TSX: EDGF

BROMPTON FUNDS

Brompton European Dividend Growth ETF
Annual Report 2019

Equal-weight portfolio of large-capitalization European dividend growth companies.

VALUE INTEGRITY PERFORMANCE

- THE FOUNDATION FOR EXCELLENCE -

MANAGEMENT REPORT OF FUND PERFORMANCE

March 18, 2020

This annual management report of fund performance for Brompton European Dividend Growth ETF (the "Fund") contains financial highlights but does not contain the audited annual financial statements of the Fund. The audited annual financial statements follow this report. You may obtain a copy of the audited annual or unaudited interim financial statements, at no cost, by calling 1-866-642-6001 or by sending a request to Investor Relations, Brompton Funds, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Suite 2930, Box 793, Toronto, Ontario, M5J 2T3, or by visiting our website at www.bromptongroup.com or SEDAR at www.sedar.com. Unitholders may also contact Brompton Funds by using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, Independent Review Committee's report, or quarterly portfolio disclosure.

THE FUND

Brompton European Dividend Growth ETF is an exchange-traded fund ("ETF") managed by Brompton Funds Limited (the "Manager"). The units of the Fund trade on the Toronto Stock Exchange ("TSX") under the symbol EDGF and are RRSP, DPSP, RRIF, RESP and TFSA eligible.

INVESTMENT OBJECTIVES AND STRATEGIES

The Fund's investment objectives are to provide unitholders with (i) stable monthly cash distributions; (ii) the opportunity for capital appreciation; and (iii) lower overall volatility of portfolio returns than would otherwise be experienced by owning securities of European dividend growth companies directly. The Fund seeks to achieve the investment objectives by investing in an approximately equal-weight portfolio consisting of equity securities of large-capitalization European dividend growth companies. To be considered for inclusion, at the time of investment and at the time of each periodic reconstitution and/or rebalancing, each European dividend growth company must (i) be domiciled, incorporated and/or listed in Europe or, in the Manager's view, have significant operating exposure to Europe; (ii) have a market capitalization of at least $10 billion; and (iii) have a history of dividend growth or, in the Manager's view, have potential for future dividend growth. The portfolio will be rebalanced and reconstituted at least annually but may be rebalanced and/or reconstituted more frequently at the Manager's discretion. To reduce volatility and to generate distributable income, the Manager may write covered calls on up to, but not more than, 33% of the portfolio. In addition, the Fund will hedge substantially all of its foreign currency exposure back to the Canadian dollar.

RECENT DEVELOPMENTS

Market Volatility

This annual management report of fund performance was prepared based on the market value of the Fund's portfolio as of December 31, 2019. Between January 1, 2020 to March 18, 2020 (date of the report), stock markets worldwide experienced significant price volatility, because of various concerns, including COVID-19 and a decline in price of oil. The Fund's Net Asset Value reflecting the value of the Fund's portfolio based on the most recent valuation date can be found on the Fund's webpage at www.bromptongroup.com.

RISKS

Risks associated with an investment in the units of the Fund are discussed in the Fund's prospectus, which is available on the Fund's website at www.bromptongroup.com or on SEDAR at www.sedar.com. There were no changes during the year ended December 31, 2019 that materially affected the risks associated with an investment in the units of the Fund as they were discussed in the Fund's prospectus.

RESULTS OF OPERATIONS

Distributions

Cash distributions during the year ended December 31, 2019 were $0.50 per unit, reflecting regular monthly payments of $0.0416 per unit in the market, unchanged from 2018. Since inception, the Fund has paid $1.21 per unit in cash distributions. The Fund has a distribution reinvestment plan which allows participating unitholders to automatically reinvest monthly distributions, commission free, in additional units of the Fund. Pursuant to this plan, the Fund acquired 2,535 units at an average price of $9.04 per unit.

Changes in Net Assets from Operations (see Financial Highlights)

The Fund earned revenue of $0.36 per unit during 2019, compared to $0.31 per unit in 2018. The increase is due to the current portfolio's higher dividend yield as compared to the portfolio prior to the rebalancing and specifically the divestiture of three lower yielding stocks: Infineon Technologies, Diageo PLC and Unilever PLC. Expenses were $0.19 per unit in 2019, down from $0.23 per unit in 2018. The Fund's expenses decreased following the Fund's conversion to an ETF as a result of the Manager's capping the MER at approximately 0.95%.

Net Asset Value

The Net Asset Value per unit of the Fund was $10.56 at December 31, 2019, up from $8.24 at December 31, 2018, a 28.2% increase as a result of portfolio performance. The aggregate Net Asset Value of the Fund was $24.8 million at December 31, 2019, compared to $36.3 million at December 31, 2018, the $11.5 million decrease was a result of $22.0 million of redemption payments, $1.6 million of distributions and $0.9 million for unit repurchases under the Fund's normal course issuer bid, partially offset by a $9.9 million increase in Net Assets from operations and $3.1 million of subscriptions.

Investment Portfolio

At December 31, 2019, the Fund's investments included 26 securities across eight sectors and seven countries compared to 25 securities across nine sectors and eight countries at December 31, 2018. During 2019, the Fund sold 12 securities and purchased 13 new securities in the portfolio. The portfolio's investment weighting (excluding cash and short-term investments) and detailed listing of the Fund's security holdings is provided in the financial statements. The Fund's portfolio recorded a net realized and change in unrealized gain of $9.4 million during 2019 due primarily to gains arising from hedging the foreign currency exposure to the Canadian dollar and gains in the consumer discretionary, information technology, financials and industrial sectors. The Fund's top performers with their net realized and unrealized gains were London Stock Exchange Group PLC ($0.86m), ASML Holding NV($0.81m), Adidas AG ($0.67m), LVMH Moet Hennessy Louis Vuitton SE ($0.63m), and Airbus SE ($0.55m).

