view, are outside of the normal course of business.

In the case of Brompton Split Corp. Preferred Share ETF, in addition to the payment of the applicable Management Fee, the Brompton ETF is responsible for (a) the costs and expenses incurred in complying with NI 81-107 (including any expenses related to the implementation and on-going operation of the IRC), (b) brokerage expenses and commissions, (c) income and withholding taxes as well as all other applicable taxes, including HST, (d) the costs of complying with any new governmental or regulatory requirement introduced after the Brompton ETF was established and (e) extraordinary expenses. The Manager is responsible for all other costs and expenses of Brompton Split Corp. Preferred Share ETF, including the fees payable to the Custodian, registrar and transfer agent and other service providers.

#### *Investments in Other Investment Funds*

In the event a Brompton ETF invests in one or more other investment funds listed on a stock exchange in Canada or the United States, there shall be no management fees or incentive fees that are payable by the Brompton ETF that, to a reasonable person, would duplicate a fee payable by the underlying investment fund for the same service.

A Brompton ETF will indirectly bear the operating expenses (including operating, administrative and portfolio transaction costs) that are borne by each of the underlying funds in which it invests.

#### **Fees and Expenses Payable by the Designated Broker and Dealers**

##### *Cash Creation Fee*

The Manager may, in its complete discretion, instead accept subscription proceeds consisting of (i) cash only in an amount equal to the NAV of the applicable PNU of the Brompton ETF determined at the Valuation Time on the

effective date of the subscription order, plus (ii) if applicable, the fee payable in connection with cash-only payments for subscriptions of a PNU, representing, as applicable, brokerage expenses, commissions, transaction costs and other costs or expenses that the Brompton ETF incurs or expects to incur in purchasing securities on the market with such cash proceeds (the “**Cash Creation Fee**”).

The Cash Creation Fee, if any, applicable in respect of a Brompton ETF will be specified from time to time at the discretion of the Manager. The Cash Creation Fee, if any, will accrue to the Brompton ETFs.

#### *Cash Exchange Fee*

Upon the request of a Designated Broker or Dealer, the Manager may, in its complete discretion, satisfy an exchange request by delivering cash only in an amount equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, provided that the Designated Broker or Dealer agrees to pay the Cash Exchange Fee.

The Cash Exchange Fee, if any, applicable in respect of the applicable Brompton ETF will be specified from time to time at the discretion of the Manager.

#### *Administration Fee*

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer, of a Brompton ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of a Brompton ETF. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the TSX (or any other marketplace on which the Units of a Brompton ETF may be traded).

See “Exchange and Redemption of Units – Administration Fee”.

## **RISK FACTORS**

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Units, including indirect risks that may arise as a result of the Brompton ETF’s exposure to certain underlying funds, that prospective investors should consider before purchasing such Units:

### **General Risks Relating to an Investment in the Brompton ETFs**

#### *General Risks of Investments*

The value of the underlying securities of a Brompton ETF, whether held directly or indirectly, may fluctuate in accordance with changes in the financial condition of the issuers of those underlying securities, the condition of equity and currency markets generally and other factors.

The risks inherent in investments in equity or debt securities, whether held directly or indirectly, include the risk that the financial condition of the issuers of the securities may become impaired or that the general condition of the stock market may deteriorate. Equity and debt securities are susceptible to general stock market fluctuations and the financial condition of the issuer. These investor perceptions are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction and global or regional political, economic and banking crises.

#### *Asset Class Risk*

The securities in the portfolio of a Brompton ETF may underperform the returns of other securities that track other countries, regions, industries, asset classes or sectors. Various asset classes tend to experience cycles of outperformance and underperformance in comparison to the general securities markets.

#### *Issuer Risk*

Performance of the Brompton ETFs depends on the performance of the individual securities to which the Brompton ETFs have exposure. Changes in the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline.

#### *Concentration Risk*

A Brompton ETF may have more of its net assets invested in one or more issuers and/or sectors than is permitted for many investment funds. In these circumstances, the Brompton ETF may be affected more by the performance of

individual issuers in its portfolio, with the result that the NAV of the Brompton ETF may be more volatile and may fluctuate more over short periods of time than the net asset value of a more broadly diversified investment fund. In addition, this may increase the liquidity risk of these Brompton ETFs which may, in turn, have an effect on the Brompton ETFs' ability to satisfy redemption requests.

#### *Fund of Funds Investment Risk*

A Brompton ETF may invest in other exchange traded funds, mutual funds, closed-end funds or public investment funds as part of its investment strategies. Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF may invest in Split Corp. Preferred Shares offered by Canadian split share corporations. If the Brompton ETFs invest in such underlying funds, their investment performance largely depends on the investment performance of the underlying funds in which they invest. Additionally, if an underlying fund suspends redemptions, the Brompton ETFs may be unable to accurately value part of their investment portfolio and may be unable to redeem their Units. Underlying funds in which the Brompton ETFs may invest can be expected to incur fees and expenses for operations, such as investment advisory and administration fees, which would be in addition to those incurred by the applicable Brompton ETF.

#### *Investment in ETFs Risk*

The Brompton ETFs may invest in exchange traded funds that seek to provide returns similar to the performance of a particular market index or industry sector index. Any such exchange traded fund may not achieve the same return as its benchmark market or industry sector index due to differences in the actual weightings of securities held in the exchange traded fund versus the weightings in the relevant index and due to the operating and administrative expenses of the exchange traded fund. For example, exchange traded funds incur a number of operating expenses not applicable to the underlying index, and incur costs in buying and selling securities, especially when rebalancing the exchange traded funds' securities holdings to reflect changes in the composition of the underlying index.

#### *Absence of an Active Market for the Units Risk*

Brompton Split Corp. Preferred Share ETF is a newly organized exchange-traded fund with limited operating history.

Although the Units of the Brompton ETFs are listed on the TSX, there can be no assurance that an active public market for the Units of each Brompton ETF will be sustained.

#### *Illiquid Securities Risk*

There is no assurance that an adequate market will exist for the assets included in the portfolios of the Brompton ETFs and it cannot be predicted whether the assets included in the portfolios will trade at a discount to, a premium to, or at their respective par or maturity values. Certain assets held in the portfolios of the Brompton ETFs may trade infrequently, if at all, and may trade at a significant premium or discount to the latest price at which they are valued.

#### *General Risks of Equity Investments*

Holders of equity securities of an issuer incur more risk than holders of debt obligations of such issuer because shareholders, as owners of such issuer, have generally inferior rights to receive payments from such issuer in comparison with the rights of creditors of, or holders of debt obligations issued by, such issuer. A Brompton ETF's portfolio may contain Split Corp. Preferred Shares issued by Canadian split share corporations which generally offer dividends which are fixed for a stated term and a fixed principal repayment at end of term which is contingent on the sufficiency of the value of the split share corporation's equity portfolio in order to fund repayment. There can be no assurance that the value of a Canadian split share corporation's investment portfolio will be sufficient to repay the holders of preferred shares the fixed principal repayment amount in full should a shareholder retract its preferred shares or should the split share corporation terminate at the end of a term of the preferred shares. This may affect the trading price of a Split Corp. Preferred Share; or the value received by preferred shareholders of a split share corporation in the case of an early termination or pro rata partial redemption as effected by an issuer; or the value received by preferred shareholders through any other interim retraction mechanism initiated by the shareholder.

Further, unlike debt securities, which typically have a stated principal amount payable at maturity (whose value, however, will be subject to market fluctuations prior thereto), equity securities have neither a fixed principal amount nor a maturity.

Distributions on the Units will generally depend upon the declaration of dividends or distributions on the securities in a Brompton ETF's portfolio. The declaration of such dividends or distributions generally depends upon various factors,

including the financial condition of the issuers included in a Brompton ETF's portfolio and general economic conditions. Therefore, there can be no assurance that the issuers included in a Brompton ETF's portfolio will pay dividends or distributions on portfolio securities.

#### *General Risks of Foreign Investments*

The Brompton ETFs may invest, directly or indirectly, in foreign equity securities. In addition to the general risks associated with equity investments, investments in foreign securities may involve unique risks not typically associated with investing in Canada. Foreign exchanges may be open on days when a Brompton ETF does not price their securities and, therefore, the value of the securities traded on such exchanges may change on days when investors are not able to purchase or sell Units. Information about corporations not subject to Canadian reporting requirements may not be complete, may not reflect the extensive accounting or auditing standards required in Canada and may not be subject to the same level of government supervision or regulation as would be the case in Canada.

Some foreign securities markets may be volatile or lack liquidity and some foreign markets may have higher transaction and custody costs and delays in attendant settlement procedures. In some countries, there may be difficulties in enforcing contractual obligations and investments could be affected by political instability, social instability, expropriation or confiscatory taxation.

In the case of a Brompton ETF holding foreign securities, whether directly or indirectly, dividends or distributions on those foreign securities may be subject to withholding taxes.

#### *Large-Capitalization Issuer Risk*

The Brompton ETFs may invest, directly or indirectly, a relatively large percentage of their assets in the securities of large-capitalization companies. As a result, the performance of a Brompton ETF may be adversely affected if securities of large-capitalization companies underperform securities of smaller-capitalization companies or the market as a whole.

#### *Sensitivity to Interest Rates Risk*

The market price of the Units of a Brompton ETF may be affected by the level of interest rates prevailing from time to time. Changes in interest rates may affect the value of dividend paying equity securities and preferred shares and the yield on the floating rate assets owned by a Brompton ETF. If short-term interest rates fall, the yield on such assets will also fall. Conversely, when short-term interest rates rise, the impact of such rising rates on the NAV of the Brompton ETF may be delayed to the extent that there is a delay between such changes in short-term rates and the resetting of the floating rates on the Brompton ETF's floating rate assets.

Changes in interest rates may also affect the value of dividend paying equity securities and preferred shares, which may experience a drop in market value as interest rates go up, and an increase in market value as interest rates go down, all else equal.

In addition, any decrease in the NAV of a Brompton ETF resulting from a change in interest rates may also negatively affect the market price of the Units of such Brompton ETF. Unitholders of a Brompton ETF will therefore be exposed to the risk that the NAV per Unit of such Brompton ETF or the market price of such Units may be negatively affected by interest rate fluctuations.

#### *Underlying Fund Risk*

The securities in which certain Brompton ETFs invest, whether directly or indirectly, may trade below, at or above their respective net asset values per security. The net asset value per security will fluctuate with changes in the market value of that investment fund's holdings. The trading prices of the securities of those investment funds will fluctuate in accordance with changes in the applicable fund's net asset value per security, as well as market supply and demand on the stock exchanges on which those funds are listed.

If a Brompton ETF purchases a security of an underlying investment fund at a time when the market price of that security is at a premium to the net asset value per security or sells a security at a time when the market price of that security is at a discount to the net asset value per security, the Brompton ETF may sustain a loss.

#### *Market Volatility Risk*

Market prices of investments held by the Brompton ETFs will go up or down, sometimes rapidly or unpredictably. The Brompton ETFs' investments are subject to changes in general market conditions, market fluctuations and risks

inherent in investment in securities markets. Securities markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in actual or perceived creditworthiness of issuers and general market liquidity. Even if general economic conditions do not change, the value of an investment in the Brompton ETFs could decline if the particular industries, sectors or companies in which the Brompton ETFs invest do not perform well or are adversely affected by certain events. In addition, legal, political, regulatory and tax changes may also cause fluctuations in markets and the price of securities. Certain market conditions, volatility or illiquidity in capital markets may also adversely affect the prospects of the Brompton ETFs and the value of their portfolios. A substantial decline in the North American or global equities markets could be expected to have a negative effect on the Brompton ETFs and the market price of the Units.

#### *No Assurances on Achieving the Investment Objectives or Making Distributions Risk*

There is no assurance that the Brompton ETFs will be able to achieve their investment objectives. Furthermore, there is no assurance that the Brompton ETFs will be able to pay distributions in the short or long term, nor is there any assurance that the NAV of any Brompton ETF will appreciate or be preserved. It is possible that, due to declines in the market value of the assets in the portfolios of the Brompton ETFs, the Brompton ETFs will have insufficient assets to achieve their distribution and capital preservation objectives.

#### *Market Disruptions Risk*

War and occupation, terrorism and related geopolitical risks or other factors including global health risks or epidemics/pandemics (such as the recent COVID-19 pandemic) may lead to increased short-term market volatility, economic downturn or recession and may have adverse long-term effects on world economies and markets generally. These events could also have an acute effect on individual issuers or related groups of issuers. These risks could also adversely affect securities markets, inflation and other factors relating to the securities held in the portfolios of the Brompton ETFs which may result in volatility in a Brompton ETF's NAV.

#### *Loss of Investment and No Guaranteed Return Risk*

An investment in the Brompton ETFs is appropriate only for investors who have the capacity to absorb investment losses. There is no guarantee that an investment in the Brompton ETFs will earn any positive return in the short or long term.

#### *Duration Risk*

Duration is the sensitivity, expressed in years, of the price of a fixed-income security to changes in the general level of interest rates (or yields). Securities with longer durations tend to be more sensitive to interest rate (or yield) changes than securities with shorter durations. Duration differs from maturity in that it considers potential changes to interest rates, and a security's coupon payments, yield, price and par value and call features, in addition to the amount of time until the security matures. The duration of a security will be expected to change over time with changes in market factors and time to maturity.

#### *Credit Risk*

Credit risk is a measure of an issuer's financial strength and reflects the possibility that a borrower, or the counterparty to a derivatives contract, is unable or unwilling to repay the loan or obligation, either on time or at all. Companies and governments that borrow money, and the debt securities they issue, are rated by specialized rating agencies. Securities that have a low credit rating have high credit risk. Credit rating downgrades and defaults (failure to make interest or principal payment) may potentially reduce a Brompton ETF's income and unit price. A deterioration of an issuer's financial strength may also affect the issuer's ability to make dividend payments.

#### *Changes in Legislation and Regulatory Risk*

There can be no assurance that applicable laws in Canada or in foreign jurisdictions including income tax, securities and other laws and regulations will not be changed or applied in a manner that adversely affects the Brompton ETFs or the Unitholders of the Brompton ETFs. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency ("CRA") respecting the treatment of mutual fund trusts, specified investment flow-through trusts or an investment in a non-resident trust will not be changed or applied in a manner that adversely affects the Brompton ETFs or the Unitholders of the Brompton ETFs. Certain legal and regulatory changes could make it more difficult, if not impossible, for a Brompton ETF to operate or achieve its investment objectives. If legal and regulatory changes occur, such changes or their application could

have a negative effect upon the value of the Units of the Brompton ETFs and upon investment opportunities available to the Brompton ETFs.

#### *Tax-Related Risks*

It is assumed that each Brompton ETF will qualify, or will be deemed to qualify, at all times as a “mutual fund trust” within the meaning of the Tax Act. For a Brompton ETF to qualify as a “mutual fund trust”, it must comply on a continuous basis with certain requirements relating to the qualification of its Units for distribution to the public, the number of Unitholders of the Brompton ETF and the dispersal of ownership of a particular class of its Units. Each Brompton ETF has filed an election to qualify as a mutual fund trust from its inception.

A trust will be deemed not to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents of Canada unless, at that time, all or substantially all of its property is property other than property that would be “taxable Canadian property” (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof). The law does not provide any means of rectifying a loss of mutual fund trust status if this requirement is not met.

The Brompton ETFs contain a restriction on the number of permitted non-resident Unitholders.

If a Brompton ETF does not qualify as a mutual fund trust or were to cease to so qualify, the income tax considerations as described under “Income Tax Considerations” would in some respects be materially different. For example, if a Brompton ETF does not qualify as a “mutual fund trust” within the meaning of the Tax Act throughout a taxation year, the Brompton ETF may be liable to pay alternative minimum tax, tax under Part XII.2 of the Tax Act, and would not be entitled to the Capital Gains Refund (as defined herein) available to mutual fund trusts. In addition, if a Brompton ETF does not qualify as a mutual fund trust, it may be subject to the “mark-to-market” rules under the Tax Act if more than 50% of the fair market value of the Units of the Brompton ETF are held by “financial institutions”, within the meaning of the Tax Act.

The tax treatment of gains and losses realized by each Brompton ETF will depend on whether such gains or losses are treated as being on income or capital account, as described in this paragraph. In determining its income for tax purposes, each Brompton ETF will treat gains or losses realized on the disposition of portfolio securities held by it as capital gains and losses. In general, gains and losses realized by a Brompton ETF from derivative transactions will be on income account except where such derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage. Each Brompton ETF intends to take the position that gains or losses in respect of foreign currency hedges entered into in respect of amounts invested in its portfolio will constitute capital gains and capital losses to the Brompton ETF if the portfolio securities are capital property to the Brompton ETF and there is sufficient linkage. Designations with respect to each Brompton ETF’s income and capital gains will be made and reported to Unitholders on the foregoing basis. The CRA’s practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If these foregoing dispositions or transactions of a Brompton ETF are determined not to be on capital account, the net income of the Brompton ETF for tax purposes and the taxable component of distributions to its Unitholders could increase. Any such redetermination by the CRA may result in a Brompton ETF being liable for unremitted withholding taxes on prior distributions made to its Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the NAV and NAV per Unit of that Brompton ETF.

Pursuant to rules in the Tax Act, a Brompton ETF that experiences a “loss restriction event” within the meaning of the Tax Act (i) will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Brompton ETF’s net income and net realized capital gains, if any, at such time to Unitholders so that the Brompton ETF is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, a Brompton ETF will be subject to a loss restriction event if a Unitholder becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Brompton ETF, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of a Brompton ETF is a beneficiary in the income or capital, as the case may be, of the Brompton ETF whose beneficial interests, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the Brompton ETF. See “Income Tax Considerations – Taxation of Holders” for the tax consequences of an unscheduled or other distribution to Unitholders. Trusts that qualify as

“investment funds” as defined in the rules in the Tax Act relating to loss restriction events are generally excepted from the application of such rules. An “investment fund” for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a “mutual fund trust” for purposes of the Tax Act, not holding any property that it uses in the course of carrying on a business and complying with certain asset diversification requirements. If a Brompton ETF were not to qualify as an “investment fund”, it could potentially have a loss restriction event and thereby become subject to the related tax consequences described above.

The Tax Act contains rules (the “**SIFT Rules**”) concerning the taxation of publicly traded Canadian trusts and partnerships that own certain types of property defined as “non-portfolio property”. A trust that is subject to these rules is subject to trust level taxation, at rates comparable to those that apply to corporations, on the trust’s income earned from “non-portfolio property” to the extent that such income is distributed to its Unitholders. If a Brompton ETF is subject to tax under the SIFT Rules, the after-tax return to its Unitholders could be reduced, particularly in the case of a Unitholder who is exempt from tax under the Tax Act or is a non-resident of Canada.

Certain of the Brompton ETFs will invest in global debt and equity securities. Many foreign countries preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital (“**Tax Treaties**”) to impose tax on interest, dividends or distributions paid or credited to persons who are not resident in such countries. While the Brompton ETFs intend to make investments in such a manner as to minimize the amount of foreign taxes incurred under foreign tax laws and subject to any applicable Tax Treaties, investments in global debt and equity securities may subject the Brompton ETFs to foreign taxes on interest, dividends or distributions paid or credited to them or any gains realized on the disposition of such securities. Any foreign taxes incurred by a Brompton ETF will generally reduce the value of its portfolio. To the extent that such foreign tax paid by a Brompton ETF exceeds 15% of the amount included in the Brompton ETF’s income from such investments, such excess may generally be deducted by the Brompton ETF in computing its net income for the purposes of the Tax Act. To the extent that foreign tax paid does not exceed 15% of the amount included in the Brompton ETF’s income from such investments and has not been deducted in computing the Brompton ETF’s income and the Brompton ETF designates its income from a foreign source in respect of a Unitholder of the Brompton ETF, the Unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the Unitholder’s proportionate share of foreign taxes paid by the Brompton ETF in respect of such income as foreign taxes paid by the Unitholder. The availability of foreign tax credits to a Unitholder of a Brompton ETF is subject to the detailed rules in the Tax Act.

#### *Designated Broker/Dealer Risk*

As the Brompton ETFs will only issue Units directly to the Designated Broker and Dealers, in the event that a purchasing Designated Broker or Dealer is unable to meet its settlement obligations, any resulting costs and losses incurred will be borne by the applicable Brompton ETF.