Part of the Fund's investment strategy is to write covered call options on the portfolio to contribute to the payment of monthly distributions and to reduce volatility. During 2019, the Fund wrote covered call options on the underlying securities in the portfolio and generated premiums of $3.1 million. The realized loss on option writing was $0.3 million which represented the premium received, less the amount paid to close out the options at expiry. The average notional value of the option contracts was approximately 13.9% of the Fund's portfolio. At December 31, 2019, there were nine covered call options outstanding, representing 4.71% of the portfolio.

At December 31, 2019, the Fund's portfolio was comprised of primarily Euro-denominated securities and, to a lesser extent, exposure to Norwegian krone, Danish krone, Swiss francs and British pounds. The Fund's foreign currency exposure was substantially hedged with foreign currency forward contracts. At December 31, 2019, the Fund's exposure to the Euro of €8.4 million was hedged through its foreign currency forward contract of €8.5 million notional value. At December 31, 2019, the Fund's exposure to the British pound of £0.9 million was hedged through its foreign currency forward contract of £1.0 million notional value. At December 31, 2019, the Fund's exposure to US dollar of $7.4 million was hedged through its foreign currency forward contract of $7.4 million. The Fund had a net realized and change in unrealized gain of $2.0 million from foreign currency forward contracts during 2019 on the close-out of the foreign currency forward contracts.

Portfolio Sectors

Net Gains (Losses) by Sector (millions)	% of Portfolio as of 31-Dec-19	Realized $	Change in Unrealized $	Total $
Consumer discretionary	24.1	0.9	0.9	1.8
Consumer staples	3.0	0.7	(0.1)	0.6
Financials	13.0	0.4	1.2	1.6
Healthcare	20.4	0.7	0.1	0.8
Industrials	19.1	0.3	1.0	1.3
Information technology	14.0	(0.1)	1.5	1.4
Materials	3.1	(0.1)	0.1	-
Real estate	-	(0.1)	-	(0.1)
Utilities	3.3	-	0.3	0.3
Options	-	(0.3)	-	(0.3)
Foreign currency forward contracts	-	0.8	1.2	2.0
Total	**100.0**	**3.2**	**6.2**	**9.4**

Geographic Split	**% of Portfolio as of 31-Dec-19**
Denmark	3.1
France	35.5
Germany	34.6
Ireland	5.0
Italy	6.4
Netherlands	15.4
	100.0

Liquidity

To provide liquidity for unitholders, units of the Fund are listed on the TSX under the symbol EDGF. As an ETF, the fund has a designated broker who has an active bid/ask offer approximating Net Asset Value per unit to provide significant daily trading liquidity for the Fund's units. Following conversion to an ETF, investors also may redeem their units daily, in accordance with the Fund's redemption provisions. During 2019, 1.95 million units were redeemed at an average price of $9.69 per unit.

RELATED PARTY TRANSACTIONS

Related party transactions consist of services provided by the Manager pursuant to a management agreement. See the Management Fees section below.

MANAGEMENT FEES

The Manager provides investment management and administrative services to the Fund. The management fee is used by the Manager to cover its costs for administering the Fund, the cost of investment management and for profit. In consideration for these services prior to the Fund converting into an ETF on April 23, 2019, the Fund paid a management fee equal to 1.25% per annum of the Net Asset Value of the Fund, plus applicable taxes. Following the conversion, the fee was changed to 0.75% of the Net Asset Value, plus applicable taxes. These fees are calculated and payable monthly. Following the conversion, the Manager also intends to waive a portion of the management fees and/or to reimburse the Fund to ensure that the sum of management fees and certain normal-course operating expenses is limited to approximately 0.95% (inclusive of GST/HST) of Net Asset Value. For the year ended December 31, 2019, management fees amounted to $0.3 million.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help readers understand the Fund's financial performance for the fiscal periods indicated. This information is derived from the Fund's audited annual financial statements which have been prepared in accordance with International Financial Reporting Standards. *The information in the following tables is presented in accordance with National Instrument ("NI") 81-106 and, as a result, does not act as a continuity of opening and closing Net Assets per unit*. The increase (decrease) in Net Assets from operations is based on average units outstanding during the period, and all other numbers are based on actual units outstanding at the relevant point in time.

Net Assets per Unit[1]

For the year ended December 31	**2019** **$**	2018 $	2017 $[2]
Net Assets per unit, beginning of year[3,5]	**8.24**	9.78	9.62
Increase (decrease) from operations:[4]			
Total revenue	**0.36**	0.31	0.06
Total expenses	**(0.19)**	(0.23)	(0.11)
Realized gains (losses)	**1.03**	(0.10)	(0.14)
Unrealized gains (losses)	**1.86**	(1.01)	0.55
Total increase (decrease) in Net Assets from operations	**3.06**	(1.03)	0.36
Distributions to unitholders:[3]			
Return of capital	**0.50**	0.50	0.21
Total distributions to unitholders	**0.50**	0.50	0.21
Net Assets per unit, end of year[3]	**10.56**	8.24	9.78

1 Financial information is prepared in accordance with International Financial Reporting Standards.
2 Period from July 21, 2017 (commencement of operations) to December 31, 2017.
3 Net Assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time.
4 The increase (decrease) in Net Assets from operations per unit is based on the weighted average number of units outstanding over the fiscal period.
5 The opening Net Asset Value per unit at July 21, 2019 is net of agents' fees and issuance costs in the amount of $0.38 per unit.