#### *Cease Trading of Securities Risk*

If the securities of an issuer included in the portfolio of a Brompton ETF are cease-traded by order of the relevant securities regulatory authority or are halted from trading by the relevant stock exchange, the relevant Brompton ETF may halt trading in its securities. Accordingly, securities of the Brompton ETFs bear the risk of cease-trading orders against all issuers whose securities are included in its portfolio, not just one. If portfolio securities of a Brompton ETF are cease-traded by order of a securities regulatory authority, if normal trading of such securities is suspended on the relevant exchange, or if for any reason it is likely there will be no closing bid price for such securities, the relevant Brompton ETF may suspend the right to redeem securities for cash, subject to any required prior regulatory approval. If the right to redeem securities for cash is suspended, the Brompton ETFs may return redemption requests to securityholders who have submitted them. If securities are cease-traded, they may not be delivered on an exchange of a PNU for a Basket of Securities until such time as the cease-trade order is lifted.

#### *Trading Price of Units Risk*

Units of a Brompton ETF may trade in the market at a premium or a discount to the NAV per Unit of such Brompton ETF. There can be no assurance that Units of the Brompton ETFs will trade at prices that reflect their NAV per Unit. The trading price of the Units of the Brompton ETFs will fluctuate in accordance with changes in the Brompton ETF’s NAV, as well as market supply and demand on the TSX (or any other marketplace on which the Units of a Brompton ETF may be traded).



### *Early Closing Risk*

Unanticipated early closings of a stock exchange on which securities held by the Brompton ETFs are listed may result in the Brompton ETFs being unable to sell or buy securities on that day. If the TSX (or any other marketplace on which the securities held by a Brompton ETF may be traded) closes early on a day when the Brompton ETFs need to execute a high volume of securities trades late in the Trading Day, the Brompton ETFs may incur substantial trading losses.

In the event that the TSX or any stock exchange on which the Units of the Brompton ETFs are listed closes early or unexpectedly on any day that it is normally open for trading, Unitholders of the Brompton ETFs will be unable to purchase or sell Units on the TSX or such other stock exchange until it reopens and there is a possibility that, at the same time and for the same reason, the exchange and redemption of Units may be suspended until the TSX or such other stock exchange reopens.

### *Cybersecurity Risk*

The information and technology systems of Brompton Funds, the key service providers of each of the Brompton ETFs (including custodian, registrar and transfer agent, valuation services provider and securities lending agent of each of the Brompton ETFs) and the issuers of securities in which each of the Brompton ETFs invest may be vulnerable to cybersecurity risks from a cybersecurity incident such as potential damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons (e.g. through hacking or malicious software) and general security breaches. A cybersecurity incident is an adverse intentional or unintentional action or event that threatens the integrity, confidentiality or availability of a Brompton ETF's information resources.

A cybersecurity incident may disrupt business operations or result in the theft of confidential or sensitive information, including personal information, or may cause system failures, disrupt business operations or require Brompton Funds or a service provider to make a significant investment to fix, replace or remedy the effects of such incident. Furthermore, a cybersecurity incident could cause disruptions and negatively impact a Brompton ETF's business operations, potentially resulting in financial losses to such Brompton ETF and its Unitholders. There is no guarantee that the Brompton ETFs or Brompton Funds will not suffer material losses as a result of cybersecurity incidents. If they occur, such losses could materially adversely impact the applicable Brompton ETF's NAV.

### *Risks Associated with the Nature of Units*

The Units are neither fixed income nor equity securities. The Units represent a fractional interest in the net assets of their applicable Brompton ETF. Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. An investment in Units of a Brompton ETF does not constitute an investment by Unitholders in the portfolio securities of that Brompton ETF; Unitholders of a Brompton ETF will not own the securities held by that Brompton ETF.

### *Currency Hedging Risk*

With respect to the CAD Units, each of the Brompton ETFs will hedge all or substantially all of its direct foreign currency exposure by entering into currency forward contracts with financial institutions that have a "designated rating" as defined in NI 81-102. For regulatory and operational reasons, the Brompton ETF may not be able to fully hedge such foreign exposure at all times. Although there is no assurance that these currency forward contracts will be effective, the Manager expects these currency forward contracts to be substantially effective.

The effectiveness of a Brompton ETF's currency hedging strategy will, in general, be affected by the volatility of the Brompton ETF and the volatility of the Canadian dollar relative to the foreign currency. Increased volatility will generally reduce the effectiveness of the currency hedging strategy. The effectiveness of this currency hedging strategy may also be affected by any significant difference between the Canadian dollar and foreign currencies' interest rates.

Any exposure that the portion of a Brompton ETF's portfolio, as applicable, which is allocable to the USD Units has to foreign currencies will not be hedged.

A meeting of Unitholders of a Brompton ETF will be called to approve any change to a Brompton ETF's currency hedging strategy.

### *Reliance on Key Personnel Risk*

Unitholders will be dependent on the abilities of the Manager (and in the case of Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, the Sub-advisor) to effectively manage the Brompton ETFs and their respective portfolios in a manner consistent with their investment objectives, investment strategies and investment restrictions. There is no certainty that the individuals who are principally responsible for providing administration and portfolio management services (and in the case of Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, investment sub-advisory services) to the Brompton ETFs will continue to be employed by the Manager or Sub-advisor.

### *Corresponding Net Asset Value Risk*

Similar to other exchange traded funds, the closing trading price of the Units of a Brompton ETF may be different from their NAV. As a result, Dealers may be able to acquire or redeem a PNU at a discount or a premium to the closing trading price per Unit on the TSX (or any other marketplace on which the Units of a Brompton ETF may be traded) or other stock exchange on which such Units trade. Such price differences may be due, in large part, to supply and demand factors in the secondary trading market for Units of the Brompton ETF being similar, but not identical, to the same forces influencing the price of the underlying securities of the Brompton ETFs at any point in time. As the Designated Broker and Dealers may subscribe for or redeem a PNU at the applicable NAV per Unit, the Manager expects that large discounts or premiums to the NAV per Unit of a Brompton ETF will not be sustained.

### *Risks Associated with the Use of Derivative Instruments*

Each Brompton ETF may use derivatives from time to time in accordance with NI 81-102 as described under “*Investment Strategies*”. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (i) there is no guarantee that hedging to reduce risk will not result in a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when the Brompton ETF wants to complete the derivative contract, which could prevent the Brompton ETF from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the Brompton ETF from completing the derivative contract; (iv) the Brompton ETF could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; (v) if the Brompton ETF has an open position in an option, a futures contract or a forward contract or a swap with a Dealer or counterparty who goes bankrupt, the Brompton ETF could experience a loss and, for an open futures or forward contract or a swap, a loss of margin deposits with that Dealer or counterparty; and (vi) if a derivative is based on a stock market index and trading is halted on a substantial number of stocks in the index or there is a change in the composition of the index, there could be an adverse effect on the derivative.

Unlike conventional mutual funds and ETFs, if an alternative mutual fund uses a derivative instrument, it is not required to hold certain assets and/or cash to ensure it is able to meet its obligations under the derivative contract accordingly Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF will be exposed to any losses that may be suffered under a derivative contract.

### *Counterparty Risk Associated with Securities Lending*

The Brompton ETFs are authorized to enter into securities lending, repurchase and reverse repurchase transactions in accordance with NI 81-102. In a securities lending transaction, a Brompton ETF lends its portfolio securities through an authorized agent to another party (often called a “**Counterparty**”) and receives a negotiated fee and a required percentage of acceptable collateral (equal to or greater than 102%). The following are some examples of the risks associated with securities lending transactions:

- when entering into securities lending transactions, a Brompton ETF is subject to the credit risk that the Counterparty may default under the agreement and the Brompton ETF would be forced to make a claim in order to recover its security, or its equivalent value;
- when recovering its security on default, a Brompton ETF could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Brompton ETF; and

- similarly, a Brompton ETF could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Brompton ETF to the Counterparty.

The Brompton ETFs may engage in securities lending from time to time. When engaging in securities lending, a Brompton ETF will receive collateral in excess of the value of the securities loaned, and although such collateral is marked to market, the Brompton ETF may be exposed to the risk of loss should a borrower default on its obligations to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

#### *Not a Trust Company Risk*

The Brompton ETFs are not trust companies and, accordingly, are not registered under the trust company legislation of any jurisdiction. Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that Act or any other legislation.

#### *Large Redemption Risk*

A significant portion of the Units of a Brompton ETF may be held by a single investor, including by another Brompton ETF. If one of those investors redeems a large amount of their Units in a Brompton ETF, the Brompton ETF may have to sell its portfolio investments at unfavourable prices to meet the redemption request. This can result in significant price fluctuations to the NAV per Unit of the Brompton ETF and may potentially reduce the returns of the Brompton ETF.

### **Additional Risks Relating to an Investment in each Brompton ETF**

In addition to the general risk factors, the following additional risk factors are inherent in an investment in one or more of the Brompton ETFs as indicated below. A description of each of these risks follows.

#### Brompton Global Healthcare Income & Growth ETF:

- the risks related to the healthcare industry;
- the risks related to issuers operating in healthcare-related industries;
- the risks associated with covered call strategies;
- the risks associated with a multi-class structure; and
- the risks associated with USD Units

#### Brompton Tech Leaders Income ETF:

- the risks relating to fluctuations in value of technology companies and technology-related companies;
- the risks related to investments focused in a specific region;
- the risks associated with covered call strategies;
- the risks associated with a multi-class structure; and
- the risks associated with USD Units.

#### Brompton European Dividend Growth ETF:

- the risks related to investments focused in a specific region;
- the risks relating to investing in Europe; and
- the risks associated with covered call strategies.

#### Brompton Flaherty & Crumrine Investment Grade Preferred ETF:

- the general risks associated with preferred contingent capital and other subordinated securities;
- the risk associated with the residency of the Sub-advisor;
- the risks related to investments focused in a specific region;
- the risks associated with a multi-class structure; and
- the risks associated with USD Units.

#### Brompton North American Financials Dividend ETF:

- risks related to investments focused in a specific region;
- the risks associated with covered call strategies;
- the risks associated with a multi-class structure;
- the risks associated with the financial sector; and

- the risks associated with USD Units.

Brompton Sustainable Real Assets Dividend ETF:

- the risks associated with infrastructure securities;
- the risks associated with investing in property securities;
- the risks associated with investing in a real estate investment trust;
- the risks associated with covered call strategies;
- risks related to ESG investing; and
- the risks associated with investing in commodities.

Brompton North American Low Volatility Dividend ETF:

- the risks related to investments focused in a specific region;
- the risks associated with covered call strategies; and
- the risks associated with investing in commodities.

Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF:

- the risks associated with alternative mutual funds;
- the risks associated with the use of leverage;
- the risks associated with prime brokers;
- the risks related to investments focused in a specific region;
- the general risks associated with preferred contingent capital and other subordinated securities;
- the risk associated with the residency of the Sub-advisor;
- the risks associated with a multi-class structure; and
- the risks associated with USD Units.

Brompton Enhanced Multi-Asset Income ETF:

- the risks associated with alternative mutual funds;
- the risks associated with the use of leverage;
- the risks associated with prime brokers;
- the risks related to investments focused in a specific region;
- the general risks associated with preferred contingent capital and other subordinated securities;
- the risks associated with the healthcare industry;
- the risks associated to issuers operating in healthcare-related industries;
- the risks associated with fluctuations in value of technology companies and technology-rated companies;
- the risks associated with infrastructure securities;
- the risks associated with investing in real property securities;
- the risks associated with investing in real estate investment trusts;
- the risks associated with a non-concurrent retraction of Split Corp. Preferred Shares; the risks associated with significant redemptions of the underlying shares of a portfolio constituent; and
- the risks associated with covered call strategies.

Brompton Split Corp. Preferred Share ETF

- the risks associated with the financial sector;
- the general risks associated with preferred contingent capital and other subordinated securities;
- the risks associated with a non-concurrent retraction of Split Corp. Preferred Shares;
- the risks associated with significant redemptions of the underlying shares of a portfolio constituent;
- the risks associated with alternative mutual funds;
- the risks associated with leverage;
- the risks associated with prime brokers;
- the risks associated with the suspension of subscription orders;
- the risks associated with accrued gains; and
- the risks associated with covered call strategies.

### *Risks Related to the Healthcare Industry*

Many issuers in the healthcare industry are government regulated. The process to receive and availability of government approval could affect the price and availability of products and services. Healthcare Companies may also be affected by worldwide scientific or technological developments and the products and services offered by Healthcare Companies may quickly become obsolete.

The healthcare industry is heavily regulated and may receive government funding. Investments in this industry or any sub-sector thereof may be substantially affected by changes in government policy, such as deregulation or reduced government funding. Many Healthcare Companies are also heavily dependent on patent protection. The expiration of a Healthcare Company's patents may adversely affect that company's profitability. The value of Brompton Global Healthcare Income & Growth ETF generally will rise and fall as the value of investments in the securities of Healthcare Companies rise and fall.

In addition, the formulation, manufacturing, packaging, labelling, handling, distribution, importation, exportation, licensing, sale and storage of the products of Healthcare Companies are generally subject to extensive laws, governmental regulations, administrative determinations, court decisions and similar constraints. Such laws, regulations and other constraints or new laws, regulations or constraints could lead to the imposition of significant penalties or claims and could negatively impact the business of Healthcare Companies. Further, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements may result in significant compliance costs or lead certain Healthcare Companies to discontinue offering certain products and/or services, thereby impacting the business, financial condition, results of operations and cash flows of such Healthcare Companies, which could in turn impact the funds available to the Brompton ETF for dividends or distributions and could cause the market value of the securities of such Healthcare Companies to decline.

Many Healthcare Companies are also subject to extensive litigation based on product liability and similar claims. The costs of such litigation as well as any adverse rulings could in turn impact the funds available to a Brompton ETF for dividends or distributions and could cause the market value of the securities of such Healthcare Companies to decline.

### *Risks Related to Issuers Operating in Healthcare-Related Industries*

The portfolio of Brompton Global Healthcare Income & Growth ETF may be susceptible to factors affecting the healthcare and technology-related industries and to greater risk and market fluctuations than an investment in a broader range of portfolio securities covering different economic sectors. Healthcare, technology, and technology-related industries may also be subject to greater government regulation than many other industries. Accordingly, changes in government policies and the need for regulatory approvals may have a materially adverse effect on these industries. Additionally, these companies may be subject to risks of developing technologies, competitive pressures, as well as a relatively high risk of obsolescence caused by scientific and technological advances and are dependent upon consumer and business acceptances as new technologies evolve. The development of these industry-specific investments may differ from the general stock exchange trends.

Many Healthcare-Related Companies are also subject to extensive litigation based on product liability and similar claims. The costs of such litigation as well as any adverse rulings could in turn impact the funds available to the Brompton ETF for dividends or distributions and could cause the market value of the securities of such Healthcare-Related Companies to decline.

### *Risks Associated with a Covered Call Option Strategy*

Certain Brompton ETFs may employ a covered call writing strategy or invest in an underlying fund which employs a covered call writing strategy, as applicable. The manager of the applicable Brompton ETF or underlying fund may write options that are at-the money or out-of-the-money at its discretion. The extent to which any of the individual equity securities in the Brompton ETF's or underlying fund's, as applicable, portfolio are subject to option writing and the terms of such options will vary from time to time based on the manager's assessment of the market. The holder of a call option purchased from a Brompton ETF or underlying fund, as applicable, will have the option, exercisable during a specific time period or at expiry, to purchase the securities underlying the option from the applicable fund at the strike price per security. By selling call options, a Brompton ETF or an underlying fund, as applicable, will receive a premium (the "Option Premium"), which is generally paid within one business day of the writing of the option. If at any time during the term of a call option or at expiry the market price of the underlying securities is above the strike price, the holder of the option may exercise the option and the applicable fund will be obligated to sell the securities to the holder at the strike price per security. Alternatively, the Brompton ETF or underlying fund, as applicable, may

repurchase a call option it has written that is “in-the-money” by paying the market value of the call option. If, however, the option is “out-of-the-money” at expiration of the call option, the holder of the option will likely not exercise the option, the option will expire, and the applicable fund will retain the underlying security. In each case, the Brompton ETF or underlying fund, as applicable, will retain the Option Premium. The amount of Option Premium depends upon, among other factors, the volatility of the price of the underlying security: generally, the higher the volatility, the higher the Option Premium. In addition, the amount of the Option Premium will depend upon the difference between the strike price of the option and the market price of the underlying security at the time the option is written. The smaller the positive difference (or the larger the negative difference), the more likely it is that the option will become “in-the-money” during the term and, accordingly, the greater the Option Premium. When a call option is written on a security in the Brompton ETF’s or underlying fund’s, as applicable, portfolio, the amounts that the applicable fund will be able to realize on the security if it is called on termination of the call option will be limited to the dividends received prior to the exercise of the call option during such period plus an amount equal to the sum of the strike price and the premium received from writing the option. In essence, the Brompton ETF or underlying fund, as applicable, will forego potential returns resulting from any price appreciation of the security underlying the option above the strike price in favour of the certainty of receiving the Option Premium.

#### *Multi-Class Structure Risk*

The Units of certain of the Brompton ETFs are available in multiple classes. If a Brompton ETF cannot pay the expenses or satisfy the obligations entered into by the applicable Brompton ETF for the sole benefit of one of those classes of units using that class of units’ proportionate share of the assets, the applicable Brompton ETF may have to pay those expenses or satisfy those obligations out of another class of Units’ proportionate share of the assets, which would lower the investment return of such other class of units. In addition, a creditor of an exchange traded fund may seek to satisfy its claim from the assets of an exchange traded fund as a whole, even though its claim or claims relate only to a particular class of units of a Brompton ETF.

#### *USD Units Risk*

A redeeming holder of USD Units will receive any cash amount to which the Unitholder is entitled in connection with the redemption in U.S. dollars and will be exposed to the risk that the exchange rate between the U.S. dollar and any other currency in which the Unitholder generally operates will result in a lesser or greater redemption amount than the Unitholder would have received if the redemption amount had been calculated and delivered in another currency. In addition, because any cash redemption proceeds will be delivered in U.S. dollars, the redeeming Unitholder may be required to open or maintain an account that can receive deposits in U.S. dollars.

#### *Fluctuations in Value of Technology Companies and Technology-Related Companies Risk*

The value of the Units of Brompton Tech Leaders Income ETF will vary according to the value of the securities of the Technology Companies included in the portfolio of the Brompton ETF, which will depend, in part, upon the performance of such Technology Companies. The performance of the Technology Companies and Technology-Related Companies included in the portfolio of the Brompton ETF will be influenced by a number of factors which are not within the control of the Brompton ETF or the Manager, including materials and other commodity prices, operational risks relating to the specified business activities of the Technology Companies and Technology-Related Companies, industry competition, uncertainty and costs of funding capital projects, development of new technology, protection of intellectual property, risks relating to infringement of third party intellectual property, interest rates, exchange rates, environmental, health and safety risks, political and economic risks, issues relating to government regulation and risks relating to operating in foreign jurisdictions.

#### *Risks Related to Investments Focused in a Specific Region*

Certain Brompton ETFs invest primarily in securities of North American or European issuers which may be more volatile than a more geographically diversified fund and will be strongly affected by the overall economic performance of North America. The Brompton ETFs must continue to follow its investment objectives regardless of the economic performance of North America and Europe.

#### *Risks Related to Investing in Europe*

As securities of European companies may be included in the portfolios of a Brompton ETF, performance is expected to be closely tied to social, political and economic conditions within Europe and to be more volatile than the performance of more geographically diverse funds. Most developed countries in Western Europe are members of the European Union (“EU”), and many are also members of the European Monetary Union, which requires compliance

with restrictions on inflation rates, deficits and debt levels. Political uncertainty surrounding the EU and its membership, may increase market volatility. The financial instability, including levels of sovereign debt, of some countries in the EU, including Greece, Italy and Spain, together with the risk of that impacting other more stable countries may increase the economic risk of investing in European companies. Sovereign debt issues in these European countries have in the past, and may in the future, affect politics and economics in other member countries of the EU. One or more EU member states might exit the EU, placing the European currency and banking system in jeopardy. The EU's structure makes its members highly dependent on each other, which creates the possibility of contagion when crisis arises. Efforts of the EU to further unify the economic and monetary policies of its members may increase the potential interdependence of the economies of the EU members and thereby increase the risk that adverse developments in one country will adversely affect the securities of issuers located in other countries.

#### *Preferred, Contingent Capital and Other Subordinated Securities Risk*

Preferred, contingent capital and other subordinated securities rank lower than bonds and other debt instruments in a company's capital structure and therefore are subject to greater credit risk than those debt instruments. Distributions on some types of these securities may also be skipped or deferred by issuers without causing a default. Finally, some of these securities typically have special redemption rights that allow the issuer to redeem the security at par earlier than scheduled. If this occurs, the Brompton ETF may be forced to reinvest in lower yielding securities. There are various risks associated with investing in these types of securities, including:

- Deferral and Omission Risk - The securities may include provisions that permit the issuer, at its discretion, to defer or omit distributions for a stated period without any adverse consequences to the issuer. In certain cases, deferring or omitting distributions may be mandatory. If the Brompton ETF or underlying fund held by the Brompton ETF owns a security for which distributions are deferred, the Brompton ETF or underlying fund may be required to report income for tax purposes although it has not yet received such income. In addition, recent changes in bank regulations may increase the likelihood for issuers to defer or omit distributions.
- Call, Reinvestment and Income Risk - During periods of declining interest rates, an issuer may be able to exercise an option to redeem its issue at par earlier than scheduled, which is generally known as call risk. If this occurs, the Brompton ETF or underlying fund may be forced to reinvest in lower yielding securities. This is known as reinvestment risk. Preferred securities and contingent capital securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem these securities if the issuer can refinance the securities at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer or in the event of regulatory changes affecting the capital treatment of a security. Another risk associated with a declining interest rate environment is that the income from the Brompton ETF's or underlying fund's portfolio may decline over time when the Brompton ETF or underlying fund invests the proceeds from new share sales, if any, at market rates that are below the portfolio's current earnings rate.
- Limited Voting Rights Risk - Generally, traditional preferred securities offer no voting rights with respect to the issuer unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may have the ability to elect a number of directors to the issuer's board. Generally, once all the arrearages have been paid, the preferred security holders no longer have voting rights. Hybrid-preferred security and contingent capital security holders generally have no voting rights.
- Special Redemption Rights - In certain varying circumstances, an issuer may redeem the securities prior to their scheduled call or maturity date. For instance, a redemption may be triggered by a change in U.S. federal income tax or securities laws. As with call provisions, a redemption by the issuer may negatively impact the return of the security held by the Brompton ETF or underlying fund.
- New Types of Securities - From time to time, securities have been, and may in the future be, offered having features other than those described herein. The Brompton ETF or underlying fund, as applicable, reserves the right to invest in these securities if the Manager or Sub-advisor (or manager or sub-advisor of the underlying fund as applicable) believes that doing so would be consistent with

the Brompton ETF's or underlying fund's, as applicable, investment objective and policies. Since the market for these instruments would be new, the Brompton ETF may have difficulty disposing of them at a suitable price and time. In addition to limited liquidity and high price volatility risks, these instruments may present other risks that are consistent with the risks disclosed in this prospectus.

- Insolvency or Bankruptcy – Holders of preferred shares of an issuer could become a holder of common shares of the issuer at a time when the issuer has become insolvent or bankrupt or resolved to be wound-up or has been ordered to be wound-up or liquidated. There can be no guarantee that the common shares issued in such circumstances will pay a dividend, appreciate or that there will be a liquid market for such common shares.
- In Specie Distributions – Holders of preferred shares of an issuer could receive assets held by an issuer at a time when the issuer has become insolvent or bankrupt or resolved to be wound-up or has been ordered to be wound-up or liquidated in lieu of cash. Any assets that a Brompton ETF receives in such circumstances may not be readily marketable and may have to be held for an indefinite period of time.

#### *Residency of the Sub-advisor Risk*

The Sub-advisor is resident outside Canada and all or a substantial portion of its assets are located outside Canada. As a result, anyone seeking to enforce legal rights against it may find it difficult to do so.

#### *Financial Sector Risk*

Certain Brompton ETFs invest in securities related to the financial sector and may also invest in a number of issuers of Split Corp. Preferred Shares that may also invest in the financial sector. The profitability of issuers in the financial sector depends, among other factors, on the availability of capital, level of sector competition, fluctuation of asset values and stability of interest rates. Losses resulting from bad loans can negatively impact an issuer in the financial sector. Further, the comprehensive governmental regulation of the financial sector can affect the profitability of issuers in the financial sector.

#### *Real Estate Investment Trust Investments Risk*

Real estate investment trusts are pooled investment vehicles that hold, and usually manage, real estate investments. Investments in real estate investment trusts are subject to the general risks associated with real property investments. Real property investments are affected by various factors including general economic conditions (such as the availability of long term mortgage funds) and local conditions (such as oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to tenants, competition from other available space, etc. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants. A real estate investment trust's income and funds available for distributions to its securityholders would be adversely affected if a significant number of tenants were to become unable to meet their obligations to the real estate investment trust or if the real estate investment trust were unable to lease a significant amount of available space in its properties on economically favorable lease terms.

Certain real estate investment trusts may invest in a limited number of properties, in a restricted market or in a single type of property, which increases the risk that the funds will be adversely affected by the poor performance of a single investment or market or a single type of investment. Finally, real estate investment trusts may be affected by changes to their tax status and may be disqualified from preferential tax treatment and other exemptions.

#### *Commodity Risk*

A Brompton ETF may invest in companies engaged in the energy or natural resource industries, such as gold, silver, platinum, palladium, oil and gas, forestry or other commodity focused industries. These investments, and therefore the value of an investment in these commodities or in these companies and the net asset value of the Brompton ETF will be affected by changes in the price of these commodities, which can fluctuate significantly in short time periods. Commodity prices can change as a result of a variety of factors, including supply and demand, speculation, government and regulatory activities, international monetary and political factors, central bank activity and changes in interest rates and currency values.



### *Risks Associated with Alternative Mutual Funds*

Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF are alternative mutual funds pursuant to NI 81-102 and have the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. While these strategies will be used in accordance with the applicable Brompton ETF's investment objectives and strategies, during certain market conditions, they may increase the volatility of your investment. Also, market conditions may make it difficult or impossible for a Brompton ETF to liquidate a position. The Brompton ETFs are permitted to use strategies generally prohibited by conventional mutual funds under NI 81-102, such as the ability to borrow, up to 50% of the Brompton ETF's NAV to use, for investment purposes; sell, up to 50% of the Brompton ETF's NAV, securities short (the combined level of cash borrowing and short selling is limited to 50% in aggregate); and aggregate gross exposure, calculated as the sum of the following, must not exceed 300% of the Brompton ETF's NAV: (i) the aggregate value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of the Brompton ETF's specified derivatives positions excluding any specified derivatives used for hedging purposes, among other things. For more information regarding the risks associated with these strategies, see "Risks Associated with the Use of Derivative Instruments", "Use of Leverage Risk" and "Prime Brokerage Risk".

#### *Use of Leverage Risk*

Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF are permitted to borrow to increase their investment leverage. As "alternative mutual funds", such Brompton ETFs are not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of such Brompton ETFs that exceed the NAV of the applicable Brompton ETF. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase a Brompton ETF's turnover, transaction and market impact costs, interest and other costs and expenses.

Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF may create leverage through the use of derivatives, short sales and/or borrowing. Under the investment restrictions applicable to alternative mutual funds in NI 81-102, the Brompton ETF's aggregate gross exposure, calculated as the sum of the following, must not exceed 300% of the Brompton ETF's NAV: (i) the aggregate value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of the Brompton ETF's specified derivatives positions excluding any specified derivatives used for hedging purposes, among other things. If the Brompton ETF's aggregate gross exposure exceeds 300% of the Brompton ETF's NAV, the Brompton ETF must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to 300% of the Brompton ETF's NAV or less.

Pursuant to NI 81-102, Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF may each borrow cash up to a maximum of 50% of their NAV and may sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of their NAV. The combined use of short-selling and cash borrowing by the Brompton ETFs is subject to an overall limit of 50% of its NAV. If the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by a Brompton ETF exceeds 50% of the Brompton ETF's NAV, the Brompton ETF must, as quickly as commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed combined with the aggregate market value of securities sold short to 50% or less of the Brompton ETF's NAV.

#### *Prime Brokers Risk*

Some or all of Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF's, Brompton Enhanced Multi-Asset Income ETF's and Brompton Split Corp. Preferred Share ETF's assets may be held in one or more margin accounts. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. The broker may also lend, pledge or hypothecate the Brompton ETF's assets in such accounts as collateral, which may result in a potential loss of such assets. As a result, the Brompton ETF's assets could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the broker

experiences financial difficulty. In such case, the Brompton ETF may experience losses due to insufficient assets at the broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded. In addition, the broker is unlikely to be able to provide leverage to the Brompton ETF, which would affect adversely the Brompton ETF's returns.

#### *Infrastructure Securities Risk*

A Brompton ETF may invest in infrastructure-related securities. Infrastructure-related businesses are subject to a variety of factors that may adversely affect their business or operations, including high interest costs in connection with capital construction programs, costs associated with environmental and other regulations, the effects of economic slowdown and surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors. Additionally, infrastructure related issuers may be subject to: (a) regulation by various governmental authorities and governmental regulation of rates charged to customers, (b) service interruption due to environmental, operational or other events and (c) the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards. There is also the risk that corruption may negatively affect publicly-funded infrastructure projects, especially in emerging markets, resulting in delays and cost overruns. The infrastructure sector also has some additional characteristics that cause certain risks to be more prevalent than in other industry sectors including:

(a) *Technology Risk*

A change could occur in the way a service or product is delivered rendering the existing technology obsolete. While the risk could be considered low in the infrastructure sector given the substantial fixed costs involved in constructing assets and the fact that many infrastructure technologies are well established, any technology change that occurs over the medium term could threaten the profitability of an infrastructure issuer. If such a change were to occur, these assets have very few alternative uses should they become obsolete.

(b) *Regional or Geographic Risk*

An infrastructure issuer's assets may not be moveable. Should an event that somehow impairs the performance of an infrastructure issuer's assets occur in the geographic location where the issuer operates those assets, the performance of the issuer may be adversely affected.

(c) *Through-put Risk*

The revenue of many infrastructure issuers may be impacted by the number of users who use the products or services produced by the infrastructure issuers' assets. Any change in the number of users may negatively impact the profitability of the issuer.

#### *Investments in Property Securities Risk*

A Brompton ETF may invest in securities of issuers that hold, or are exposed to, real property (“**property securities**”), either directly or indirectly. Property securities are subject to some of the same risks associated with the direct ownership of property including, but not limited to: adverse changes of the conditions of the real estate markets, obsolescence of properties, changes in availability, costs and terms of mortgage funds and the impact of environmental laws.

However, investing in property securities is not the equivalent to investing directly in property and the performance of property securities may be more heavily dependent on general performance of stock markets than the general performance of the property sector.

Historically there has been an inverse relationship between interest rates and property values. Rising interest rates can decrease the value of the properties in which a property company invests and can also increase related borrowing costs. Either of these events can decrease the value of an investment in property securities.

The current taxation regimes of property-invested entities are potentially complex and may change in the future. This may impact, either directly or indirectly, the returns to investors in property securities and the taxation treatment thereof.

### *ESG Investing Risk*

The Manager considers environmental, social and governance (“ESG”) matters in its security selection for Brompton Sustainable Real Assets Dividend ETF. Accordingly, the Brompton ETF’s portfolio may perform differently than companies that do not use ESG metrics. Investors may differ in their views on what constitutes positive or negative ESG characteristics. The Manager’s security selection process and methodologies may differ from those of other managers and may not reflect the values or assessment of any particular investor. Furthermore, the Manager reviews ESG ratings from third party data providers, thus there is a risk that this information might be incorrect, incomplete or only take into account one of many ESG related components of portfolio companies. Such rating models are subject to discretion and the criteria and evaluation methodologies used may not reflect the values or assessment of any particular investor. Moreover, scores and ratings across third party providers may be inconsistent or not comparable. See “Investment Strategies – Brompton Sustainable Real Assets Dividend ETF”.

### *Risks Associated with Non-Concurrent Retractions of Split Corp. Preferred Shares*

Certain of the Brompton ETFs may invest in Split Corp. Preferred Shares. Holders of Split Corp. Preferred Shares may be offered a non-concurrent retraction right on the maturity date of the split share corporation and upon any subsequent extension of the maturity date. To the extent that there are unmatched numbers of preferred shares and class A shares tendered for retraction, the preferred shares or class A shares, as the case may be, may be called by the split share corporation for redemption on a pro rata basis in order to maintain the same number of preferred shares and class A shares outstanding. The number of retractions by holders of class A shares and preferred shares may be influenced by the performance of the split share corporation, the management expense ratio, and the trading discount to net asset value, among other things. If this occurs, the underlying fund may be forced to reinvest in lower yielding securities. This is known as reinvestment risk. The redemption price paid by the split share corporation may be more or less than the market price of the preferred share at the time of redemption.

### *Risks Associated with Significant Retractions*

Certain of the Brompton ETFs may invest in Split Corp. Preferred Shares offered by Canadian split share corporations. If a significant number of securities of a split share corporation are retracted, the trading liquidity of such securities could be significantly reduced.

### *Risk of Suspended Subscriptions*

If Brompton Split Corp. Preferred Share ETF experiences a significant increase in total NAV, the Manager may, at its sole discretion and if determined to be in the best interests of Unitholders, decide to suspend subscriptions for new Units if considered necessary or desirable in order to manage potential tax implications and/or to permit the Brompton ETF to achieve, or continue to achieve, its investment objectives. During a period of suspended subscriptions, if any, investors should note that Units of the Brompton ETF may trade at a premium to the NAV per Unit. During such periods, investors are discouraged from purchasing Units of the Brompton ETF on a stock exchange at a premium to NAV. Any suspension of subscriptions or resumption of subscriptions will be announced by press release and announced on the Manager’s website. The suspension of subscriptions, if any, will not affect the ability of existing Unitholders to sell their Units in the secondary market at a price reflective of the NAV per Unit.

### *Risk of Accrued Gains*

The adjusted cost base to a split share corporation for tax purposes of shares of certain securities in such split share corporation’s portfolio may be less than their fair market value. Accordingly, all shareholders of the split share corporation may be liable for tax on capital gains attributable to such securities to the extent such capital gains tax is not refundable to the split share corporation and such capital gains are therefore distributed as a capital gains dividend.

## **DISTRIBUTION POLICY**

Cash distributions, if any, on Units of a Brompton ETF will be made in the currency in which the Units of the Brompton ETF are denominated and will be payable monthly by each of the Brompton ETFs. The Brompton ETFs do not have a fixed distribution amount. The amount of ordinary cash distributions, if any, will be set at the Manager’s sole discretion and may be based on the Manager’s assessment of the prevailing market conditions, the Brompton ETF’s ability to generate sufficient levels of distributable cash and any other factors that the Manager, in its sole discretion, may deem relevant. The date of any cash distribution of each Brompton ETF will be announced in advance

by issuance of a press release. Subject to compliance with the investment objectives of the respective Brompton ETF, the Manager may, in its complete discretion, change the frequency of these distributions and any such change will be announced by issuance of a press release.

Depending on the underlying investments of a Brompton ETF, distributions on Units may consist of ordinary income, including foreign source income, if any, and taxable dividends from taxable Canadian corporations, sourced from dividends, distributions or interest received by the Brompton ETF but may also include Net Realized Capital Gains, in any case, less the expenses of that Brompton ETF and may include returns of capital.

If, for any taxation year, after the ordinary distributions, there would remain in a Brompton ETF additional net income or Net Realized Capital Gains, the Brompton ETF will, on or before December 31 of that calendar year, be required to pay or make payable such net income and Net Realized Capital Gains as one or more special year-end distributions to Unitholders as is necessary to ensure that the Brompton ETF will not be liable for income tax on such amounts under Part I of the Tax Act (after taking into account all available deductions, credits and refunds). Such special distributions may be paid in the form of Units of the Brompton ETF and/or cash. Any special distributions payable in Units of a Brompton ETF will increase the aggregate adjusted cost base of a Unitholder's Units. Immediately following payment of such a special distribution in Units, the number of Units held by a Unitholder will be automatically consolidated such that the number of Units of the applicable class held by the Unitholder after such distribution will be equal to the number of Units of the applicable class held by such Unitholder immediately prior to such distribution, except in the case of a non-resident Unitholder to the extent tax is required to be withheld in respect of the distribution.

The tax treatment to Unitholders of distributions is discussed under the heading "Income Tax Considerations".

#### **Distribution Reinvestment Plan**

The Brompton ETFs, other than Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred ETF, have adopted a Reinvestment Plan in respect of CAD Units of the Brompton ETFs. All distributions on the CAD Units by the applicable Brompton ETF shall be automatically reinvested on each Unitholder's behalf, at the election of each such Unitholder, pursuant to the Reinvestment Plan in accordance with the provisions of the Reinvestment Plan Agency Agreement. Cash distributions on the USD Units are not currently eligible for reinvestment under the Reinvestment Plan. Notwithstanding the Reinvestment Plan, all distributions payable in respect of Units to non-resident Unitholders will be paid in cash and will not be reinvested.

Distributions due to the Plan Participants shall be applied, on behalf of Plan Participants, to purchase additional CAD Units of the applicable Brompton ETF. Such purchases will be made in the market. Purchases in the market will be made by the Plan Agent on an orderly basis during the ten trading day period following the relevant Distribution Date.

If the CAD Units are thinly traded, purchases in the market under the Reinvestment Plan may significantly affect the market price. Depending on market conditions, direct reinvestment of cash distributions by Unitholders in the market may be more, or less, advantageous than the reinvestment arrangements under the Reinvestment Plan. The CAD Units of a Brompton ETF purchased in the market will be allocated on a pro rata basis to the Plan Participants of such Brompton ETF. The Plan Agent's charges for administering the Reinvestment Plan and all brokerage fees and commissions in connection with purchases in the market pursuant to the Reinvestment Plan will be paid by the Brompton ETFs. The automatic reinvestment of distributions under the Reinvestment Plan will not relieve participants of any income tax applicable to those distributions. See "Income Tax Considerations".

A Unitholder may elect to participate in a Reinvestment Plan by giving notice of the Unitholder's decision to become a Plan Participant for the relevant Record Date (as defined below) to the Unitholder's CDS Participant in accordance with such CDS Participant's customary procedures. The CDS Participant must, on behalf of such Plan Participant, provide notice to the Plan Agent through the CDS System (commonly known as CDSX) no later than 5:00 p.m. (Toronto time) on the last business day of the calendar month (the "**Record Date**"). Unless the Plan Agent has provided written notice of a Unitholder's intention to participate in a Reinvestment Plan in such manner, distributions to Unitholders will be made in cash. The Manager may terminate the Reinvestment Plan in its sole discretion. Notice will be provided prior to termination. The Manager may also amend, modify or suspend the Reinvestment Plan at any time in its sole discretion, provided that it gives notice of that amendment, modification or suspension to the applicable Plan Participants via the CDS Participants through which the Plan Participants hold their CAD Units, and through the Plan Agent. The Brompton ETFs are not required to issue CAD Units to Unitholders in any jurisdiction where that issuance would be illegal.

## PURCHASES OF UNITS

### **Continuous Distribution**

Units of the Brompton ETFs are being issued and sold on a continuous basis and there is no maximum number of Units that may be issued. The Units of a Brompton ETF will be offered for sale at a price equal to the NAV per Unit of the applicable class of Units of the Brompton ETF determined at the Valuation Time on the effective date of a subscription order. As exchange traded funds, the Brompton ETFs will issue Units directly to a Designated Broker and Dealers. From time to time, and as may be agreed between the Brompton ETFs and the Dealers and the Designated Broker, such Dealers and the Designated Broker may deliver a Basket of Securities and/or cash as payment for Units of a Brompton ETF.

### *Suspension of Subscriptions*

If Brompton Split Corp. Preferred Share ETF experiences a significant increase in total NAV, the Manager may, at its sole discretion and if determined to be in the best interests of Unitholders, decide to suspend subscriptions for additional Units of the Brompton ETF if considered necessary or desirable in order to manage potential tax implications and/or to permit the Brompton ETF to achieve, or continue to achieve, its investment objectives. During a period of suspended subscriptions, if any, investors should note that the Units of the Brompton ETF may trade at a premium or substantial premium, to the NAV per Unit. During such periods, investors are discouraged from purchasing Units of the Brompton ETF on a stock exchange. Any suspension of subscriptions or resumption of subscriptions will be announced by news release and announced on the Manager's website. The suspension of subscriptions, if any, will not affect the ability of existing Unitholders to sell their Units in the secondary market at a price reflective of the NAV per Unit. See "Risk of Suspended Subscriptions".

### **Future Issuance of Units**

The Manager may amend the Declaration of Trust from time to time to redesignate the name of a Brompton ETF or to create a new class or series of units of a Brompton ETF without notice to existing Unitholders, unless such amendment in some way affects the existing Unitholders' rights or the value of their investment.