Ratios and Supplemental Data (Based on Net Asset Value)

As at December 31	**2019**	2018	2017
Net Asset Value ($) (000s)	**24,826**	36,332	47,580
Number of units outstanding (000s)	**2,350**	4,407	4,864
Management expense ratio ("MER")[1]	**1.37%**	1.83%	5.78%
MER before expense absorption	**1.64%**	n/a	n/a
Trading expense ratio[2]	**0.28%**	0.23%	0.49%
Portfolio turnover rate[3]	**78.69%**	54.94%	n/a
Net Asset Value per unit ($)	**10.56**	8.24	9.78
Closing market price – units ($)	**10.51**	7.85	9.60

1 MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction costs) of the Fund for the stated period, including interest expense and issuance costs, and is expressed as an annualized percentage of the average Net Asset Value of the period. Please see the Expense Ratio section following this table for further discussion of the calculation.
2 The trading expense ratio represents total commissions and transaction costs expressed as an annualized percentage of daily average Net Asset Value of the Fund during the period.
3 The Fund's portfolio turnover rate indicates how actively the Fund manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. The portfolio turnover rate is not provided when the Fund is less than one year old. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, excluding cash and short-term investments maturing in less than one year, by the average market value of such investments during the period.

Expense Ratio

The MER of the Fund was 1.37% for 2019 compared to 1.83% in 2018, reflecting an MER of 1.91% for the period January 1, 2019 to April 23, 2019 and an MER of 0.97% from April 23, 2019 to December 31, 2019 after the Fund was converted to an ETF. The MER has been capped at approximately 0.95% (inclusive of HST/GST) since the fund converted to an exchange-traded fund in April 2019. The MER of the fund after the Fund's conversion to an ETF was 0.02% higher than the capped MER of 0.95% due to governance expenses paid by the Fund which is not included in the MER cap.

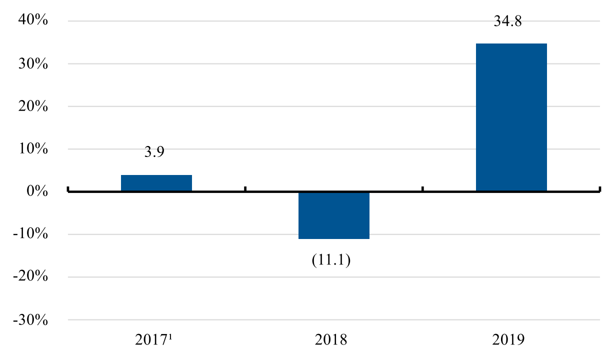
PAST PERFORMANCE

The following chart and table show the past performance of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown is based on Net Asset Value per unit and assumes that distributions made by the Fund were reinvested (at Net Asset Value per unit).

The bar chart shows the return for a unit in the periods ended since inception to December 31, 2019. The chart shows, in percentage terms, how investments held in a unit on the first day of each fiscal period would have changed by the last day of the fiscal period.

Year-by-Year Returns

Return (%)



1 Period from July 21, 2017 (commencement of operations) to December 31, 2017.

The following table shows the Fund's compound return for each period indicated compared with the STOXX Europe 600 Total Return Index ("STOXX Index"). The STOXX Index is a subset of the STOXX Global 1800 Index. With a fixed number of components, the STOXX Index represents large-, mid- and small-capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom. Since the Fund is actively managed, the sector weightings may differ from those of the STOXX Index. The STOXX Index is calculated without the deduction of management fees, fund expenses and trading commissions, whereas the performance of the Fund is calculated after deducting such fees and expenses.

Annual Compound Returns

	1-Year %	Since Inception %[1]
Brompton European Dividend Growth ETF	34.8	9.4
STOXX Europe 600 Index	27.7	6.6
S&P/TSX Composite Index	22.8	7.9

1 Period from July 21, 2017 (commencement of operations) to December 31, 2019.

During 2019 and since inception of the Fund, the Fund outperformed the STOXX Index due to solid stock selection combined with a strong overall performance in the consumer discretionary and consumer staples sectors. The Fund's top performers were Adidas AG (4.7% of the portfolio with a 47.95% price increase), Airbus SE (4.0% of the portfolio with a 44.72% price increase), and LVMH Moet Hennessy Louis Vuitton SE (4.2% of the portfolio with a 49.38% price increase). See the Portfolio Manager's report for more details.

SUMMARY OF INVESTMENT PORTFOLIO

As at December 31, 2019

Total Net Asset Value[1]	**$**	**24,826,175**

Portfolio Composition	% of Portfolio	% of Net Asset Value
Europe		
Denmark		
Healthcare	3.1	3.0
France		
Industrials	14.7	14.5
Consumer discretionary	9.0	8.9
Financials	6.5	6.4
Healthcare	3.9	3.9
Germany		
Consumer discretionary	7.6	7.6
Information technology	4.5	4.5
Financials	3.1	3.1
Great Britain		
Healthcare	7.8	7.7
Financials	6.3	6.2
Industrials	3.6	3.6
Ireland		
Healthcare	4.7	4.7
Italy		
Utilities	3.2	3.1
Financials	3.0	2.9
Netherlands		
Information technology	8.9	8.8
Materials	2.9	2.9
Consumer staples	2.9	2.8
Total Europe	**95.7**	**94.6**
Cash and short-term investments	4.3	4.2
Total investment portfolio	100.0	98.8
Other net assets		1.2
Total Net Asset Value		**100.0**

Top 25 Holdings	% of Portfolio	% of Net Asset Value
ASML Holding NV	6.0	5.9
Kering SA	4.8	4.8
Medtronic PLC	4.7	4.7
Adidas AG	4.7	4.6
AstraZeneca PLC	4.6	4.6
SAP SE	4.5	4.5
Vinci SA	4.4	4.3
Cash and short-term investments	4.3	4.2
LVMH Moet Hennessy Louis Vuitton SE	4.2	4.1
Airbus SE	4.0	4.0
Sanofi SA	3.9	3.9
International Consolidated Airlines Group SA	3.7	3.7

Top 25 Holdings (Cont'd)	**% of Portfolio**	**% of Net Asset Value**
Credit Agricole SA	3.3	3.2
Aon PLC	3.3	3.2
Schneider Electric SE	3.2	3.2
GlaxoSmithKline PLC	3.2	3.2
BNP Paribas SA	3.2	3.2
Enel SpA	3.2	3.1
Allianz SE	3.1	3.1
Novo Nordisk A/S	3.1	3.0
London Stock Exchange Group PLC	3.0	3.0
Bouygues SA	3.0	3.0
Assicurazioni Generali SpA	3.0	2.9
Total	**88.4**	**87.4**

1 Net asset value of the Fund includes the value of the Preferred shares.

The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Quarterly updates are available on the Fund's website at www.bromptongroup.com within 60 days of each quarter end.

2019 TAX INFORMATION

The following information is applicable to holders who, for the purpose of the Income Tax Act (Canada), are resident in Canada and hold units as capital property outside of an RRSP, DPSP, RRIF, RESP or TFSA. Unitholders should receive a T3 slip from their investment dealer providing this information.

T3 supplementary slips for holdings of the Fund will indicate Other Income (Investment Income and Non-Investment Income) in Box 26, Foreign Non-Business Income in Box 25, Capital Gains in Box 21 and Eligible Dividend Income in Box 49. Dividend income is subject to the standard gross-up and federal dividend tax credit rules.

The return of capital component is a non-taxable amount that serves to reduce the adjusted cost base of Fund units and is reported on the T3 supplementary slips in Box 42.

The following table outlines the breakdown in the Fund's distributions declared in 2019 on a per unit basis.

Record Date	**Payment Date**	**Return of Capital $**	**Total Distributions $**
31-Jan-19	14-Feb-19	0.04160	0.04160
28-Feb-19	14-Mar-19	0.04160	0.04160
29-Mar-19	10-Apr-19	0.04160	0.04160
30-Apr-19	14-May-19	0.04160	0.04160
31-May-19	14-Jun-19	0.04160	0.04160
28-Jun-19	15-Jul-19	0.04160	0.04160
31-Jul-19	15-Aug-19	0.04160	0.04160
30-Aug-19	16-Sep-19	0.04160	0.04160
30-Sep-19	15-Oct-19	0.04160	0.04160
31-Oct-19	14-Nov-19	0.04160	0.04160
29-Nov-19	13-Dec-19	0.04160	0.04160
31-Dec-19	15-Jan-20	0.04160	0.04160
		0.49920	**0.49920**

This information is of a general nature and does not constitute legal or tax advice to any particular investor. Accordingly, investors are advised to consult their own tax advisors with respect to their individual circumstances.

PORTFOLIO MANAGER

Brompton Funds Limited

Brompton Funds Limited is a portfolio manager in addition to being an investment fund manager. It is the portfolio manager of six Brompton split share corporations and five exchange-traded funds. The Brompton team oversees investments for several large-capitalization Canadian and global equity mandates, including an active covered call writing strategy for approximately $1.6 billion in assets, with a goal of enhancing fund cash flow and risk-adjusted returns for investors.

BROMPTON FUNDS

PORTFOLIO MANAGER'S REPORT

January 2020

European Markets Review

Global markets finished the year with stellar performance. Almost all stock markets and asset classes enjoyed double digit returns for 2019. The MSCI World Index gained 28.4% with the Information Technology sector as the best performing sector, gaining 48.1% during the year. In Europe, the STOXX 600 returned 27.7% for the year, led by France and Switzerland, where the CAC 40 and SMI were up 30.5% and 30.2%, respectively. Germany's DAX Index gained 25.5% amid concerns over slowing economic growth, while Spanish and U.K. equities also finished the year with double digit gains as the IBEX 35 increased 16.5% and the FTSE 100 returned 17.2% for the year. In terms of European sectors, cyclical sectors generally outperformed defensive sectors for the period as trade-war and Brexit concerns subsided towards the end of the year, while Financial Services, which was up 43.6%, and Construction and Materials, which was up 40.9%, were the top performing sectors. Communication Services, a defensive sector, underperformed while still earning positive returns during the period.