All rights attached to the Units may only be modified, amended or varied in accordance with the terms of the Declaration of Trust.

### **Designated Broker and Dealers**

Generally, all orders to purchase Units directly from a Brompton ETF must be placed by the Designated Broker or a Dealer. Each Brompton ETF reserves the absolute right to reject any subscription order placed by the Designated Broker or a Dealer. No fees will be payable by a Brompton ETF to the Designated Broker or a Dealer in connection with the issuance of Units. On the issuance of Units, an amount may be charged to the Designated Broker or a Dealer to offset the expenses incurred in issuing the Units.

The Manager, on behalf of each Brompton ETF, has entered into a designated broker agreement with a Designated Broker pursuant to which the Designated Broker agreed to perform certain duties relating to the Units including, without limitation: (i) to subscribe for a sufficient number of Units to satisfy the TSX's original listing requirements; (ii) to subscribe for Units on an ongoing basis in connection with the rebalancing of and adjustments to the portfolio of the Brompton ETF; and (iii) to post a liquid two-way market for the trading of Units of the Brompton ETF on the TSX (or any other marketplace on which the Units of a Brompton ETF may be traded). The Manager may, in its discretion from time to time, cause a Brompton ETF to reimburse the Designated Broker for certain expenses incurred by the Designated Broker in performing these duties.

On any Trading Day, a Dealer (who may also be the Designated Broker) may place a subscription order for a PNU (and any additional multiple thereof) of a Brompton ETF. If a subscription order is received by the Brompton ETF by the applicable cut-off time on a Trading Day, the Brompton ETF will issue to the Dealer a PNU (and any additional multiple thereof) based on the NAV per Unit determined on the applicable Trading Day, which, in the Manager's discretion, may be the same or the next Trading Day.

For each PNU issued, a Dealer must deliver payment consisting of, in the Manager's discretion: (i) cash in an amount equal to the aggregate NAV per Unit of the PNU next determined following the receipt of the subscription order; (ii) one Basket of Securities and cash in an amount sufficient so that the value of the securities and the cash received is equal to the aggregate NAV per Unit of the PNU next determined following the receipt of the subscription order; or

(iii) a combination of securities and cash, as determined by the Manager, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate NAV per Unit of the PNU next determined following the receipt of the subscription order.

The Manager may, in its complete discretion, charge a Cash Creation Fee in connection with cash-only payments for subscriptions of a PNU, representing, as applicable, brokerage expenses, commissions, transaction costs and other costs or expenses that the Brompton ETF incurs or expects to incur in purchasing securities on the market with such cash proceeds.

The Cash Creation Fee, if any, applicable in respect of a Brompton ETF will be specified from time to time at the discretion of the Manager. The Cash Creation Fee, if any, will accrue to the Brompton ETFs.

The Manager may from time to time, require the Designated Broker to subscribe for Units of a Brompton ETF for cash in such amount as may be agreed to by the Manager and the Designated Broker. The number of Units of a Brompton ETF issued will be the subscription amount divided by the NAV per Unit of a Brompton ETF on the subscription date following the delivery by the Manager of a subscription notice to the Designated Broker. Payment for the Units of a Brompton ETF must be made by the Designated Broker by no later than the second Trading Day after the subscription date.

The Manager may publish, except when circumstances prevent it from doing so, the applicable PNU for the Brompton ETFs on each Trading Day on its website, at [www.bromptongroup.com](http://www.bromptongroup.com). The Manager may, at its discretion, increase or decrease the applicable PNU from time to time.

On May 27, 2024, the standard settlement cycle that applies to exchange-traded securities in Canada and the United States will transition from a two-day (T+2) settlement cycle to a one-day (T+1) settlement cycle. The Manager anticipates that the settlement cycle for the Brompton ETFs (with the exception of Brompton European Dividend Growth ETF, Brompton Global Dividend Growth ETF, Brompton Global Healthcare Income & Growth ETF and Brompton Sustainable Real Assets Dividend ETF) will transition to a T+1 settlement cycle on the same date.

#### ***To Unitholders of a Brompton ETF as Distributions Paid in Units***

In addition to the issuance of Units of a Brompton ETF as described above, distributions may be made by way of the issuance of Units of certain Brompton ETFs and Units of such Brompton ETFs may be issued to Unitholders of the Brompton ETFs on the automatic reinvestment of certain distributions pursuant to a distribution reinvestment plan in accordance with the distribution policy of the Brompton ETFs. See “Distribution Policy”.

#### ***Buying and Selling Units of a Brompton ETF***

Units of the Brompton ETFs are listed for trading on the TSX and investors may buy or sell Units of the Brompton ETFs on the TSX through registered brokers and dealers in the province or territory where the investor resides.

Investors may incur customary brokerage commissions in buying or selling Units of the Brompton ETFs. All orders to purchase Units directly from a Brompton ETF must be placed by Designated Brokers or Dealers.

No fees are paid by a Unitholder to the Manager or the Brompton ETFs in connection with buying or selling of Units on the TSX.

#### ***Special Considerations for Unitholders***

The “early warning” reporting requirements do not apply in connection with the ownership or control of securities issued by a mutual fund such as Units of a Brompton ETF. In addition, the Brompton ETFs have obtained exemptive relief from the securities regulatory authorities to permit a Unitholder of a Brompton ETF to acquire more than 20% of the Units of a class of such Brompton ETF through purchases on the TSX (or any other marketplace on which the Units of a Brompton ETF may be traded) without regard to the takeover bid requirements of applicable Canadian Securities Legislation.

#### ***Special Circumstances***

Units may also be issued by a Brompton ETF to the Designated Broker in a number of special circumstances, including the following: (i) when the Manager has determined that the Brompton ETF should acquire portfolio securities; and (ii) when cash redemptions of Units occur as described below under “Redemption of Units of a Brompton ETF for Cash”, or the Brompton ETF otherwise has cash that the Manager wants to invest.

## **Non-Resident Unitholders**

In order for a Brompton ETF to qualify and/or maintain its status as a mutual fund trust (for the purposes of the Tax Act), except in certain circumstances, the Brompton ETF cannot be established or maintained primarily for the benefit of non-residents of Canada. At no time may (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units of a Brompton ETF (on either a number of Units or fair market value basis) and the Manager shall inform the Registrar and Transfer Agent of the Brompton ETF of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units of a Brompton ETF then outstanding (on either a number of Units or fair market value basis) are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of the Units of a Brompton ETF (on either a number of Units or fair market value basis) are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-residents and/or partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of a Brompton ETF as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Brompton ETF as a mutual fund trust for purposes of the Tax Act.

## **EXCHANGE AND REDEMPTION OF UNITS**

### **Exchange of Units of a Brompton ETF at Net Asset Value per Unit for Baskets of Securities and/or Cash**

Unitholders may exchange the applicable PNU (or an integral multiple PNU) of the applicable Brompton ETFs on any Trading Day for Baskets of Securities and cash, subject to the requirement that a minimum of one PNU be exchanged. To effect an exchange of Units, a Unitholder must submit an exchange request in the form and at the location prescribed by the Brompton ETFs from time to time at or before a prescribed time (e.g. 9:00 a.m. (Toronto time)) on a Trading Day, or such other time prior to the Valuation Time on the effective date as the Manager may permit. The exchange price will be equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, payable by delivery of a Basket of Securities (constituted as most recently published prior to the effective date of the exchange request) and/or cash. The applicable Units will be redeemed in the exchange. The Manager will also make available to Dealers and the Designated Broker the applicable PNU to redeem Units on each Trading Day.

Upon the request of a Designated Broker or Dealer, the Manager may, in its complete discretion, satisfy an exchange request by delivering cash only in an amount equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, provided that the Designated Broker or Dealer agrees to pay a Cash Exchange Fee, if applicable.

The Cash Exchange Fee, if any, applicable in respect of the applicable Brompton ETF will be specified from time to time at the discretion of the Manager.

If an exchange request is not received by the applicable cut-off time, the exchange order will be effective only on the next Trading Day. Settlement of exchanges for Baskets of Securities and/or cash will generally be made by the second Trading Day after the effective date of the exchange request.

If any securities in which a Brompton ETF is invested are cease-traded at any time by order of Securities Regulatory Authority or other relevant regulator or stock exchange, the delivery of Baskets of Securities to a Unitholder, Dealer

or the Designated Broker on an exchange in the PNU may be postponed until such time as the transfer of the Baskets of Securities is permitted by law.

As described under “Exchange and Redemption of Units – Registration and Transfer through CDS”, registration of interests in, and transfers of, Units will be made only through the book based system of CDS. The redemption rights described below must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that they provide redemption instructions to the CDS Participant through which they hold such Units sufficiently in advance of the cut-off times described below to allow such CDS Participant to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

### **Redemption of Units of a Brompton ETF for Cash**

On any Trading Day, Unitholders of a Brompton ETF may redeem (i) Units of such Brompton ETF for cash at a redemption price per Unit equal to the lesser of: (a) 95% of the closing price for the Units on the TSX (or any other exchange on which the Units of a Brompton ETF may be listed) on the effective day of the redemption; and (b) the NAV per Unit. Because Unitholders of a Brompton ETF will generally be able to sell Units of such Brompton ETF at the market price on the TSX (or any other marketplace on which the Units of a Brompton ETF may be traded) through a registered broker or dealer subject only to customary brokerage commissions, Unitholders of a Brompton ETF are advised to consult their brokers, dealers or investment advisors before redeeming such Units for cash. No fees or expenses are paid by Unitholders of a Brompton ETF to the Manager or the Brompton ETFs in connection with selling Units of a Brompton ETF on the TSX (or any other marketplace on which the Units of a Brompton ETF may be traded).

In order for a cash redemption to be effective on a Trading Day, a cash redemption request with respect to the applicable Brompton ETF must be delivered to the Manager in the form and at the location prescribed by the Manager from time to time at or before the applicable cut-off time on such Trading Day. Any cash redemption request received after such time will be effective only on the next Trading Day. Where possible, payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption. Units will be redeemed in accordance with customary processes set out by the Designated Broker or CDS.

Unitholders that have delivered a redemption request prior to or on the Distribution Record Date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of Units of a Brompton ETF, the Brompton ETF will generally dispose of securities or other financial instruments.

### **Suspension of Exchanges and Redemptions**

The Manager may suspend the exchange or redemption of Units of a Brompton ETF or payment of redemption proceeds of a Brompton ETF: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the Brompton ETF are listed and/or traded, if these securities represent more than 50% by value or underlying market exposure of the Total Assets of the Brompton ETF, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Brompton ETF; or (ii) with the prior permission of the Securities Regulatory Authorities where required, for any period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Brompton ETF or which impair the ability of the Custodian to determine the value of the assets of the Brompton ETF. The suspension may apply to all requests for exchange or redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the exchange or redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for exchange or redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over a Brompton ETF, any declaration of suspension made by the Manager shall be conclusive.

### **Cash Creation Fee**

The Manager may, in its complete discretion, accept subscription proceeds consisting of (a) cash only in an amount equal to the NAV of the applicable PNU of the Brompton ETF determined at the Valuation Time on the effective date of the subscription order, plus (b) if applicable, the Cash Creation Fee.



The Cash Creation Fee, if any, applicable in respect of a Brompton ETF will be specified from time to time at the discretion of the Manager. The Cash Creation Fee, if any, will accrue to the Brompton ETFs.

### **Cash Exchange Fee**

Upon the request of a Designated Broker or Dealer, the Manager may, in its complete discretion, satisfy an exchange request by delivering cash only in an amount equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, provided that the Designated Broker or Dealer agrees to pay the Cash Exchange Fee.

The Cash Exchange Fee, if any, applicable in respect of the applicable Brompton ETF will be specified from time to time at the discretion of the Manager.

### **Administration Fee**

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of a Brompton ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of that Brompton ETF. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the TSX (or any other marketplace on which the Units of a Brompton ETF may be traded).

### **Allocations of Capital Gains to Redeeming or Exchanging Unitholders**

Pursuant to the Declaration of Trust, a Brompton ETF may allocate and designate as payable any capital gains realized by the Brompton ETF as a result of any disposition of property of the Brompton ETF. In addition, each Brompton ETF has the authority to distribute, allocate and designate any capital gains of a Brompton ETF to a Unitholder of the Brompton ETF who has redeemed or exchanged Units during a year in an amount equal to the Unitholder's share, at the time of redemption or exchange, of the Brompton ETF's capital gains for the year. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming Unitholder.

The taxable portion of the capital gain so designated must be included in the income of the redeeming Unitholder (as taxable capital gains) and may be deductible by the Brompton ETF in computing its income, subject to subsections 132(5.3) and 132(5.31) of the Tax Act. The capital gains allocated in any given taxation year to all exchanging and redeeming unitholders of a Brompton ETF shall be an amount determined by a formula which is based on (a) the amount of capital gains designated to Unitholders on an exchange or redemption of Units in the taxation year, (b) the total amount paid for exchanges or redemptions of the Units in the taxation year, (c) the Brompton ETF's NAV at the end of the taxation year and the end of the previous taxation year, and (d) the Brompton ETF's net taxable capital gains for the taxation year. See "Income Tax Considerations".

### **Registration and Transfer through CDS**

Registration of interests in, and transfers of, Units of a Brompton ETF will be made only through CDS. Units must be purchased, transferred and surrendered for redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon buying Units of a Brompton ETF, the owner will receive only the customary confirmation. References in this prospectus to a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest of such Units.

Neither a Brompton ETF nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in Units or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

A Brompton ETF has the option to terminate registration of Units through the book based system in which case certificates for Units in fully registered form will be issued to beneficial owners of such Units or to their nominees.

### **Short-Term Trading**

Unlike conventional open-end mutual fund trusts in which short-term trading by investors may cause the mutual fund to incur additional unnecessary trading costs in connection with the purchase of additional portfolio securities and the

sale of portfolio securities to fund Unitholder redemptions, the Manager does not believe that it is necessary to impose any short-term trading restrictions on the Brompton ETFs at this time as: (i) the Brompton ETFs are exchange traded funds that are primarily traded in the secondary market; and (ii) the few transactions involving Units of the Brompton ETFs that do not occur on the secondary market involve the Designated Broker and/or Dealers, who can only purchase or redeem Units in a PNU and on whom the Manager may impose an administrative fee. The administrative fee is intended to compensate the Brompton ETFs for any costs and expenses incurred by the Brompton ETFs in order to fund the redemption.

### PRICE RANGE AND TRADING VOLUME OF UNITS

The following tables set forth the market price range and trading volume of the Units of the Brompton ETFs on the marketplace indicated (being the marketplace on which the greater volume of trading or quotation generally occurs) for the calendar periods indicated.

#### *Brompton Global Healthcare Income & Growth ETF*

Month	CAD Units <sup>(1)</sup>		USD Units <sup>(2)</sup>	
	Unit Price Range (\$)	Volume	Unit Price Range (\$)	Volume
2023				
March	8.14 - 8.44	24,500	nil	nil
April	8.47 - 8.83	197,814	9.14 - 9.27	3,600
May	8.12 - 8.64	178,550	nil	nil
June	8.23 - 8.58	160,215	nil	nil
July	8.26 - 8.51	81,560	nil	nil
August	8.20 - 8.45	54,900	8.76 - 8.76	800
September	7.91 - 8.30	27,182	8.42 - 8.69	3,600
October	7.63 - 8.06	44,191	nil	nil
November	7.75 - 8.11	37,975	nil	nil
December	7.99 - 8.25	42,625	8.55 - 8.69	300
2024				
January	8.30 - 8.56	23,099	nil	nil
February	8.55 - 8.89	37,948	9.28 - 9.34	10,800

<sup>(1)</sup> Price range and trading volumes on Alpha Exchange.

<sup>(2)</sup> Price range and trading volumes on Omega ATS.

#### *Brompton Tech Leaders Income ETF*

Month	CAD Units <sup>(1)</sup>		USD Units <sup>(2)</sup>	
	Unit Price Range (\$)	Volume	Unit Price Range (\$)	Volume
2023				
March	16.01 - 17.72	44,889	nil	nil
April	16.93 - 17.75	72,873	18.65 - 18.65	100
May	16.92 - 19.43	317,738	19.53 - 20.47	10,100
June	18.81 - 20.06	68,739	21.02 - 21.38	6,000
July	19.55 - 20.71	105,108	21.25 - 21.95	5,400
August	19.17 - 20.58	102,036	21.16 - 21.87	13,300
September	18.77 - 20.50	285,582	21.35 - 21.49	12,500
October	18.61 - 20.19	352,517	21.45 - 21.46	8,500
November	18.92 - 21.17	87,498	22.09 - 22.57	14,100
December	20.64 - 21.86	89,003	23.17 - 23.17	800
2024				
January	20.68 - 23.28	118,447	24.58 - 25.15	10,800
February	22.42 - 23.82	63,839	24.30 - 25.52	47,500

<sup>(1)</sup> Price range and trading volumes on the TSX.

<sup>(2)</sup> Price range and trading volumes on the Chi-X Canada.

*Brompton European Dividend Growth ETF*

Month	CAD Units <sup>(1)</sup>	
	Unit Price Range (\$)	Volume
2023		
March	9.08 - 9.61	16,770
April	9.54 - 9.90	26,136
May	9.50 - 9.86	21,174
June	9.51 - 9.80	6,416
July	9.37 - 9.79	15,069
August	9.32 - 9.63	14,806
September	9.24 - 9.65	12,134
October	8.81 - 9.40	5,171
November	8.98 - 9.53	8,874
December	9.41 - 9.72	10,737
2024		
January	9.56 - 9.81	13,757
February	9.42 - 10.16	13,880

<sup>(1)</sup> Price range and trading volumes on the TSX.

*Brompton Flaherty & Crumrine Investment Grade Preferred ETF*

Month	CAD Units <sup>(1)</sup>		USD Units <sup>(1)</sup>	
	Unit Price Range (\$)	Volume	Unit Price Range (\$)	Volume
2023				
March	20.60 - 22.58	156,768	20.39 - 21.64	44,624
April	20.89 - 21.22	59,806	20.64 - 20.78	3,600
May	20.66 - 21.04	31,175	20.46 - 20.69	1,000
June	21.00 - 21.29	21,578	20.85 - 20.86	500
July	21.01 - 21.32	42,251	20.90 - 20.90	100
August	21.05 - 21.37	5,780	nil	nil
September	21.11 - 21.28	11,843	20.93 - 21.07	3,200
October	20.52 - 20.88	35,700	nil	nil
November	20.73 - 21.52	62,389	nil	nil
December	21.31 - 22.10	79,000	21.04 - 21.04	100
2024				
January	21.94 - 22.20	41,929	21.76 - 21.91	900
February	21.98 - 22.42	14,680	22.06 - 22.06	500

<sup>(1)</sup> Price range and trading volumes on Chi-X Canada.

*Brompton Global Dividend Growth ETF*

Month	CAD Units <sup>(1)</sup>	
	Unit Price Range (\$)	Volume
2023		
March	16.75 - 17.81	22,000
April	17.68 - 18.18	14,735
May	17.53 - 18.27	14,400
June	17.65 - 18.27	76,900
July	17.82 - 18.32	7,844
August	17.62 - 18.11	12,800
September	17.52 - 18.06	6,600
October	17.04 - 17.79	14,400
November	17.27 - 18.23	418,600
December	18.05 - 18.40	12,100
2024		
January	18.19 - 18.88	16,700
February	18.72 - 19.74	13,600

<sup>(1)</sup> Price range and trading volumes on Chi-X Canada.

*Brompton North American Financials Dividend ETF*

Month	CAD Units <sup>(1)</sup>		USD Units <sup>(2)</sup>	
	Unit Price Range (\$)	Volume	Unit Price Range (\$)	Volume
2023				
March	17.59 - 19.38	200	18.87 - 20.02	1,100
April	18.04 - 18.67	150,200	19.41 - 19.41	4,800
May	17.27 - 17.27	700	18.81 - 18.81	400
June	17.61 - 17.61	100	nil	nil
July	nil	nil	nil	nil
August	nil	nil	nil	nil
September	18.47 - 18.50	200	19.57 - 19.57	200
October	nil	nil	nil	nil
November	18.04 - 18.72	1,200	nil	nil
December	19.03 - 19.03	400	nil	nil
2024				
January	19.32 - 19.32	30,100	nil	nil
February	20.09 - 20.09	100	20.98 - 20.98	100

<sup>(1)</sup> Price range and trading volumes on Chi-X Canada.

<sup>(2)</sup> Price range and trading volumes on NEO-N Exchange.