According to the latest forecast by the International Monetary Fund, the global economy is expected to grow 3.4% in 2020, a modest pickup from 2019's projected growth rate of 3.0%. Growth expectations were driven by a few topical issues. At the top of the list is progress on the U.S.- China trade war. During the month of December, expectation of a phase one trade deal between the U.S. and China partially alleviated long standing trade tensions between the two nations. As part of the trade deal, tariffs that were set to take effect on December 15th on about US$160 billion of consumer goods were averted; in exchange, China was expected to increase its purchases of American farm goods. The trade deal demonstrated compelling evidence of progress made by both sides and renewed market participants' confidence in global growth. Second, employment numbers and jobless claims are being closely monitored by investors for any signs of weakness. Employment and consumption continue to be robust and jobless claims remain at decade lows as service sectors across the globe kept labour markets buoyant and wage growth healthy. Lastly, Brexit-related fears subsided towards the end of 2019 after the U.K. held its third general election in four years in December, which resulted in Boris Johnson's Conservative party securing a parliamentary majority. We expect progress to be made on Brexit negotiations before the January 31st deadline and we anticipate 2020 to be a year of transition for the U.K.

Market performance and sentiment were also driven by central bank policies in 2019. In Europe, Christine Lagarde assumed office on November 1st, succeeding former European Central Bank (ECB) President Mario Draghi. During 2019, the ECB cut deposit rate by 10 basis points to minus 0.5%. The ECB has also resumed its quantitative easing program in November purchasing bonds at a rate of €20 billion a month for as long as necessary to hit its inflation goal of just below 2%. Inflation averaged 1.2% in 2019. During the most recent policy meeting in December, Lagarde said the Eurozone's economic slowdown is showing signs of bottoming out. She believes risks impacting the Euro area growth outlook, including geopolitical factors, rising protectionism and emerging market vulnerabilities, have become less pronounced.

Looking forward to 2020, we expect growth in European economies to be somewhat similar to 2019. On the policy front, the ECB will likely keep rates steady for 2020. Instead of implementing further rate cuts, they will likely call on governments to deliver fiscal stimulus to help boost the economy, which could result in higher bond yields. In terms of volatility, geopolitical tensions in the Middle East could be a source of volatility that we'll be paying close attention to.

Portfolio Review

During 2019, the Fund gained 34.8%, significantly outperforming the STOXX Europe 600 Index, which was up 27.7%.

The Fund benefitted from overweight positions in Health Care and Information Technology during the year. Koninklijke Philips (up 42.3%), AstraZeneca (up 35.7%) and Medtronic (up 27.3%) were top contributors to its outperformance among the Health Care constituents. We continue to overweight Health Care given high growth prospects exhibited by pharmaceutical and medical device companies within the sector. Particularly, we believe AstraZeneca is poised to post double digit EPS growth driven by its strong cancer drug performance. Other large pharmaceuticals including GlaxoSmithKline, Novo Nordisk and Sanofi are also expected to deliver mid to high single digit growth in 2020. Within Information Technology, we have a favourable outlook on semiconductors heading into 2020. We hold market leaders within this high-barrier-to-entry sector including ASML and STMicroelectronics, who should benefit from the inflection point reached in the semiconductor cycle.

Our underweight position in Financials also contributed to the Fund's outperformance. Record low long-term yields in Europe and Brexit uncertainty pressured European banks and lifecos for much of 2019. Within the sector, we pivoted towards owning stock exchanges, whose performance typically correlates to volatility levels in the market. London Stock Exchange (up 93.0%) had one of the largest contributions to the Fund's outperformance. The stock soared upon announcement of its takeover bid for Refinitiv, which is expected to shift London Stock Exchange's business mix away from being tethered to trading volume and towards information services.

During the last quarter, we have made several adjustments to the portfolio as global equities experienced a rotation towards value and cyclical stocks. Ten-year treasury yields in major European countries bottomed out in the latter half of the year. Consequently, we trimmed the Fund's positions in Consumer Staples, and added cyclical names in Consumer Discretionary, Financials and Industrials. First, Consumer Staples names including Nestle, Danone and Diageo were trimmed as these global players experienced losses in market share to more nimble competitors in the sector. We no longer find risk-reward to be attractive in these names. Secondly, luxury brands in the Consumer Discretionary sector demonstrated resilience despite ongoing geopolitical tensions in Hong Kong. We continue to overweight the sector and see global players like LVMH, Adidas and Kering being able to drive sustained growth. Thirdly, we have taken Financials to overweight with the addition of BNP Paribas, Credit Agricole and Allianz. After trading down to depressed levels, Q4 presented an attractive entry point as margin pressures began to ease. Lastly, infrastructure developers like Bouygues should be able to capitalize on growth in French construction spending driven by the Olympics. We also added International Consolidated Airlines Group given its capacity constraint driven pricing power, and Schneider Electric for a play on the energy-management and industrial digitalization theme. Post these adjustments, we believe the portfolio is well positioned to benefit from the cyclical tailwinds heading into 2020.

Option Overlay Strategy

During 2019, our average level of overwrite was approximately 13.9% and the average strike level was approximately 105.3%. We gradually decreased the level of call writing activity in December as volatility levels normalized.

FORWARD-LOOKING STATEMENTS

Some of the statements contained herein including, without limitation, financial and business prospects and financial outlook may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may," "will," "should," "could," "anticipate," "believe," "expect," "intend," "plan," "potential," "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based on what management believes to be reasonable assumptions, we cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no obligation to update or revise them to reflect new events or circumstances, except as required by law.

MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements of Brompton European Dividend Growth ETF (the "Fund") have been prepared by Brompton Funds Limited (the ''Manager" of the Fund) and approved by the Board of Directors of the Manager. The Manager is responsible for the information and representations contained in these financial statements and the other sections of the annual report.