*Brompton Sustainable Real Assets Dividend ETF*

Month	CAD Units <sup>(1)</sup>	
	Unit Price Range (\$)	Volume
2023		
March	21.17 - 22.52	56,698
April	22.09 - 22.89	16,597
May	21.55 - 22.73	8,750
June	21.65 - 22.34	42,168
July	21.80 - 22.65	6,664
August	21.58 - 22.21	15,465
September	21.50 - 22.39	11,048
October	20.82 - 21.68	4,957
November	21.25 - 22.41	20,710
December	22.29 - 22.88	18,964
2024		
January	22.28 - 22.80	8,157
February	22.13 - 23.23	20,071

<sup>(1)</sup> Price range and trading volumes on the TSX.

*Brompton North American Low Volatility Dividend ETF*

Month	CAD Units <sup>(1)</sup>	
	Unit Price Range (\$)	Volume
2023		
March	21.47 - 22.33	32,150
April	22.40 - 23.12	14,314
May	21.67 - 22.87	10,500
June	21.55 - 22.03	5,662
July	21.50 - 22.31	5,001
August	20.98 - 21.80	13,280
September	20.41 - 21.17	7,300
October	12.81 - 20.44	2,900
November	19.82 - 20.60	9,702
December	20.56 - 21.23	9,422
2024		
January	21.08 - 21.90	7,914
February	21.71 - 22.56	3,925

<sup>(1)</sup> Price range and trading volumes on the TSX.

*Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF*

Month	CAD Units <sup>(1)</sup>		USD Units <sup>(2)</sup>	
	Unit Price Range (\$)	Volume	Unit Price Range (\$)	Volume
2023				
March	8.20 - 9.38	509,397	8.42 - 9.67	5,315
April	8.44 - 8.58	95,377	8.56 - 8.82	1,705
May	8.21 - 8.44	22,100	8.39 - 8.66	5,300
June	8.38 - 8.50	16,800	8.55 - 8.69	3,503
July	8.27 - 8.59	21,700	8.52 - 8.85	4,629
August	8.38 - 8.56	181,330	8.62 - 8.81	1,024
September	8.36 - 8.49	42,780	8.61 - 8.75	1,800
October	8.07 - 8.24	13,700	8.30 - 8.53	3,805
November	8.13 - 8.47	87,473	8.42 - 8.75	3,300
December	8.44 - 8.91	71,563	8.74 - 9.15	2,616
2024				
January	8.70 - 8.95	17,050	9.06 - 9.27	1,147
February	8.87 - 9.05	54,980	9.19 - 9.37	7,661

<sup>(1)</sup> Price range and trading volumes on Chi-X Canada.

<sup>(2)</sup> Price range and trading volumes on the TSX.

*Brompton Enhanced Multi-Asset Income ETF*

Month	CAD Units <sup>(1)</sup>	
	Unit Price Range (\$)	Volume
2023		
March	11.78 - 12.71	354,962
April	12.19 - 12.55	140,370
May	12.01 - 12.44	145,030
June	12.07 - 12.56	202,471
July	12.13 - 12.69	143,390
August	12.01 - 12.45	106,033
September	11.79 - 12.44	74,581
October	11.28 - 12.13	58,849
November	11.51 - 12.35	64,024
December	12.14 - 12.66	107,493
2024		
January	12.38 - 12.93	221,803
February	12.73 - 13.27	116,141

<sup>(1)</sup> Price range and trading volumes on the TSX.

*Brompton Split Corp. Preferred Share ETF*

Month	CAD Units <sup>(1)</sup>	
	Unit Price Range (\$)	Volume
2023 <sup>(2)</sup>		
March	n/a	n/a
April	n/a	n/a
May	n/a	n/a
June	10.00 - 10.11	144,278
July	10.00 - 10.15	159,283
August	10.05 - 10.20	229,536
September	10.05 - 10.16	366,322
October	10.05 - 10.12	560,024
November	10.06 - 10.29	792,171
December	10.13 - 10.28	385,127
2024		
January	10.22 - 10.39	402,120
February	10.32 - 10.42	355,362

<sup>(1)</sup> Price range and trading volumes on the TSX.

<sup>(2)</sup> Information is only available from June 15, 2023 being the date on which the CAD Units of the Brompton ETF commenced trading on the TSX.

## INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of Units of a Brompton ETF by a Unitholder of the Brompton ETF who acquires Units of the Brompton ETF pursuant to this prospectus. This summary only applies to a prospective Unitholder of a Brompton ETF who is an individual (other than a trust) resident in Canada for purposes of the Tax Act who deals at arm's length with the Brompton ETF, the Designated Broker and the Dealers and is not affiliated with the Brompton ETF, the Designated Broker or any Dealer and who holds Units of the Brompton ETF as capital property (a "Holder").

Generally, Units of a Brompton ETF will be considered to be capital property to a Holder provided that the Holder does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Provided that a Brompton ETF qualifies as a "mutual fund trust" for purposes of the Tax Act, certain Holders who might not otherwise be considered to hold Units of the Brompton ETF as capital property may, in certain circumstances, be entitled to have such Units and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary does not apply to a Holder who has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the Units or any Basket of Securities disposed of in exchange for Units.

This summary is based on the assumptions that (i) none of the Brompton ETFs will be subject to the tax for "SIFT trusts" for purposes of the Tax Act, (ii) none of the issuers of the securities in the portfolio of a Brompton ETF will be foreign affiliates of the Brompton ETF or of any Holder, (iii) none of the securities in the portfolio of a Brompton ETF will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act, (iv) none of the Brompton ETFs will enter into any arrangement where the result is a dividend rental arrangement for purposes of the Tax Act, and (v) none of the securities in the portfolio of a Brompton ETF will be an offshore investment fund property (or an interest in a partnership that holds such property) that would require the Brompton ETF to include significant amounts in the Brompton ETF's income pursuant to section 94.1 of the Tax Act, or an interest in a trust (or a partnership which holds such an interest) which would require the Brompton ETF (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or an interest in a non-resident trust other than an "exempt foreign trust" (or a partnership which holds such interest).

This summary is based on the facts described herein, the current provisions of the Tax Act, counsel's understanding of the current publicly available administrative policies and assessing practices of the CRA published in writing prior to the date hereof and certificates of the Manager. This summary takes into account the Tax Amendments. This description is not exhaustive of all Canadian federal income tax consequences and does not take into account or anticipate changes in the law or in administrative policy or assessing practice, whether by legislative, governmental or judicial action other than the Tax Amendments in their present form, nor does it take into account provincial, territorial or foreign tax considerations which may differ significantly from those discussed herein. There can be no assurance that the Tax Amendments will be enacted in the form publicly announced, or at all.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units of a Brompton ETF. This summary does not address the deductibility of interest on any funds borrowed by a Holder to purchase Units of a Brompton ETF. The income and other tax consequences of investing in Units will vary depending on an investor's particular circumstances including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder of Units of a Brompton ETF. Prospective investors should consult their own tax advisors with respect to the income tax consequences to them of an acquisition of Units of a Brompton ETF based on their particular circumstances.**

### Status of the Brompton ETFs

This summary is based on the assumptions that each Brompton ETF will qualify or be deemed to qualify at all times as a "mutual fund trust" within the meaning of the Tax Act, that each Brompton ETF has validly elected, or will elect, under the Tax Act to be a mutual fund trust from the date it was established, and that each Brompton ETF has not been established and will not be maintained primarily for the benefit of non-residents unless, at that time, substantially

all of its property consists of property other than property that would be “taxable Canadian property” within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition).

To qualify as a mutual fund trust (i) a Brompton ETF must be a Canadian resident “unit trust” for purposes of the Tax Act, (ii) the only undertaking of the Brompton ETF must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Brompton ETF, or (c) any combination of the activities described in (a) and (b), and (iii) the Brompton ETF must comply with certain minimum requirements respecting the ownership and dispersal of Units of a particular class.

If a Brompton ETF were not to qualify or be deemed to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different in respect of that Brompton ETF.

Provided that a Brompton ETF qualifies as a “mutual fund trust” within the meaning of the Tax Act, is a “registered investment” within the meaning of the Tax Act or the Units of that Brompton ETF are listed on a “designated stock exchange” (within the meaning of the Tax Act), Units of that Brompton ETF will be qualified investments under the Tax Act for a trust governed by a Registered Plan. See “Income Tax Considerations – Taxation of Registered Plans” for the consequences of holding Units in Registered Plans.

### **Taxation of the Brompton ETFs**

The Manager has advised counsel that each of the Brompton ETFs has elected to have a taxation year that ends on December 31 of each calendar year. A Brompton ETF must pay tax on its net income (including net realized taxable capital gains) for a taxation year, less the portion thereof that it deducts in respect of the amount paid or payable to its Holders in the calendar year in which the taxation year ends. An amount will be considered to be payable to a Holder of a Brompton ETF in a calendar year if it is paid to the Holder in that year by the Brompton ETF or if the Unitholder is entitled in that year to enforce payment of the amount. The Declaration of Trust requires that sufficient amounts be paid or made payable each year so that no Brompton ETF is liable for any non-refundable income tax under Part I of the Tax Act.

A Brompton ETF will be required to include in its income for each taxation year any dividends received (or deemed to be received) by it in such year on a security held in its portfolio.

With respect to indebtedness, a Brompton ETF will be required to include in its income for a taxation year all interest thereon that accrues (or is deemed to accrue) to it to the end of that year (or until the disposition of the indebtedness in that year, including on a conversion, redemption or repayment on maturity) or that has become receivable or is received by the Brompton ETF before the end of that year except to the extent that such interest was included in computing the Brompton ETF’s income for a preceding year and excluding any interest that accrued prior to the time of the acquisition of the indebtedness by the Brompton ETF.

To the extent a Brompton ETF holds trust units issued by a trust resident in Canada that is not at any time in the relevant taxation year a “SIFT trust” and held as capital property for purposes of the Tax Act, the Brompton ETF will be required to include in the calculation of its income for a taxation year the net income, including net taxable capital gains, paid or payable to the Brompton ETF by such trust in the calendar year in which that taxation year ends, notwithstanding that certain of such amounts may be reinvested in additional Units of the trust. Provided that appropriate designations are made by such trust, net taxable capital gains realized by the trust, foreign source income of the trust and taxable dividends from taxable Canadian corporations received by the trust that are paid or payable by the trust to the Brompton ETF will effectively retain their character in the hands of the Brompton ETF. The Brompton ETF will be required to reduce the adjusted cost base of Units of such trust by any amount paid or payable by the trust to the Brompton ETF except to the extent that the amount was included in calculating the income of the Brompton ETF or was the Brompton ETF’s share of the non-taxable portion of capital gains of the trust, the taxable portion of which was designated in respect of the Brompton ETF. If the adjusted cost base to the Brompton ETF of such Units becomes a negative amount at any time in a taxation year of the Brompton ETF, that negative amount will be deemed to be a capital gain realized by the Brompton ETF in that taxation year and the Brompton ETF’s adjusted cost base of such Units will be increased by the amount of such deemed capital gain to zero.

Each issuer in a Brompton ETF’s portfolio that is a “SIFT trust” (which will generally include Canadian resident income trusts, other than certain REITs, the Units of which are listed or traded on a stock exchange or other public

market) will be subject to a special tax in respect of (i) income from business carried on in Canada, and (ii) certain income and capital gains in respect of “non-portfolio properties” (collectively, “**Non-Portfolio Income**”). Non-Portfolio Income that is distributed by a SIFT trust to its Holders will be taxed at a rate that is equivalent to the federal general corporate tax rate plus a prescribed amount on account of provincial tax. Non-Portfolio Income that becomes payable by an issuer that is a SIFT trust will generally be taxed as though it were a taxable dividend from a taxable Canadian corporation and will be deemed to be an “eligible dividend” eligible for the enhanced gross-up and tax credit rules.

In general, a Brompton ETF will realize a capital gain (or capital loss) upon the actual or deemed disposition of a security included in its portfolio to the extent the proceeds of disposition net of any reasonable costs of disposition exceed (or are less than) the adjusted cost base of such security unless the Brompton ETF were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Brompton ETF has acquired the security in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Manager has advised counsel that each Brompton ETF purchases the securities in its portfolio with the objective of receiving interest, dividends and other distributions thereon and will take the position that gains and losses realized on the disposition of its securities are capital gains and capital losses. The Manager has also advised counsel that each Brompton ETF has made an election under subsection 39(4) of the Tax Act, if applicable, so that all securities held by the Brompton ETF that are “Canadian securities” (as defined in the Tax Act) will be deemed to be capital property to the Brompton ETF.

Each Brompton ETF will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units of the Brompton ETF during the year (the “**Capital Gains Refund**”). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of a Brompton ETF for such taxation year which may arise upon the sale or other disposition of securities included in the portfolio in connection with the redemption of Units of the Brompton ETF.

If a Brompton ETF realizes capital gains as a result of a transfer or disposition of its property undertaken to permit an exchange or redemption of Units by a Holder, all or a portion of the amount received by the Holder may be designated and treated for income tax purposes as a distribution to the Holder out of such capital gains rather than being treated as proceeds of disposition of the units. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming Unitholder. The taxable portion of the capital gain so designated must be included in the income of the redeeming Unitholder (as taxable capital gains) and may be deductible by the Brompton ETF in computing its income, subject to subsections 132(5.3) and 132(5.31) of the Tax Act. The capital gains allocated in any given taxation year to all exchanging and redeeming unitholders of a Brompton ETF shall be an amount determined by a formula which is based on (a) the amount of capital gains designated to Unitholders on an exchange or redemption of Units in the taxation year, (b) the total amount paid for exchanges or redemptions of the Units in the taxation year, (c) the Brompton ETF’s NAV at the end of the taxation year and the end of the previous taxation year, and (d) the Brompton ETF’s net taxable capital gains for the taxation year.

In general, gains and losses realized by a Brompton ETF from derivative transactions (excluding covered call options written by the Brompton ETF, if applicable) will be on income account except where such derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage and such gains and losses will be recognized for tax purposes at the time they are realized by the Brompton ETF. Pursuant to the Tax Act, an election to realize gains and losses on “eligible derivatives” (as defined in the Tax Act) of a Brompton ETF on a mark-to-market basis may be available. The Manager will consider whether such election, if available, would be advisable for any Brompton ETF.

Premiums received on covered call options written by a Brompton ETF that are not exercised prior to the end of the year will constitute capital gains of the Brompton ETF in the year received, unless such premiums are received by the Brompton ETF as income from a business of buying and selling securities or the Brompton ETF has engaged in a transaction or transactions considered to be an adventure in the nature of trade. Each Brompton ETF will purchase its portfolio with the objective of earning dividends thereon over the life of the particular Brompton ETF and will write covered call options with the objective of increasing the yield on the portfolio beyond the dividends received on the portfolio. Thus, having regard to the foregoing and in accordance with the CRA’s published administrative practices, transactions undertaken by each Brompton ETF in respect of shares comprising its portfolio and options on such shares will be treated and reported by each Brompton ETF as arising on capital account.



Premiums received by a Brompton ETF on covered call options that are subsequently exercised will be added in computing the proceeds of disposition to the Brompton ETF of the securities disposed of by the Brompton ETF upon the exercise of such call options, unless the premium was in respect of an option granted in a previous year so that it constituted a capital gain of the Brompton ETF in the previous year.

A loss realized by a Brompton ETF on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the Brompton ETF, or a person affiliated with the Brompton ETF, acquires a property (a “**Substituted Property**”) that is the same as or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Brompton ETF, or a person affiliated with the Brompton ETF, owns the Substituted Property 30 days after the original disposition. If a loss is suspended, a Brompton ETF cannot deduct the loss from the Brompton ETF’s capital gains until the Substituted Property is disposed of and is not reacquired by the Brompton ETF, or a person affiliated with the Brompton ETF, within 30 days before and after the disposition.

A Brompton ETF may enter into transactions denominated in currencies other than the Canadian dollar including the acquisition of securities in its portfolio. The cost and proceeds of disposition of securities, interest, dividends, distributions and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. The amount of income, gains and losses realized by a Brompton ETF may be affected by fluctuations in the value of other currencies relative to the Canadian dollar. Gains or losses in respect of currency hedges entered into in respect of amounts invested in the portfolio of a Brompton ETF will constitute capital gains and capital losses to the Brompton ETF if the securities in the Brompton ETF’s portfolio are capital property to the Brompton ETF and provided there is sufficient linkage.

A Brompton ETF may derive income or gains from investments in countries other than Canada, and as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid by a Brompton ETF exceeds 15% of the amount included in the Brompton ETF’s income from such investments, such excess may generally be deducted by the Brompton ETF in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of the amount included in the Brompton ETF’s income from such investments and has not been deducted in computing the Brompton ETF’s income, the Brompton ETF may designate in respect of a Holder a portion of its foreign source income that can reasonably be considered to be part of the Brompton ETF’s income distributed to such Holder so that such income and a portion of the foreign tax paid by the Brompton ETF may be regarded as foreign source income of, and foreign tax paid by, the Holder for the purposes of the foreign tax credit provisions of the Tax Act.

A Brompton ETF will be entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing Units. Such issue expenses paid by a Brompton ETF and not reimbursed will be deductible by the Brompton ETF ratably over a five-year period subject to reduction in any taxation year which is less than 365 days. In computing its income under the Tax Act, a Brompton ETF may deduct reasonable administrative and other expenses incurred to earn income. Tax proposals released by the Minister of Finance (Canada) on November 28, 2023 would restrict the deductibility of certain interest and other financing expenses. The Manager intends to monitor the progress of these proposals and assess their potential impact on a Brompton ETF in the form they are enacted, should this occur.

Losses incurred by a Brompton ETF in a taxation year cannot be allocated to Holders, but may be deducted by the Brompton ETF in future years in accordance with the Tax Act.

### **Taxation of Holders**

A Holder will generally be required to include in computing income for a particular taxation year of the Holder such portion of the net income of a Brompton ETF, including the taxable portion of any net realized capital gains, as is paid or becomes payable to the Holder in that particular taxation year (whether in cash, in Units or reinvested in additional Units or whether as a management fee distribution).

Under the Tax Act, a Brompton ETF is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions of income for the calendar year to the extent necessary to enable the Brompton ETF to use, in that taxation year, losses from prior years without affecting the ability of the Brompton ETF to distribute its income annually. In such circumstances, the amount distributed to a Holder of a Brompton ETF but not deducted by the Brompton ETF will not be included in the Holder’s income. However, the adjusted cost base of the Holder’s Units of the Brompton ETF will be reduced by such amount. The non-taxable portion of a Brompton ETF’s net realized capital gains for a taxation year, the taxable portion of which was designated in respect of a Holder for the taxation year, that is paid or becomes payable to the Holder for the year will not be included in computing the

Holder's income for the year. Any other amount in excess of a Holder's share of the net income of a Brompton ETF for a taxation year that is paid or becomes payable to the Holder for the year (i.e., returns of capital) will not generally be included in the Holder's income for the year, but will reduce the adjusted cost base of the Holder's Units of the Brompton ETF. To the extent that the adjusted cost base of a Unit of a Brompton ETF to a Holder would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Holder will be increased by the amount of such deemed capital gain to zero.

Provided that appropriate designations are made by a Brompton ETF, such portion of the net realized taxable capital gains of the Brompton ETF, the taxable dividends received or deemed to be received by the Brompton ETF on shares of taxable Canadian corporations and foreign source income of the Brompton ETF as is paid or becomes payable to a Holder will effectively retain its character and be treated as such in the hands of the Holder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply. Where a Brompton ETF makes designations in respect of its foreign source income, for the purpose of computing any foreign tax credit that may be available to a Holder, the Holder will generally be deemed to have paid as tax to the government of a foreign country that portion of taxes paid by the Brompton ETF to that country that is equal to the Holder's share of the Brompton ETF's income from sources in that country.

Any loss of a Brompton ETF for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Holder.

On the disposition or deemed disposition of a Unit of a Brompton ETF, including on a redemption, a Holder will realize a capital gain (or capital loss) to the extent that the Holder's proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit. For USD Units, proceeds of disposition and each component of adjusted cost base are calculated in Canadian dollars based on the currency exchange rate applicable for purposes of the Tax Act at the time of the particular transaction. For the purpose of determining the adjusted cost base of a Holder's Units of a class of a Brompton ETF, when additional Units of that class of the Brompton ETF are acquired by the Holder (as a result of a distribution by a Brompton ETF in the form of Units, a reinvestment in Units of a Brompton ETF pursuant to the distribution reinvestment plan of each Brompton ETF or otherwise), the cost of the newly acquired Units of the Brompton ETF will be averaged with the adjusted cost base of all Units of the same class of the Brompton ETF owned by the Holder as capital property immediately before that time. For this purpose, the cost of Units that have been issued on a distribution will generally be equal to the amount of the distribution. A consolidation of Units of a Brompton ETF following a distribution paid in the form of additional Units of the Brompton ETF as described under "Distribution Policy" will not be regarded as a disposition of Units of the Brompton ETF and will not affect the aggregate adjusted cost base to a Holder. Any additional Units acquired by a Holder on the reinvestment of distributions will generally have a cost equal to the amount reinvested.