The Manager maintains appropriate procedures to ensure that relevant and reliable financial information is produced. Statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgements. The significant accounting policies applicable to the Fund are described in note 3 to the financial statements.

The Board of Directors of the Manager is responsible for ensuring that management fulfills its responsibilities for financial reporting and has reviewed and approved these financial statements. The Board carries out this responsibility through the Audit Committee, which is comprised of a majority of independent directors.

The Manager, with the approval of its Board of Directors, has appointed PricewaterhouseCoopers LLP as the auditor of the Fund. It has audited the financial statements of the Fund in accordance with Canadian generally accepted auditing standards to enable it to express to unitholders its opinion on the financial statements. The auditor has full and unrestricted access to the Audit Committee to discuss its findings.

(Signed) "Mark A. Caranci"

Mark A. Caranci
Chief Executive Officer
Brompton Funds Limited
March 18, 2020

(Signed) "Craig T. Kikuchi"

Craig T. Kikuchi
Chief Financial Officer
Brompton Funds Limited

INDEPENDENT AUDITOR'S REPORT

To the Unitholders and Trustee of Brompton European Dividend Growth ETF (formerly known as European Dividend Growth Fund) (the Fund)

OUR OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2019 and 2018 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Fund's financial statements comprise:

- the statements of financial position as at December 31, 2019 and 2018;
- the statements of comprehensive income for the years then ended;
- the statements of cash flows for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

OTHER INFORMATION

Management is responsible for the other information of the Fund. The other information comprises the Management Report of Fund Performance and the information, other than the financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (cont'd)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Derek Hatoum.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants,
Licensed Public Accountants
Toronto, Ontario
March 18, 2020

STATEMENTS OF FINANCIAL POSITION

As at December 31		**2019**		2018
Assets				
Current assets				
Investments	**$**	**23,482,709**	$	36,937,268
Cash		**716,628**		223,016
Broker margin (note 11)		**335,804**		157,404
Unrealized gain on foreign currency forward contracts (note 10)		**285,201**		-
Income receivable		**184,488**		131,861
Total assets		**25,004,830**		37,449,549
Liabilities				
Current liabilities				
Option contracts written, at fair value (note 11)		**20,916**		10,318
Unrealized loss on foreign currency forward contracts (note 10)		**799**		888,583
Distributions payable to holders of redeemable units (note 7)		**97,762**		183,338
Accounts payable and accrued liabilities		**59,178**		35,753
Total liabilities (excluding Net Assets attributable to holders of redeemable units)		**178,655**		1,117,992
Net Assets attributable to holders of redeemable units	**$**	**24,826,175**	$	36,331,557
Redeemable units outstanding (note 4)		**2,350,052**		4,407,152
Net Assets attributable to holders of redeemable units per unit	**$**	**10.56**	$	8.24

Approved on behalf of Brompton European Dividend Growth ETF by the Board of Directors of Brompton Funds Limited, the Manager.

(Signed) “Christopher. S.L. Hoffman”

Christopher S.L. Hoffmann
Director

(Signed) “Mark A. Caranci”

Mark A. Caranci
Director

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31		2019		2018
Income				
Securities lending income (note 9)	**$**	**4,981**	$	5,766
Net gain (loss) on foreign exchange on cash		**(34,243)**		12,610
Net gain (loss) on investments and derivatives:				
Dividend income		**1,155,381**		1,414,773
Net realized gain (loss) on sale of investments (note 8)		**2,864,962**		(15,661)
Net change in unrealized gain (loss) on investments		**4,895,513**		(3,092,245)
Net realized gain (loss) on options (note 8)		**(303,267)**		58,445
Net change in unrealized gain (loss) on options		**(16,432)**		3,758
Net realized gain (loss) on foreign currency forward contracts (note 10)		**787,078**		(494,451)
Net change in unrealized gain (loss) on foreign currency forward contracts (note 10)		**1,172,985**		(1,613,445)
Total net gain (loss) on investments and derivatives		**10,556,220**		(3,738,826)
Total income (loss), net		**10,526,958**		(3,720,450)
Expenses				
Management fees (note 6)		**337,454**		706,359
Audit fees		**28,499**		23,010
Trustee fees		**5,472**		5,282
Independent Review Committee fees (note 6)		**3,875**		4,087
Custodial fees		**9,918**		13,121
Legal fees		**3,292**		5,309
Unitholder reporting costs		**19,498**		9,869
Other administrative expenses		**98,144**		86,104
Interest and bank charges		**1,316**		1,926
Transaction costs		**87,695**		100,982
Total expenses before recoveries from Manager and withholding taxes		**595,163**		956,049
Expenses recovered from Manager (note 6)		**(83,258)**		-
Total expenses before withholding taxes		**511,905**		956,049
Withholding taxes		**106,420**		136,362
Increase (decrease) in Net Assets attributable to holders of redeemable units	**$**	**9,908,633**	$	(4,812,861)
Increase (decrease) in Net Assets attributable to holders of redeemable units per unit[1]	**$**	**3.06**	$	(1.03)