In the case of an exchange of Units of a Brompton ETF for a Basket of Securities, a Holder's proceeds of disposition of Units of the Brompton ETF would generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received, less any capital gain realized by the Brompton ETF on the disposition of such distributed property. The cost to a Holder of any property received from the Brompton ETF upon the exchange will generally be equal to the fair market value of such property at the time of the distribution. In the case of an exchange of Units for a Basket of Securities, the investor may receive securities that may or may not be qualified investments under the Tax Act for Registered Plans. If such securities are not qualified investments for Registered Plans, such Registered Plans (and, in the case of certain Registered Plans, the annuitants, beneficiaries or subscribers thereunder or holders thereof) may be subject to adverse tax consequences. Investors should consult their own tax counsel for advice on whether or not such securities would be qualified investments for Registered Plans.

In general, one-half of any capital gain (a "**taxable capital gain**") realized by a Holder on the disposition of Units of a Brompton ETF or a taxable capital gain designated by the Brompton ETF in respect of the Holder for a taxation year of the Holder will be included in computing the Holder's income for that year and one-half of any capital loss (an "**allowable capital loss**") realized by the Holder in a taxation year of the Holder generally must be deducted from taxable capital gains realized by the Holder in the taxation year or designated by the Brompton ETF in respect of the Holder for the taxation year in accordance with the detailed provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the provisions of the Tax Act.

Each Holder who delivers subscription proceeds consisting of a Basket of Securities will be disposing of securities in exchange for Units of a Brompton ETF. Assuming that such securities are held by the Holder as capital property for

purposes of the Tax Act, the Holder will generally realize a capital gain (or a capital loss) in the taxation year of the Holder in which the disposition of such securities takes place to the extent that the proceeds of disposition for such securities, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such securities to the Holder. For this purpose, the proceeds of disposition to the Holder of securities disposed of will equal the aggregate of the fair market value of the Units of the Brompton ETF received for the securities. The cost to a Holder of Units of a Brompton ETF acquired in exchange for a Basket of Securities and cash (if any) will be equal to the aggregate of the cash paid (if any) to the Brompton ETF plus the fair market value of the securities disposed of in exchange for Units at the time of disposition, which sum would generally be equal to or would approximate the fair market value of the Units received as consideration in exchange for a Basket of Securities and cash (if any).

Amounts designated by a Brompton ETF to a Holder of the Brompton ETF as taxable capital gains or dividends from taxable Canadian corporations may increase the Holder's liability for alternative minimum tax.

Where a Holder holds USD Units, any capital gain or capital loss for tax purposes on a disposition of such USD Units will be determined by converting the U.S. dollar cost and proceeds of disposition into Canadian dollars using the applicable rate of exchange on the date of acquisition and disposition, respectively.

### **Taxation of Registered Plans**

Distributions received by Registered Plans on Units and capital gains realized by Registered Plans on the disposition of Units are generally not taxable under Part I of the Tax Act provided the Units are "qualified investments" for the Registered Plan for purposes of the Tax Act.

Holders should consult with their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

Notwithstanding the foregoing, the holder of a TFSA, FHSA or RDSP, the annuitant of a RRSP or RRIF, or the subscriber of a RESP, will be subject to a penalty tax in respect of Units held by such TFSA, FHSA, RRSP, RDSP, RESP, or RRIF, as the case may be, if such Units are a "prohibited investment" for such Registered Plans for the purposes of the Tax Act. The Units of a Brompton ETF will not be a "prohibited investment" for a trust governed by a TFSA, FHSA, RRSP, RDSP, RESP, or RRIF unless the holder of the TFSA, FHSA or RDSP, the annuitant of the RRSP or RRIF, or the subscriber of the RESP, as applicable, (i) does not deal at arm's length with the Brompton ETF for purposes of the Tax Act, or (ii) has a "significant interest" as defined in the Tax Act in the Brompton ETF. Generally, a holder, an annuitant, or a subscriber, as the case may be, will not have a significant interest in a Brompton ETF unless the holder, the annuitant, or the subscriber, as the case may be, owns interests as a beneficiary under the Brompton ETF that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Brompton ETF, either alone or together with persons and partnerships with which the holder, the annuitant, or the subscriber, as the case may be, does not deal at arm's length. In addition, the Units of a Brompton ETF will not be a prohibited investment if such Units are "excluded property" as defined in the Tax Act for a trust governed by a TFSA, FHSA, RRSP, RDSP, RESP, or RRIF.

Holders, annuitants or subscribers should consult their own tax advisors with respect to whether Units of a Brompton ETF would be prohibited investments, including with respect to whether such Units would be excluded property.

### **Tax Implications of the Brompton ETF's Distribution Policy**

The NAV per Unit of a Brompton ETF will, in part, reflect any income and gains of the Brompton ETF that have accrued or have been realized, but have not been made payable at the time Units of the Brompton ETF were acquired. Accordingly, a Holder of a Brompton ETF who acquires Units of the Brompton ETF, including on a distribution of Units of the Brompton ETF or on a reinvestment in Units of a Brompton ETF, may become taxable on the Holder's share of such income and gains of the Brompton ETF. In particular, an investor who acquires Units of a Brompton ETF at any time in the year but prior to a distribution being paid or made payable will have to pay tax on the entire distribution (to the extent it is a taxable distribution) notwithstanding that such amounts may have been reflected in the price paid by the Holder for the Units.

## **INTERNATIONAL INFORMATION REPORTING**

The Brompton ETFs are required to comply with due diligence and reporting obligations imposed under amendments to the Tax Act that implemented the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention entered into by Canada and the U.S. (the "IGA"). As long as Units of the

Brompton ETFs continue to be registered in the name of CDS and regularly traded on the TSX, or any other established securities market, the Brompton ETFs should not have any U.S. reportable accounts and, as a result, should not be required to provide information to the CRA in respect of its Unitholders. However, dealers through which Unitholders hold their Units are subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Unitholders (and, if applicable, the controlling person(s) of a Unitholder) may be requested to provide information to their dealer to identify U.S. persons holding Units. If a Unitholder, or its controlling person(s), is a “Specified U.S. Person” as defined under the IGA (including a U.S. citizen who is a resident of Canada) or if the Unitholder fails to provide the required information and indicia of US status are present, Part XVIII of the Tax Act will generally require information about the Unitholder’s investments held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a Registered Plan (other than a FHSA). The tax legislation applicable to FHSAs does not address whether FHSAs would be treated in the same way as other Registered Plans for these purposes. The CRA will then provide that information to the U.S. Internal Revenue Service (the “IRS”). The CRA and the Department of Finance have engaged with the IRS in relation to the possibility of exempting FHSAs from the due diligence and reporting obligations imposed under Part XVIII of the Tax Act. It is too early to confirm that bilateral agreement has been reached on this matter.

In addition, reporting obligations in the Tax Act have been enacted to implement the Organization for Economic Co-operation and Development Common Reporting Standard (the “CRS Rules”). Pursuant to the CRS Rules, Canadian financial institutions are required to have procedures in place to identify accounts held by tax residents of foreign countries other than the U.S. (“Reportable Jurisdictions”) or by certain entities any of whose “controlling persons” are tax residents of Reportable Jurisdictions. The CRS Rules provide that Canadian financial institutions must report certain account information and other personal identifying details of Unitholders (and, if applicable, of the controlling persons of such Unitholders) who are tax residents of Reportable Jurisdictions to the CRA annually. Such information would generally be exchanged on a reciprocal, bilateral basis with Reportable Jurisdictions in which the account holders or such controlling persons are tax resident under the provisions and safeguards of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Under the CRS Rules, Unitholders will be required to provide such information regarding their investment in the Brompton ETFs to their dealer for the purpose of such information exchange, unless the investment is held within a Registered Plan (other than a FHSA). The tax legislation applicable to FHSAs do not address whether FHSAs would be treated in the same way as other Registered Plans for these purposes. The Department of Finance has released certain proposed amendments which would exempt FHSAs from the provisions of Part XIX of the Tax Act that implement the CRS Rules; however, there can be no assurance that such proposed amendments will be enacted as proposed.

## **ORGANIZATION AND MANAGEMENT DETAILS OF THE BROMPTON ETFs**

### **Trustee, Manager and Promoter**

Brompton Funds Limited is the trustee, manager and promoter of the Brompton ETFs and is responsible for the management and administration of the Brompton ETFs. The Manager is registered with the Ontario Securities Commission as a portfolio manager, investment fund manager, exempt market dealer and commodity trading manager. The principal office of the Brompton ETFs and the Manager is located at 181 Bay Street, Suite 2930, Toronto, Ontario M5J 2T3.

### ***Duties and Services to be provided by the Manager***

Brompton Funds Limited is the trustee, manager and promoter of each of the Brompton ETFs and, as such, is responsible for providing managerial, administrative and compliance services to the Brompton ETFs including, without limitation, authorizing the payment of operating expenses incurred on behalf of the Brompton ETFs, preparing financial statements and financial and accounting information as required by the Brompton ETFs, ensuring that Unitholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time, ensuring that the Brompton ETFs comply with regulatory requirements and applicable stock exchange listing requirements, preparing the Brompton ETFs’ reports to Unitholders and the securities regulatory authorities, determining the amount of distributions to be made by the Brompton ETFs and negotiating contractual agreements with third-party providers of services, including the Sub-advisor, Designated Brokers, the Custodian, the Registrar and Transfer Agent, the auditor and printers.

The Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of Unitholders, and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent trustee and manager would exercise in similar circumstances.

The Manager may resign as trustee and/or manager of any of the Brompton ETFs upon sixty (60) days' notice to the Unitholders. If the Manager resigns it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by the Unitholders. If the Manager is in material default of its obligations under the Declaration of Trust and such default has not been cured within 30 days after notice of the same has been given to the Manager, the Unitholders may remove the Manager and appoint a successor trustee and/or manager.

The Manager is entitled to fees for its services as manager under the Declaration of Trust as described under "Fees and Expenses – Management Fees". In addition, the Manager and its affiliates and each of their directors, officers, employees and agents will be indemnified by each of the Brompton ETFs for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against any of them in the exercise of the Manager's duties under the Declaration of Trust, if they do not result from the Manager's wilful misconduct, bad faith, gross negligence or material breach of its obligations thereunder.

The management and trustee services of the Manager are not exclusive and nothing in the Declaration of Trust or any agreement prevents the Manager from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Brompton ETFs) or from engaging in other business activities.

The Manager has taken the initiative in founding and organizing the Brompton ETFs and is, accordingly, the promoter of the Brompton ETFs within the meaning of securities legislation of certain provinces and territories of Canada.

#### **Officers and Directors of the Manager**

The Board of Directors of the Manager consists of four members. Directors are appointed to serve on the Board of Directors until such time as they retire or are removed and their successors are appointed. There is no chairman of the Board of Directors of the Manager and instead the director who chairs meetings rotates among the directors. The name, municipality of residence, position with the Manager and principal occupation of each director and officer is set out below:

<u><i>Name and Municipality of Residence</i></u>	<u><i>Position with the Manager</i></u>	<u><i>Principal Occupation</i></u>
MARK A. CARANCI <sup>(1)(2)</sup> Toronto, Ontario	President, Chief Executive Officer, Ultimate Designated Person and Director	President and Chief Executive Officer, Brompton Funds
RAYMOND R. PETHER <sup>(1)</sup> Toronto, Ontario	Director	Chairman, Brompton Corp.
CHRISTOPHER S.L. HOFFMANN <sup>(1)</sup> Toronto, Ontario	Director	Director, Brompton Funds and private investor
ANN P. WONG <sup>(2)</sup> Toronto, Ontario	Chief Financial Officer, Chief Compliance Officer and Director	Chief Financial Officer and Chief Compliance Officer, Brompton Funds
LAURA LAU Toronto, Ontario	Chief Investment Officer	Chief Investment Officer, Brompton Funds
CHRISTOPHER CULLEN Toronto, Ontario	Senior Vice-President	Senior Vice-President, Brompton Funds
MICHELLE L. TIRABORELLI Toronto, Ontario	Senior Vice-President	Senior Vice-President, Brompton Funds
MICHAEL D. CLARE Toronto, Ontario	Senior Vice-President and Senior Portfolio Manager	Senior Vice-President, Brompton Funds
KATHRYN A. H. BANNER Toronto, Ontario	Senior Vice-President and Corporate Secretary	Senior Vice-President and Corporate Secretary, Brompton Funds
MANITH PHANVONGSA Toronto, Ontario	Senior Vice President	Senior Vice President

**Notes:**

(1) Member of the Audit Committee.

(2) Executive Officer.

**Sub-advisor (Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF only)**

Flaherty & Crumrine Incorporated (“**Flaherty & Crumrine**”) acts as investment sub-advisor to Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF and is responsible for implementing the investment strategy of such Brompton ETFs pursuant to the terms of the applicable Investment Sub-Advisory Agreement. The principal office of Flaherty & Crumrine is located at 301 East Colorado Boulevard, Suite 800, Pasadena, California 91101.

Investment sub-advisory services will initially be provided to Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF by an investment team led by R. Eric Chadwick and Bradford S. Stone as portfolio managers. The portfolio managers and the investment team have distinct and complementary skills and professional experience managing preferred shares and related securities.

### *Key Personnel of the Sub-advisor*

<b>Name</b>	<b>Position and years with the Sub-advisor</b>
R. ERIC CHADWICK	Portfolio Manager since 1999; President since September 2014, Vice President from August 2001 to September 2014; Director since March 2006
BRADFORD S. STONE	Portfolio Manager since May 2003; Executive Vice President and Chief Financial Officer since September 2014, Vice President from May 2003 to September 2014
CHAD C. CONWELL	Executive Vice President since September 2014, Vice President from July 2005 to September 2014; Director since February 2011; Chief Compliance Officer since September 2005; Chief Legal Officer since July 2005
RICK J. SETO	Managing Director since December 2011; Senior Credit Analyst from October 2003 to December 2011
LISA TUCCI	Managing Director since December 2011; Senior Credit Analyst from March 2005 to December 2011
GORDON RUSSO	Managing Director since December 2017; Senior Credit Analyst from December 2012 to December 2017
ROGER KO	Vice President & Trader since September 2013
JAMES CHEN	Senior Analyst since December 2020; Analyst from 2007 to December 2020

### *Details of the Investment Sub-Advisory Agreements*

Pursuant to the applicable Investment Sub-Advisory Agreement, the Sub-advisor manages the assets held by the Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF in accordance with the respective Brompton ETF's investment objectives and investment strategies and subject to its investment restrictions. Each Investment Sub-Advisory Agreement will continue indefinitely unless otherwise terminated in accordance with its terms. In consideration for the services provided by the Sub-advisor pursuant to the Investment Sub-Advisory Agreements, the Sub-advisor receives from the Manager a fee, in an amount to be agreed upon by the Manager and the Sub-advisor from time to time, payable out of the Management Fee payable in respect of the applicable Brompton ETF.

Under the Investment Sub-Advisory Agreements, the Sub-advisor is required to exercise its powers and discharge its duties honestly, in good faith and with a view to the best interests of Brompton Flaherty & Crumrine Investment Grade Preferred ETF or Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, as applicable, and must exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in comparable circumstances. The Sub-advisor will not be liable in carrying out its duties under the Investment Sub-Advisory Agreements, including for any loss or diminution in value of Brompton Flaherty & Crumrine Investment Grade Preferred ETF's or Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF's assets or any loss or damage caused to such Brompton ETFs or any Unitholder of such Brompton ETFs relating to permitted loans or indebtedness of the Brompton ETFs or for any insufficiency of income from or any depreciation in the value of any investments in or upon which any of the moneys of, or belonging to, Brompton Flaherty & Crumrine Investment Grade Preferred ETF or Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF shall be invested or by virtue of the acquisition or disposition of any such investments or for any other loss or damage to Brompton Flaherty & Crumrine Investment Grade Preferred ETF's and/or Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF's assets which may occur during or in the course of the performance by the Sub-advisor of its rights, duties, powers, discretions, authorities, obligations and responsibilities under the applicable Investment Sub-Advisory Agreement, except to the extent that the loss or damage results from the wilful misconduct, negligence or reckless disregard of the Sub-advisor's duties, obligations and responsibilities or if the Sub-advisor has failed to meet the standard of care set out above.

The Sub-advisor and each of its directors, officers, employees and agents will be indemnified and saved harmless by the Manager for all liabilities, costs and expenses incurred in connection with any claim, action, suit or proceeding that is proposed or commenced or any other claim that is made against the Sub-advisor or any of its officers, directors, employees or agents in the exercise of the Sub-advisor's duties if they do not result from the wilful misconduct,

negligence or reckless disregard of the Sub-advisor's duties, obligations and responsibilities or failure to meet its standard of care.

### **Brokerage Arrangements**

The Manager may utilize various brokers to effect securities transactions on behalf of the Brompton ETFs. These brokers may directly provide the Manager with research and related services, in addition to executing transactions. Although each Brompton ETF may not benefit equally from each research and related service received from a broker, the Manager will endeavour to ensure that all of the Brompton ETFs receive an equitable benefit over time. The Manager will monitor and evaluate the execution performance of its brokers with a view to determining whether steps should be taken to improve the quality of trade execution. When determining whether a broker should be added to the Manager's list of approved brokers, there are numerous factors that are considered including transaction cost, value of research, type and size of an order, speed and certainty of execution, responsiveness and trade matching quality.

Approved brokers will be monitored on a regular basis to ensure that the value of the goods and services, as outlined above, provides a reasonable benefit as compared to the amount of brokerage commissions paid for the goods and services.

With respect to Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, the Sub-advisor will seek to execute client securities trades on a best net execution basis, including an evaluation of the financial responsibility of the broker/dealer and its ability to complete the transaction. While depending on market conditions, transactions can be completed on either an agency or principal basis, most transactions in the preferred securities and corporate debt market (and consequently most transactions made by the Sub-advisor) are executed on a "net" basis, with a dealer acting as principal. For transactions completed on an agency or "plus commission" basis, best net execution is defined to take into account both commissions paid and the prices at which transactions are executed. Variations in commissions paid from transaction to transaction may reflect differences in the skill and difficulty involved in the execution of a particular order.

The Sub-advisor's trading desk is regularly in touch with the major dealers in preferred and corporate debt securities and is generally aware of the prices and sizes of these dealers' bids for and offers of such securities. Each transaction reflects what the Sub-advisor believes to be the best net execution available at that point in time taking all relevant market supply/demand factors into consideration.

It is the Sub-advisor's policy not to enter into soft dollar arrangements with broker-dealers. The Sub-advisor may receive research directly from brokers or dealers with whom it trades. In view of the Sub-advisor's own internal securities analysis resources, the receipt of brokerage research will not directly be given weight in the selection of a broker or dealer for any particular transaction. The Sub-advisor may, however, use the research to determine which brokers or dealers have the greatest interest or understanding of a particular securities issuer or market segment and the Sub-advisor may take such knowledge into account in the solicitation of bids or offers.

The Sub-advisor is registered as an investment adviser, not as a broker/dealer, and does not have any broker-dealer affiliates.

### **Conflicts of Interest**

The Declaration of Trust acknowledges that the Manager may provide services to the Brompton ETFs in other capacities, provided that the terms of any such arrangements are no less favourable to the Brompton ETFs than those which would be obtained from parties which are at arm's length for comparable services. The services of the Custodian and the officers and directors of the Custodian are not exclusive to the Brompton ETFs. The Custodian and its affiliates and associates (as defined in the *Securities Act* (Ontario)) may, at any time, engage in any other activity.

The Manager and its directors and officers engage in the promotion, management or investment management of other funds or trusts with investment objectives similar to the Brompton ETFs. The Manager acts as the investment advisor or administrator for other funds and may in the future act as the investment advisor to other funds which are considered competitors of the Brompton ETFs. The services of the Manager are not exclusive to the Brompton ETFs.