1 Based on the weighted average number of redeemable units outstanding for the year (note 4).

STATEMENTS OF CASH FLOWS

For the years ended December 31		2019		2018
Cash flows from operating activities:				
Increase (decrease) in Net Assets attributable to holders of redeemable units	**$**	**9,908,633**	$	(4,812,861)
Adjustments to reconcile net cash provided by (used in) operations:				
Net (gain) loss on foreign exchange on cash		**34,243**		(12,610)
Net realized (gain) loss on sale of investments (note 8)		**(2,864,962)**		15,661
Net change in unrealized (gain) loss on investments		**(4,895,513)**		3,092,245
Net realized (gain) loss on options (note 8)		**303,267**		(58,445)
Net change in unrealized (gain) loss on options (note 11)		**16,432**		(3,758)
Net change in unrealized (gain) loss on foreign currency forward contracts (note 10)		**(1,172,985)**		1,613,445
Decrease (increase) in broker margin		**(178,400)**		(157,404)
Decrease (increase) in income receivable		**(52,627)**		(82,107)
Decrease (increase) in receivable from Manager		**-**		-
Increase (decrease) in accounts payable and accrued liabilities		**23,425**		(10,194)
Purchase of investments and options (note 8)[1]		**(20,898,972)**		(23,604,889)
Proceeds from sale of investments and options (note 8)[1]		**23,816,930**		30,575,490
Cash provided by (used in) operating activities		**4,039,471**		6,554,573
Cash flows from financing activities:				
Proceeds from issuance of redeemable units (note 4)[1]		**124,144**		-
Agents' fees and issue costs paid on issuance of redeemable units (note 4)		**-**		49,143
Amounts paid for redemptions of redeemable units (note 4)[1]		**(1,029,765)**		-
Amounts paid for repurchase of redeemable units (note 4)		**(931,036)**		(4,183,549)
Distributions paid to unitholders of redeemable units (note 7)		**(1,674,959)**		(2,325,629)
Proceeds from reinvestment of distributions to holders of redeemable units (note 7)		**-**		5,750
Cash provided by (used in) financing activities		**(3,511,616)**		(6,454,285)
Net increase (decrease) in cash		**527,855**		100,288
Net gain (loss) on foreign exchange on cash		**(34,243)**		12,610
Cash, beginning of year		**223,016**		110,118
Cash, end of year	**$**	**716,628**	$	223,016
Supplemental information:[2]				
Dividends received, net of withholding taxes ($)		**996,334**		1,196,304
Interest paid ($)		**1,316**		1,926

1 Excludes in-kind transactions.
2 Included in cash flows from operating activities.

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31		**2019**		2018
Net Assets attributable to holders of redeemable units, beginning of year	**$**	**36,331,557**	$	47,579,702
Operations:				
Increase (decrease) in Net Assets attributable to holders of redeemable units		**9,908,633**		(4,812,861)
Distributions to holders of redeemable units (note 6):				
Return of capital		**(1,589,383)**		(2,306,628)
Total		**(1,589,383)**		(2,306,628)
Redeemable unit transactions:				
Proceeds from issuance of redeemable units (note 4)		**3,095,406**		-
Agents' fees and issue costs paid on issuance of redeemable units		**-**		49,143
Redemption of redeemable units (note 4)		**(21,989,002)**		-
Repurchase of redeemable units issued (note 4)		**(931,036)**		(4,183,549)
Reinvestment of distributions to holders of redeemable units (note 7)		**-**		5,750
Net increase (decrease) from redeemable unit transactions		**(19,824,632)**		(4,128,656)
Net increase (decrease) in Net Assets attributable to holders of redeemable units		**(11,505,382)**		(11,248,145)
Net Assets attributable to holders of redeemable units, end of year	**$**	**24,826,175**	$	36,331,557

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	Number of Shares	Cost $	Carrying Value $	% of Portfolio
Europe				
Denmark				
Healthcare				
Novo Nordisk A/S	9,972	753,346	749,496	
		753,346	**749,496**	**3.2**
France				
Consumer Discretionary				
Kering SA	1,394	730,524	1,188,236	
LVMH Moet Hennessy Louis Vuitton SE	1,698	635,442	1,024,432	
		1,365,966	**2,212,668**	**9.3**
Consumer Discretionary				
BNP Paribas SA	10,202	759,364	785,057	
Credit Agricole SA	42,530	763,390	800,684	
		1,522,754	**1,585,741**	**6.8**
Healthcare				
Sanofi SA	14,678	841,122	956,818	
		841,122	**956,818**	**4.1**
Industrials				
Airbus SE	5,190	644,549	986,385	
Bouygues SA	13,528	758,307	746,413	
Schneider Electric SE	5,962	759,193	794,600	
Vinci SA	7,454	989,282	1,074,880	
		3,151,331	**3,602,278**	**15.2**
Germany				
Consumer Discretionary				
Adidas AG	2,730	831,035	1,152,382	
Volkswagen AG	2,866	755,961	723,244	
		1,586,996	**1,875,626**	**8.0**
Financials				
Allianz SE	2,406	771,486	765,392	
		771,486	**765,392**	**3.3**
Information Technology				
SAP SE	6,388	911,978	1,111,465	
		911,978	**1,111,465**	**4.7**
Great Britain				
Financials				
Aon PLC	2,954	593,619	798,983	
London Stock Exchange Group PLC	5,613	462,227	748,239	
		1,055,846	**1,547,222**	**6.6**
Healthcare				
AstraZeneca PLC	17,522	705,285	1,134,474	
GlaxoSmithKline PLC	12,956	759,504	790,561	
		1,464,789	**1,925,035**	**8.2**
Industrials				
International Consolidated Airlines Group SA	82,076	757,852	882,347	
		757,852	**882,347**	**3.8**