In addition, the directors and officers of the Manager may be directors, officers, shareholders or unitholders of one or more issuers in which the Brompton ETFs may acquire securities. The Manager or its affiliates may be a manager of one or more issuers in which the Brompton ETFs may acquire securities and may be managers or administrators of funds or ETFs with similar investment objectives as the Brompton ETFs. Although no director or officer of the Manager will devote his or her full time to the business and affairs of the Brompton ETFs, each director and officer



of the Manager will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) each Brompton ETF and the Manager, as applicable.

Other investment funds managed by the Manager may hold a portion of their net assets in Units of the Brompton ETFs, in accordance with such investment funds' investment strategies.

No person or entity that provides services to the Brompton ETFs or the Manager in relation to the Brompton ETFs is an affiliated entity of the Manager other than Brompton Corp., which provides premises and staff to the Manager. Brompton Corp. does not receive any fees from the Brompton ETFs. Each of the directors and officers of the Manager are also directors and officers of Brompton Corp.

Dealers and their affiliates may, at present or in the future, engage in business with the Brompton ETFs, the issuers of securities making up the portfolios of the Brompton ETFs, or with the Manager or any funds sponsored by the Manager or its affiliates, including by making loans, entering into derivative transactions or providing advisory or agency services. In addition, the relationship between any Dealer and its affiliates, and the Manager and its affiliates may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager or its affiliates.

### **Independent Review Committee**

The Manager has appointed an IRC for the Brompton ETFs pursuant to NI 81-107. The members of the IRC are currently Ken S. Woolner, Patricia Meredith and Raj Kothari. Mr. Woolner is the Chair of the IRC and is the primary IRC member who interacts with the Manager.

The mandate and responsibilities of the IRC are set out in its charter. The IRC is responsible for carrying out those responsibilities required to be undertaken by an IRC under NI 81-107, in particular:

- (a) reviewing and providing input into the Manager's policies and procedures regarding conflict of interest matters, including any amendments to such policies and procedures referred to the IRC by the Manager;
- (b) approving or disapproving each conflict of interest matter referred by the Manager to the IRC for its approval;
- (c) providing its recommendation as to whether the Manager's proposed action on a conflict of interest matter referred by the Manager to the IRC for its recommendation achieves a fair and reasonable result for the Brompton ETF;
- (d) together with the Manager, providing orientation to new members of the IRC as required by NI 81-107;
- (e) conducting regular assessments as required by NI 81-107; and
- (f) reporting to the securityholders of the Brompton ETF, to the Manager and to regulators as required by NI 81-107.

In addition to its responsibilities and functions under NI 81-107, the IRC:

- (a) handles complaints and implements corrective action regarding accounting, internal accounting controls and auditing matters for the Manager, as more specifically set out in the whistleblower policy of the Manager; and
- (b) may, as more specifically set out in its charter, identify conflict of interest matters.

The members of the IRC also act as the members of the investment review committee for other investment funds managed or administered by the Manager.

Each Brompton ETF pays the fees of its respective IRC and has agreed to indemnify the members of the IRC against certain liabilities. The fees payable to members of the IRC are determined by the IRC based on a recommendation of the Manager. Members of the IRC are paid an annual retainer for acting as IRC members of all investment funds managed by the Manager, including the Brompton ETFs. Each IRC member receives an annual retainer of \$30,000 along with a per-meeting fee of \$1,000 per meeting attended. The fees are allocated among all investment funds managed by the Manager in a manner that is fair and reasonable. Fees paid to the IRC in 2023 in respect of the

Brompton ETFs were \$8,129.00 for each of Mr. Woolner, Ms. Meredith and Mr. Kothari. No expenses were paid by the Brompton ETFs in 2023 to members of the IRC.

The IRC is subject to requirements to conduct regular assessments and, for each financial year of the Brompton ETFs, will prepare a report to Unitholders that describes the IRC and its activities for the financial year. A copy of this report can be obtained from the Manager upon request, at no cost, by contacting the Manager at [info@bromptongroup.com](mailto:info@bromptongroup.com). A copy is also available on the Manager's website at [www.bromptongroup.com](http://www.bromptongroup.com) or on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Custodian**

CIBC Mellon Trust Company, at its principal office in Toronto, Ontario, is the custodian of the assets of each of the Brompton ETFs pursuant to a Custodial Services Agreement. The Custodian may employ qualified foreign sub-custodians in each jurisdiction in which the Brompton ETFs have securities, as considered appropriate in the circumstances. The Manager or the Custodian may terminate the Custodial Services Agreement in respect of a Brompton ETF without any penalty: (a) subject to any penalties contained in the written agreement of fees and expenses between the Manager and the Custodian, upon at least 90 days' written notice to the other party, or (b) immediately, if the other party becomes insolvent, or makes an assignment for the benefit of creditors, or a petition in bankruptcy is filed by or against that party and is not discharged within 30 days, or proceedings for the appointment of a receiver for that party are commenced and not discontinued within 30 days.

The Custodian is entitled to receive fees from the Manager as described under "Fees and Expenses – Fees and Expenses Payable by the Brompton ETFs – Operating Costs and Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Brompton ETFs.

### **Auditor**

The auditor of the Brompton ETFs is PricewaterhouseCoopers LLP located at its principal offices in Toronto, Ontario. The auditor of the Brompton ETFs may not be changed unless the IRC has approved the change and Unitholders have received at least sixty (60) days' notice before the effective date of the change, or as otherwise required by Canadian Securities Legislation.

### **Registrar and Transfer Agent**

TSX Trust Company, at its principal offices in Toronto, Ontario, is the Registrar and Transfer Agent for the Units of each of the Brompton ETFs.

### **Securities Lending Agents**

The Canadian Imperial Bank of Commerce and the Bank of New York Mellon (the "**Lending Agents**") may act as the securities lending agents for the Brompton ETFs pursuant to a securities lending authorization agreement in respect of each Brompton ETF (each a "**Securities Lending Agreement**"). The Lending Agents are not affiliates or associates of the Manager. The Manager or the Lending Agents may terminate the Securities Lending Agreement upon thirty (30) days' written notice to the other parties at any time.

Under the Securities Lending Agreement, the collateral posted by a securities borrower to the Brompton ETF will be required to have an aggregate value of not less than 102% of the market value of the loaned securities. In addition to the collateral held by the Brompton ETF, the Brompton ETF will also benefit from a borrower default indemnity provided by the Lending Agents. The Lending Agents' indemnity will provide for the replacement of a number of securities equal to the number of unreturned loaned securities, or will provide credit to the Brompton ETF in the amount of the market value of such unreturned loaned securities as determined at the close of business on the date on which such securities were required to be returned.

### **Prime Broker**

RBC Dominion Securities Inc. acts as prime broker in respect of Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF's, Brompton Enhanced Multi-Asset Income ETF's and Brompton Split Corp. Preferred Share ETF's margin facilities. The Prime Broker provides margin lending to Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, Brompton Enhanced Multi-Asset Income ETF and Brompton Split Corp. Preferred Share ETF to accommodate redemptions or settle portfolio transactions and to acquire additional portfolio holdings. The Prime Broker is located in Toronto, Ontario.

## **Promoter**

The Manager has taken the initiative in founding and organizing or reorganizing, as the case may be, the Brompton ETFs and is, accordingly, the promoter of the Brompton ETFs within the meaning of securities legislation of certain provinces and territories of Canada. The Manager, in its capacity as manager of the Brompton ETFs, receives compensation from the Brompton ETFs. See “Fees and Expenses – Fees and Expenses Payable by the Brompton ETF – Management Fee”.

## **CALCULATION OF NET ASSET VALUE**

The Manager calculates, or will arrange for the calculation of, the NAV per Unit of each Brompton ETF as at the close of business on each Valuation Date. The Valuation Date will be each business day.

### **Valuation Policies and Procedures of the Brompton ETFs**

For reporting purposes other than financial statements, the NAV of each class of Units of a Brompton ETF on a Valuation Date will be equal to (i) the Total Assets allocated to the class pro rata less (ii) the aggregate value of the liabilities allocated to the class pro rata. The NAV per Unit of a class of a Brompton ETF on a Valuation Date will be calculated by dividing the NAV attributable to the Units of such class on such Valuation Date by the total number of Units of such class issued and outstanding on such Valuation Date. The NAV per Unit of each Brompton ETF will be determined in the currency in which the Units are denominated. Any value associated with currency forward agreements entered into by a Brompton ETF will not be allocated to the USD units of the Brompton ETF.

Unless otherwise required by law, for the purpose of calculating the NAV on a Valuation Date, the Total Assets on such Valuation Date will be determined as follows:

- (a) the value of any cash on hand or on deposit, bill, demand note, account receivable, prepaid expense, distribution, or other amount receivable (or declared to holders of record of securities owned by the Brompton ETF on a date before the Valuation Date as at which the Total Assets are being determined, and to be receivable) and interest accrued and not yet received will be deemed to be the full amount thereof provided that if the Manager has determined that any such deposit, bill, demand note, account receivable, prepaid expense, distribution, or other amount receivable (or declared to holders of record of securities owned by the Brompton ETF on a date before the Valuation Date as at which the Total Assets are being determined, and to be receivable) or interest accrued and not yet received is not otherwise worth the full amount thereof, the value thereof will be deemed to be such value as the Manager determines to be the fair market value thereof;
- (b) the value of any security, index future or index option which is listed or traded upon a stock exchange (or if more than one, on the principal stock exchange for the security, as determined by the Manager) will be determined by taking the latest available sale price of recent date, or lacking any recent sales or any record thereof, the simple average of the latest available ask price and the latest available bid price (unless in the opinion of the Manager such value does not reflect the value thereof and in which case the latest ask price or bid price will be used), as at the Valuation Date on which the Total Assets are being determined, all as reported by any means in common use;
- (c) the value of any security which is traded over-the-counter will be priced at the average of the last bid and ask prices quoted by a major dealer or recognized information provider in such securities;
- (d) the value of any security or other asset for which a market quotation is not readily available will be its fair market value on the Valuation Date on which the Total Assets are being determined as determined by the Manager (generally the Manager will value such security or other asset at cost until there is a clear indication of an increase or decrease in value);
- (e) any market price reported in currency other than Canadian dollars will be converted into Canadian currency at the rate of exchange available from the Custodian on the Valuation Date on which the Total Assets are being determined;
- (f) listed securities subject to a hold period will be valued as described above with an appropriate discount as determined by the Manager and investments in private companies and other assets for which no published market exists will be valued at fair market value as determined by the Manager;

- (g) the value of any forward contract, futures, swaps, options or other derivatives will be the value that would be realized by the Brompton ETF if, on the date on which the Total Assets are being determined, such derivative was closed out in accordance with its terms;
- (h) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Brompton ETF shall be reflected as a deferred credit that shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation of such options shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the NAV. The securities, if any, which are the subject of a written clearing corporation option, or over-the counter option shall be valued at their then current market value; and
- (i) the value of any security or property to which, in the opinion of the Manager, the application of the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) will be the fair market value thereof determined in good faith in such manner as the Manager from time to time adopts.

### **Reporting of Net Asset Value**

The NAV per Unit of each Brompton ETF will be provided to Unitholders on request, at no cost, by calling 1-866-642-6001 and will be made available on the Manager's website at [www.bromptongroup.com](http://www.bromptongroup.com). Each Brompton ETF will also make its NAV per Unit of available to the financial press for publication on a daily basis.

## **ATTRIBUTES OF THE SECURITIES**

### **Description of the Securities Distributed**

Each Brompton ETF is authorized to issue an unlimited number of classes or series of redeemable, transferable Units, each of which represents an undivided interest in the net assets of that Brompton ETF. Currently each Brompton ETF offers an unlimited number of CAD Units. The CAD Units of the Brompton ETFs are denominated in Canadian dollars.

Brompton Global Healthcare Income & Growth ETF, Brompton Tech Leaders Income ETF, Brompton Flaherty & Crumrine Investment Grade Preferred ETF, Brompton North American Financials Dividend ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF also offer an unlimited number of USD Units.

The USD Units are identical to the CAD Units of such Brompton ETFs except that (a) the USD Units are denominated in U.S. dollars whereas the CAD Units are denominated in Canadian dollars, and (b) any exposure that the portion of the Brompton ETF's portfolio which is allocable to the USD Units has to foreign currencies will not be hedged.

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any default, obligation or liability of the trust if, when the default occurs or the liability arises: (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of the province of Ontario. Each Brompton ETF is a reporting issuer under the *Securities Act* (Ontario) and each Brompton ETF is governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust.

### ***Certain Provisions of the Units***

Each Unit entitles the holder thereof to one vote at meetings of Unitholders and to participate equally with all other Units of the same class of the Brompton ETF with respect to all payments made to Unitholders, other than, if applicable, Management Fee Distributions including distributions of Net Income and Net Realized Capital Gains and, on liquidation, to participate equally in the net assets of the Brompton ETF remaining after satisfaction of any outstanding liabilities that are attributable to Units of that class of the Brompton ETF. Notwithstanding the foregoing, a Brompton ETF may allocate and designate as payable certain capital gains to a Unitholder whose Units are being redeemed or exchanged as described under "Exchange and Redemption of Units – Allocations of Capital Gains to Redeeming or Exchanging Unitholders". All Units will be fully paid, with no liability for future assessments, when issued and will not be transferable except by operation of law. Unitholders are entitled to require a Brompton ETF to redeem their Units of such Brompton ETF as outlined under "Exchange and Redemption of Units – Redemption of Units of a Brompton ETF for Cash".

### ***Exchange of Units for Baskets of Securities***

As set out under “Exchange and Redemption of Units – Exchange of Units of a Brompton ETF at Net Asset Value per Unit for Cash”, Unitholders may exchange the applicable PNU (or an integral multiple thereof) of a Brompton ETF on any Trading Day for Baskets of Securities and/or cash, subject to the requirement that a minimum PNU be exchanged. An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of a Brompton ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of that Brompton ETF. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the TSX (or any other marketplace on which the Units of a Brompton ETF may be traded).

### ***Redemptions of Units for Cash***

On any Trading Day, Unitholders of a Brompton ETF may redeem (i) Units of such Brompton ETF for cash at a redemption price per Unit equal to the lesser of: (a) 95% of the closing price for the Units on the TSX (or any other exchange on which the Units of a Brompton ETF may be listed) on the effective day of the redemption; and (b) the NAV per Unit. Because Unitholders of a Brompton ETF will generally be able to sell Units of such Brompton ETF at the market price on the TSX (or any other marketplace on which the Units of a Brompton ETF may be traded) through a registered broker or dealer subject only to customary brokerage commissions, Unitholders of a Brompton ETF are advised to consult their brokers, dealers or investment advisors before redeeming such Units for cash. No fees or expenses are paid by Unitholders of a Brompton ETF to the Manager or the Brompton ETFs in connection with selling Units of a Brompton ETF on the TSX (or any other marketplace on which the Units of a Brompton ETF may be traded).

### ***Modification of Terms***

All rights attached to the Units may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See “Unitholder Matters – Amendments to the Declaration of Trust”.

The Manager may amend the Declaration of Trust from time to time to redesignate the name of a Brompton ETF or to create a new class or series of Units of a Brompton ETF without notice to existing Unitholders of the Brompton ETFs.

### ***Voting Rights in the Portfolio Securities***

Unitholders will not have any voting rights in respect of the securities in a Brompton ETF’s portfolio.

## **INVESTMENT RISK CLASSIFICATION METHODOLOGY**

In accordance with NI 41-101, the investment risk level of each Brompton ETF is required to be determined in accordance with a standardized risk classification methodology that is based on the Brompton ETF’s historical volatility as measured by the 10-year standard deviation of the returns of the Brompton ETF. Each Brompton ETF (other than Brompton Tech Leaders Income ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF) currently has less than 10 years of performance history, and accordingly the 10-year standard deviation has been calculated by using the return history of the Brompton ETF and imputing the return history for a reference index (the “**Reference Index**”) for the remainder of the 10-year period. The chart below describes the risk rating for each Brompton ETF and the Reference Index, if any, used to determine the risk rating. A brief description of each Reference Index is provided below.

<b>Brompton ETF</b>	<b>Risk Rating</b>	<b>Reference Index Used</b>
Brompton Global Healthcare Income & Growth ETF	Medium	<p>The risk classification of the Brompton ETF is based on the returns of the Brompton ETF and the MSCI World Health Care Index.</p> <p>The MCSI World Health Care Index represents the healthcare industry group of the MSCI World Index. The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets.</p>

<b>Brompton ETF</b>	<b>Risk Rating</b>	<b>Reference Index Used</b>
Brompton Tech Leaders Income ETF	Medium to high	n/a
Brompton European Dividend Growth ETF	Medium	<p>The risk classification of the Brompton ETF is based on the returns of the Brompton ETF and the STOXX Europe 600 Index.</p> <p>The STOXX Europe 600 Index is a subset of the STOXX Global 1800 Index, representing large, mid and small capitalization companies across 17 European developing countries.</p>
Brompton Flaherty & Crumrine Investment Grade Preferred ETF	Low to medium	<p>The risk classification of the Brompton ETF is based on the returns of the Brompton ETF and the blended returns of: (a) 75% US Preferred Share Index (as defined below) and (b) 25% S&amp;P/TSX Preferred Share Index.</p> <p>The “US Preferred Share Index” is comprised as follows: (i) prior to July 2015, 50% ICE BofAML US Capital Securities US Issuers 8% Constrained Index and 50% ICE BofAML Hybrid Preferred Securities 8% Constrained Index; and (ii) beginning July 2015, ICE BofA Merrill Lynch 8% Constrained Core West Preferred &amp; Jr Subordinated Securities Index.</p> <p>The ICE BofA Merrill Lynch US Capital Securities US Issuers 8% Constrained Index, ICE BofA Merrill Lynch Hybrid Preferred Securities 8% Constrained Index, and ICE BofA Merrill Lynch 8% Constrained Core West Preferred &amp; Jr Subordinated Securities Index are indices which track the performance of the returns of the Brompton ETF and the investment grade and high yield U.S. dollar denominated preferred securities and deeply subordinated corporate debt.</p> <p>The S&amp;P/TSX Preferred Share Index is an index designed to track to the performance of the Canadian preferred share market.</p>
Brompton Global Dividend Growth ETF	Medium	<p>The risk classification of the Brompton ETF is based on the returns of the Brompton ETF and the returns of the MSCI World Index.</p> <p>The MSCI World Index is a broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries.</p>
Brompton North American Financials Dividend ETF	Medium to high	<p>The risk classification of the Brompton ETF is based on the returns of the Brompton ETF and the blended return of: (a) 50% S&amp;P/TSX Financials Index and (b) 50% S&amp;P 500 Financials Index.</p> <p>The S&amp;P/TSX Financials Index is designed to measure the performance of Canadian financial sector equity securities included in the S&amp;P/TSX Composite Index.</p> <p>The S&amp;P 500 Financials Index is designed to measure the performance of U.S. financial sector equity securities included in the S&amp;P 500 Index.</p>
Brompton Sustainable Real Assets Dividend ETF	Medium	<p>The risk classification of the Brompton ETF is based on the returns of the Brompton ETF and the returns of the S&amp;P Real Assets Equity Index.</p>

Brompton ETF	Risk Rating	Reference Index Used
		<p>The S&amp;P Real Assets Equity Index is an index designed to track to the performance of real return strategies that invest in listed global property, infrastructure, natural resources, timber and forestry companies.</p>
<p>Brompton North American Low Volatility Dividend ETF</p>	<p>Medium</p>	<p>The risk classification of the Brompton ETF is based on the returns of the Brompton ETF and the returns of the MSCI US Minimum Volatility Index. Prior to January 1, 2021, the risk classification of the Brompton ETF was based on the returns of the S&amp;P 500 Low Volatility Index. The MSCI USA Minimum Volatility Index more closely aligns to the investment strategy of the Brompton ETF.</p> <p>The MSCI USA Minimum Volatility Index aims to reflect the performance characteristics of a minimum variance strategy applied to the large and mid-capitalization U.S. equities universe.</p>
<p>Brompton Flaherty &amp; Crumrine Enhanced Investment Grade Preferred ETF</p>	<p>Medium</p>	<p>n/a</p>
<p>Brompton Enhanced Multi-Asset Income ETF</p>	<p>Medium</p>	<p>The risk classification of the Brompton ETF is based on the returns of the Brompton ETF and the blended returns of: (a) 70% MSCI World Index; (b) 20% US Preferred Share Index; and (c) 10% based on the equal weighted 10 year total return performance of the Split Corp. Preferred Shares of Brompton Split Banc Corp., Life &amp; Banc Split Corp., Dividend Growth Split Corp. and Brompton Lifeco Split Corp.</p> <p>The MSCI World Index is a broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries.</p> <p>The US Preferred Share Index is comprised as follows: (i) prior to July 2015, 50% ICE BofAML US Capital Securities US Issuers 8% Constrained Index and 50% ICE BofAML Hybrid Preferred Securities 8% Constrained Index; and (ii) beginning July 2015, ICE BofA Merrill Lynch 8% Constrained Core West Preferred &amp; Jr Subordinated Securities Index.</p> <p>The ICE BofA Merrill Lynch US Capital Securities US Issuers 8% Constrained Index, ICE BofA Merrill Lynch Hybrid Preferred Securities 8% Constrained Index, and ICE BofA Merrill Lynch 8% Constrained Core West Preferred &amp; Jr Subordinated Securities Index are indices which track the performance of investment grade and high yield U.S. dollar denominated preferred securities and deeply subordinated corporate debt.</p>
<p>Brompton Split Corp. Preferred Share ETF</p>	<p>Low</p>	<p>The risk classification of the Brompton ETF is based on the returns of the Brompton ETF and the Index One Split Preferred Share Index (the “<b>Index</b>”). The Index tracks the performance of a universe of preferred shares issued by Canadian split share corporations listed on an exchange in Canada. The Index is market capitalization weighted with a maximum index weight of 18% per issuer.</p>

Unitholders should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of a Brompton ETF, as set out above, is reviewed annually and anytime it is no longer reasonable in the circumstances. The standardized risk classification methodology used to identify the investment risk level of the Brompton ETFs is available on request, at no cost, by calling (416) 642-6000 or toll-free at 1-866-642-6001 or by email at [info@bromptongroup.com](mailto:info@bromptongroup.com).

## UNITHOLDER MATTERS

### Meetings of Unitholders

Meetings of Unitholders of a Brompton ETF will be held if called by the Manager or upon the written request to the Manager of Unitholders of the applicable Brompton ETF holding not less than 25% of the then outstanding Units of the Brompton ETF (or the applicable class of the Brompton ETF, as the case may be). A separate class vote will be held if a proposal affects holders of Units of one class differently from holders of Units of the other class.

### Matters Requiring Unitholder Approval

Under the Declaration of Trust, Unitholders of a Brompton ETF will be entitled to vote on any matter that pursuant to Canadian Securities Legislation must be submitted to Unitholders for approval. NI 81-102 requires that Unitholders of a Brompton ETF approve the following:

- (a) any change to the basis of the calculation of a fee or expense that is charged to the Brompton ETF or directly to its Unitholders if such change could result in an increase in charges to the Brompton ETF or its Unitholders, except where:
  - (i) the Brompton ETF is at arm's length with the person or company charging the fee or expense; and
  - (ii) the Unitholders have received at least 60 days' written notice before the effective date of the change;
- (b) the introduction of a fee or expense, to be charged to a Brompton ETF or directly to its Unitholders by the Brompton ETF or the Manager in connection with the holding of Units of the Brompton ETF that could result in an increase in charges to the Brompton ETF or its Unitholders (which would not include expenses associated with complying with governmental or regulatory requirements introduced after the date the Brompton ETF was created), except where:
  - (i) the Brompton ETF is at arm's length with the person or company charging the fee or expense; and
  - (ii) the Unitholders have received at least sixty (60) days' written notice before the effective date of the change;
- (c) any change to the Manager, unless the new manager of the Brompton ETF is an affiliate of the Manager;
- (d) any change to the fundamental investment objective of the Brompton ETF;
- (e) the decrease in the frequency of the calculation of the Brompton ETF's NAV per Unit;
- (f) the undertaking by the Brompton ETF of a reorganization with, or transfer of its assets to, another issuer, if the Brompton ETF ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of the Brompton ETF becoming securityholders in the other issuer, unless:
  - (i) the IRC of the Brompton ETF has approved the change;
  - (ii) the Brompton ETF is being reorganized with, or its assets are being transferred to, another investment fund that is managed by the Manager, or an affiliate of the Manager;
  - (iii) the Unitholders have received at least sixty (60) days' written notice before the effective date of the change;



- (iv) the transaction complies with certain other requirements of applicable securities legislation;
- (g) the undertaking by the Brompton ETF of a reorganization with, or acquisition of assets from, another issuer, if the Brompton ETF continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other issuer becoming Unitholders of the Brompton ETF and the transaction would be a material change to the Brompton ETF; and
- (h) a restructuring of the Brompton ETF into a non-redeemable investment fund or an issuer that is not an investment fund.

Approval of Unitholders of a Brompton ETF of any such matter will be given if a majority of the votes cast at a meeting of Unitholders of the Brompton ETF duly called and held for the purpose of considering the same approve the related resolution.

The auditor of a Brompton ETF may be changed without the prior approval of the Unitholders of the Brompton ETF provided that the IRC approves the change and Unitholders of the Brompton ETF are sent written notice at least 60 days before the effective date of the change.

Except as otherwise required by law, meetings of Unitholders of a Brompton ETF will be held if called by the Manager upon written notice of not less than twenty-one (21) days before the meeting.

Notice of all meetings of Unitholders of a Brompton ETF will be given in accordance with applicable law. The quorum for a meeting of Unitholders of a Brompton ETF is two or more Unitholders of a Brompton ETF present in person or represented by proxy holding not less than 5% of the Units of the Brompton ETF then outstanding. In the event that such quorum is not present within one-half hour after the time called for a meeting, the meeting, if convened upon the request of a Unitholder of the Brompton ETF or for the purpose of a change in the manager of the Brompton ETF(s) unless the new manager of the Brompton ETF(s) is an affiliate of the manager of the Brompton ETF(s), will be dissolved, but in any other case, the meeting will stand adjourned to such day no more than 14 days later and to such time and place as may be appointed by the chairman of the meeting (which for greater certainty can be at a later time on the date of the originally scheduled meeting), and if at such adjourned meeting a quorum is not present, the Unitholders of the Brompton ETF present in person or by proxy at such adjourned meeting will be deemed to constitute a quorum.

#### **Amendments to the Declaration of Trust**

The Manager may amend the Declaration of Trust from time to time but may not, without the approval of a majority of the votes of Unitholders of the Brompton ETF voting at a meeting of Unitholders duly called for such purpose, make any amendment relating to any matter in respect of which NI 81-102 requires a meeting, as set out above, or any amendment that will adversely affect the voting rights of Unitholders. All Unitholders of a Brompton ETF shall be bound by an amendment affecting the Brompton ETF from the effective date of the amendment.

#### **Permitted Mergers**

A Brompton ETF may, without Unitholder approval, enter into a merger or other similar transaction (a “**Permitted Merger**”) that has the effect of combining that Brompton ETF with any other investment fund or funds that have investment objectives, valuation procedures and fee structures that are similar to the Brompton ETF, subject to:

- (a) approval of the merger by the IRC;
- (b) compliance with certain merger pre-approval conditions set out in NI 81-102; and
- (c) written notice being sent to Unitholders at least sixty (60) days before the effective date of the merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective net asset values and Unitholders of the Brompton ETF will be offered the right to redeem their Units for cash at the applicable NAV per Unit.

#### **Accounting and Reporting to Unitholders**

The fiscal year-end of the Brompton ETFs is December 31. The Brompton ETFs will deliver or make available to Unitholders: (i) audited annual financial statements; (ii) unaudited interim financial statements; and (iii) annual and

interim management reports of fund performance. Such documents are, or will be, incorporated by reference into, and form an integral part of, this prospectus. See “Documents Incorporated by Reference”.

Each Unitholder will also be mailed annually, by his, her or its broker, as and when required under applicable law, information necessary to enable such Unitholder to complete an income tax return with respect to amounts paid or payable by each Brompton ETF owned by such Unitholder in respect of the preceding taxation year of such Brompton ETF. Neither the Manager nor the Registrar and Transfer Agent are responsible for tracking the adjusted cost base of a Unitholder’s Units. Unitholders should consult with their tax or investment adviser in respect of how to compute the adjusted cost base of their Units and in particular how distributions made by the Brompton ETF to a Unitholder affect the Unitholder’s tax position. See “Income Tax Considerations”.

The Manager will ensure that each Brompton ETF complies with all applicable reporting and administrative requirements. The Manager will also ensure that adequate books and records are kept reflecting the activities of each Brompton ETF. A Unitholder or his, her or its duly authorized representative has the right to examine the books and records of the applicable Brompton ETF during normal business hours at the offices of the Manager. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Brompton ETFs.

### **TERMINATION OF THE BROMPTON ETFs**

A Brompton ETF may be terminated by the Manager on at least sixty (60) days’ notice to Unitholders of such termination and the Manager will issue a press release in advance thereof. Upon termination of a Brompton ETF, the Constituent Securities, cash and other assets remaining after paying or providing for all liabilities and obligations of the Brompton ETF shall be distributed pro rata among the Unitholders of the Brompton ETF.

The rights of Unitholders to exchange and redeem Units described under “Exchange and Redemption of Units – Exchange of Units of a Brompton ETF at Net Asset Value per Unit for Baskets of Securities and/or Cash” and “Exchange and Redemption of Units – Redemption of Units of a Brompton ETF for Cash” will cease as and from the date of termination of that Brompton ETF.

### **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

The Manager receives fees for its services to the Brompton ETFs. See “Fees and Expenses – Fees and Expenses Payable by the Brompton ETF – Management Fee”.

### **RELATIONSHIP BETWEEN THE BROMPTON ETFs AND THE DEALERS**

The Manager, on behalf of a Brompton ETF, may enter into various agreements with registered dealers (that may or may not be the Designated Broker) pursuant to which the Dealers may subscribe for Units of the Brompton ETF as described under “Purchases of Units”. Such Dealers may be related to the Manager. See “Conflicts of Interest”.

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Broker and the Dealers do not perform many of the usual underwriting activities in connection with the distribution by the Brompton ETFs of their Units under this prospectus. Units of a Brompton ETF do not represent an interest or an obligation of the Designated Broker, any Dealer or any affiliate thereof and a Unitholder does not have any recourse against any such parties in respect of amounts payable by a Brompton ETF to the Designated Broker or applicable Dealers. See “Organization and Management Details of the Brompton ETFs - Conflicts of Interest”.

The Designated Broker or a Dealer that has entered into an agreement with the Manager, on behalf of a Brompton ETF, may act as an agent or underwriter in connection with a follow-on offering of one or more of the investment funds that a Brompton ETF may invest in from time to time and, in connection therewith, be paid a fee based on the number of securities of the investment fund which are sold through such Designated Broker or Dealer, acting as agent or underwriter in the offering, as the case may be.

## PRINCIPAL HOLDERS OF UNITS

CDS & Co., the nominee of CDS, is the registered owner of the Units of the Brompton ETFs, which it holds for various brokers and other persons on behalf of their clients and others. From time to time, the Designated Broker, Dealers, or another investment fund managed by the Manager or an affiliate thereof, may beneficially own, directly or indirectly, more than 10% of the Units of a class of a Brompton ETF.

To the knowledge of the Manager, as of December 31, 2023, no person beneficially owns, directly or indirectly, or exercises control or direction of Units carrying more than 10% or more of the voting rights attached to the outstanding Units of a Brompton ETF other than the following:

Fund	Unitholder	% of Units Held
Brompton Sustainable Real Assets Dividend ETF – CAD Units	Sustainable Power & Infrastructure Split Corp.	16.4%
Brompton Sustainable Real Assets Dividend ETF – CAD Units	Brompton Enhanced Multi-Asset Income ETF	37.5%
Brompton Global Dividend Growth ETF – CAD Units	Dividend Growth Split Corp.	78.8%
Brompton North American Financials Dividend ETF – CAD Units	Brompton Split Banc Corp.	78.8%
Brompton North American Low Volatility Dividend ETF – CAD Units	Brompton Enhanced Multi-Asset Income ETF	69.4%
Brompton Flaherty & Crumrine Investment Grade Preferred ETF – CAD Units	Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF	58.5%
Brompton European Dividend Growth ETF – CAD Units	Brompton Enhanced Multi-Asset Income ETF	32.8%
Brompton Global Healthcare Income & Growth ETF – CAD Units	Brompton Enhanced Multi-Asset Income ETF	11.5%
Brompton North American Financials Dividend ETF – CAD Units	Brompton Enhanced Multi-Asset Income ETF	13.7%

## PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

The Manager has established policies and procedures with respect to the voting of proxies received from issuers of securities held in a Brompton ETF's portfolio. Subject to applicable law, the Manager's Proxy Voting Policy provides that the Manager will vote (or refrain from voting) proxies for each Brompton ETF for which it has voting power in the best economic interests of the Brompton ETF. The Proxy Voting Policy is not exhaustive and due to the variety of proxy voting issues that the Manager may be required to consider, are intended only to provide guidance and are not intended to dictate how proxies are to be voted in each instance. The Manager may depart from the Proxy Voting Policy in order to avoid voting decisions that may be contrary to the best interests of the Brompton ETFs.

With respect to Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, such Brompton ETFs have adopted the Sub-advisor's proxy voting policies and procedures. The Sub-advisor's proxy voting policy is guided by the principle that, in those cases where it has proxy voting authority, it will vote proxies, and take such other corporate actions, consistent with the interest of its clients in a manner free of conflicts of interest. For purposes of decision making, the Sub-advisor will assume that each ballot for which it casts votes is the only security of an issuer held by the client. The Sub-advisor will reach its voting decisions independently, after appropriate investigation. It does not generally intend to delegate its decision making or to rely on the recommendations of any third party, although it may take such recommendations into consideration. The Sub-advisor may consult with such other experts, such as Certified Public Accountants, investment bankers, attorneys, etc., as it regards necessary to help it reach informed decisions. Ultimately, all voting decisions are made on a case-by-case basis, taking relevant considerations into account.

The Sub-advisor categorizes matters as either routine or non-routine, which definition may or may not precisely conform to the definitions set forth by securities exchanges or other bodies categorizing such matters. Routine matters would include such things as the voting for directors and the ratification of auditors and most shareholder proposals regarding social, environmental, and corporate responsibility matters. The Sub-advisor normally will vote in favor of management's recommendations on these routine matters.

Non-routine matters might include, without limitation, such things as (a) amendments to management incentive plans, (b) the authorization of additional common or preferred stock, (c) initiation or termination of barriers to takeover or acquisition, (d) mergers or acquisitions, (e) changes in the state of incorporation, (f) corporate reorganizations and (g) "contested" director slates. Non-routine matters will be voted on a case-by-case basis.

Preferred securities generally have voting rights only in the event that the issuer has not made timely payments of income and principal to shareholders or in the event that a corporation desires to effectuate some change in its articles of incorporation which might modify the rights of the preferred stockholders. Similarly, debt securities typically do not have express voting rights; however, issuers may seek consents to amendments of covenants or rights of the debt holders.

In deciding upon non-routine matters, having to do with the modification of the rights or protections, the Sub-advisor will attempt, wherever possible, to assess the costs and benefits of such modifications. In the case of the election of directors when timely payments to preferred shareholders have not been made ("contingent voting"), the Sub-advisor will cast its votes on a case-by-case basis after investigation of the qualifications and independence of the persons standing for election.

Routine matters regarding preferred stock are the exception, rather than the rule, and typically arise when the preferred and common shareholders vote together as a class on such matters as election of directors. The Sub-advisor will vote on a case-by-case basis, reflecting the principles set forth elsewhere in this document. However, in those instances (a) where the common shares of an issuer are held by a parent company and (b) where, because of that, the election outcome is not in doubt, the Sub-advisor does not intend to vote such proxies since the time and costs would outweigh the benefits.

The Sub-advisor will communicate with the Manager, and, if necessary, the IRC of the Brompton ETF, in instances when a material conflict of interest may be apparent between the Sub-advisor and the Brompton ETF regarding the matter being voted upon. The Sub-advisor will describe the nature of the conflict and give its voting recommendation.

The Manager will publish these records on an annual basis on the Manager's website at [www.bromptongroup.com](http://www.bromptongroup.com). Each Brompton ETF's proxy voting record for the annual period from July 1 to June 30 will be available at any time after August 31 following the end of that annual period, to any Unitholder on request, at no cost, and will also be available at [www.bromptongroup.com](http://www.bromptongroup.com).

## **MATERIAL CONTRACTS**

The only contracts material to Brompton ETFs are the Declaration of Trust and the Custodial Services Agreement and in respect of Brompton Flaherty & Crumrine Investment Grade Preferred ETF and Brompton Flaherty & Crumrine Enhanced Investment Grade Preferred ETF, the applicable Investment Sub-Advisory Agreement.

Copies of these agreements may be examined at the head office of the Manager at 181 Bay Street, Suite 2930, Toronto, Ontario M5J 2T3.

## **LEGAL AND ADMINISTRATIVE PROCEEDINGS**

The Brompton ETFs are not involved in any legal proceedings, nor is the Manager aware of existing or pending legal or arbitration proceedings involving the Brompton ETFs.

## **EXPERTS**

Osler, Hoskin & Harcourt LLP, legal counsel to the Brompton ETFs and the Manager, has provided certain legal opinions on the principal Canadian federal income tax considerations that apply to an investment in the Units of a Brompton ETF by an individual resident in Canada. See "Income Tax Considerations". As of the date hereof, partners

and associates of Osler, Hoskin & Harcourt LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of each of the Brompton ETFs.

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants is the auditor of the Brompton ETFs and has consented to the incorporation by reference of its report on the Brompton ETFs dated March 18, 2024. PricewaterhouseCoopers LLP has confirmed that it is independent with respect to the Brompton ETFs within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

### **EXEMPTIONS AND APPROVALS**

The Manager, on behalf of the Brompton ETFs, has obtained exemptive relief from the Canadian Securities Regulatory Authorities:

- (a) to permit a Unitholder to acquire more than 20% of the Units of a class of a Brompton ETF through purchases on the TSX (or any other marketplace on which the Units of a Brompton ETF may be traded) without regard to the takeover bid requirements of applicable Canadian Securities Legislation. See “Purchases of Units – Buying and Selling Units”;
- (b) to relieve the Brompton ETFs from the requirement that a prospectus contain a certificate of the underwriters; and
- (c) to permit Brompton Enhanced Multi-Asset Income ETF to purchase securities of Brompton Split Corp. Preferred Share ETF which holds more than 10% of its NAV in securities of other investment funds.

### **PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or for non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory.

Purchasers should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or consult with a legal advisor.

### **DOCUMENTS INCORPORATED BY REFERENCE**

Additional information about each of the Brompton ETFs is, or will be, available in the following documents:

- (a) the most recently filed comparative annual financial statements of the Brompton ETFs, together with the accompanying report of the auditors;
- (b) any unaudited interim financial statements of the Brompton ETFs filed after the most recently filed comparative annual financial statements of the Brompton ETFs;
- (c) the most recently filed annual MRFP of the Brompton ETFs;
- (d) any interim MRFP of the Brompton ETFs filed after that most recently filed annual MRFP of the Brompton ETFs; and
- (e) the most recently filed ETF Facts.

These documents are or will be incorporated by reference into this prospectus, which means that they legally form part of this document just as if they were printed as part of this document.

These documents are or will be available on the Manager's website at [www.bromptongroup.com](http://www.bromptongroup.com) or by contacting the Manager at (416) 642-6000 or toll-free at 1-866-642-6001 or by email at [info@bromptongroup.com](mailto:info@bromptongroup.com). These documents and other information about the Brompton ETFs are or will be available on the internet at [www.sedarplus.ca](http://www.sedarplus.ca).

In addition to the documents listed above, any documents of the type described above that are filed on behalf of the Brompton ETFs after the date of this prospectus and before the termination of the distribution of the Brompton ETFs are deemed to be incorporated by reference into this prospectus.

**CERTIFICATE OF THE BROMPTON ETFs, THE MANAGER AND PROMOTER**

Dated: March 27, 2024

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

**BROMPTON FUNDS LIMITED**  
(as manager of the Brompton ETFs)

*(signed) Mark A. Caranci*

Mark A. Caranci  
President and Chief Executive Officer

*(signed) Ann P. Wong*

Ann P. Wong  
Chief Financial Officer

On behalf of the Board of Directors  
of Brompton Funds Limited

*(Signed) Christopher S. L. Hoffmann*

Christopher S.L. Hoffmann  
Director

*(Signed) Raymond R. Pether*

Raymond R. Pether  
Director

**BROMPTON FUNDS LIMITED**  
(as promoter of the Brompton ETFs)

*(Signed) Mark A. Caranci*

Mark A. Caranci  
President and Chief Executive Officer