SCHEDULE OF INVESTMENT PORTFOLIO (cont'd)

As at December 31, 2019

	Number of Shares	Cost $	Carrying Value $	% of Portfolio
Ireland				
Healthcare				
Medtronic PLC	7,900	884,568	1,163,832	
		884,568	**1,163,832**	**5.0**
Italy				
Financials				
Assicurazioni Generali SpA	27,168	761,212	727,935	
		761,212	**727,935**	**3.1**
Utilities				
Enel SpA	75,596	662,377	778,711	
		662,377	**778,711**	**3.3**
Netherlands				
Consumer Staples				
Koninklijke Ahold Delhaize NV	21,554	759,350	699,956	
		759,350	**699,956**	**3.0**
Information Technology				
ASML Holding NV	3,840	1,114,029	1,475,685	
STMicroelectronics NV	20,190	635,726	705,519	
		1,749,755	**2,181,204**	**9.3**
Materials				
LyondellBasell Industries NV	5,844	752,611	716,983	
		752,611	**716,983**	**3.1**
Total Europe		**19,753,339**	**23,482,709**	**100.0**
Embedded Broker Commission		(38,655)		
Total Investments		**19,714,684**	**23,482,709**	**100.0**

1. GENERAL INFORMATION

Brompton European Dividend Growth ETF (the ‘‘Fund’’), formerly European Dividend Growth Fund, is an exchange-traded fund (“ETF) created under the laws of the Province of Ontario on January 1, 2017, pursuant to an amended and restated declaration of trust. The Fund converted from a closed-end investment fund into an ETF on April 23, 2019. European Dividend Growth Fund’s units were re-designated as units of the ETF on a 1:1 basis, and the stock symbol changed from EDGF.UN to EDGF. The investment strategies of the Fund remain substantially similar before and after the conversion. The Fund invests in a portfolio of European dividend growth companies and hedges substantially all of its exposure to foreign currencies back to the Canadian dollar.

Brompton Funds Limited (the ‘‘Manager’’) is responsible for managing the affairs of the Fund and manages the Fund’s portfolio. TSX Trust Company is trustee of the Fund. CIBC Mellon Trust Company is the custodian of the Fund’s assets and prepares the daily valuations of the Fund. The Fund is listed on the Toronto Stock Exchange and commenced operations on July 21, 2017. The address of the Fund’s registered office is Bay Wellington Tower, Brookfield Place, Suite 2930, 181 Bay Street, Toronto, Ontario, M5J 2T3.

These financial statements were approved on behalf of Brompton European Dividend Growth ETF by the Board of Directors of Brompton Funds Limited, the Manager, on March 10, 2020.

2. BASIS OF PRESENTATION

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied.

a) Financial Instruments

The Fund’s portfolio of investments is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income (“FVOCI”). The contractual cash flows of the Fund’s debt securities that are solely principal and interest are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss (“FVTPL”). Derivative assets and liabilities are also measured at FVTPL.

The Fund’s obligation for Net Assets attributable to holders of redeemable units is measured assuming the redemption of units at Net Asset Value on the valuation date. All other financial assets and liabilities are initially recognized at fair value and subsequently measured at amortized cost. Under this method, financial assets and liabilities reflect the amounts required to be received or paid, discounted when appropriate, at the financial instrument’s effective interest rate. The Fund’s accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its published Net Asset Value. The carrying values of the Fund’s financial assets and liabilities that are not carried at FVTPL approximate their fair values due to their short-term nature.

b) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

c) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded marketable securities) is based on quoted market prices at the close of trading on the measurement date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day’s bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Fund’s policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including foreign currency forward contracts, is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each measurement date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same and others commonly used by market participants that make the maximum use of observable inputs. Refer to note 13 for further information about the Fund's fair value measurements.

d) Cash

Cash is comprised of demand deposits with financial institutions.

e) Investment Transactions and Income and Expense Recognition

Investment transactions are accounted for on the trade date. The interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds, which are amortized on a straight line basis.

Net realized gain (loss) on sale of investments and net change in unrealized gain (loss) on investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds. Dividend income and dividend expense on securities sold short are recognized on the ex-dividend date. Investment transactions are accounted for as of the trade date and any realized gains or losses from such transactions are calculated on an average cost basis.

Option premiums paid or received by the Fund are, so long as the options are outstanding, reflected as an asset or liability, respectively, in the Statements of Financial Position and are valued at an amount equal to the current market value of an option that would have the effect of closing the position. Gains or losses realized upon expiration, repurchase or exercise of the options are included in net realized gains or losses on options.

f) Transaction Costs

Transaction costs directly attributable to the acquisition or disposal of an investment are expensed in the period incurred and disclosed as "Transaction costs" in the Statements of Comprehensive Income.

g) Foreign Currency Translation

The Fund's subscriptions and redemptions are denominated in Canadian dollars, which is also its functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that transactions occur. Foreign currency assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the measurement date. Foreign exchange gains and losses relating to cash are presented as "Net gain (loss) on foreign exchange on cash" and those relating to other financial assets and liabilities are presented within "Net realized gain (loss)" and "Net change in unrealized gain (loss)" in the Statements of Comprehensive Income.

h) Income Taxes

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). The Fund distributes to its unitholders sufficient net income and net capital gains so that it is not subject to income taxes and, in substance, is exempt from Canadian taxes on these sources of income. Accordingly, the Fund does not record any Canadian income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

i) Securities Lending

The Fund may enter into securities lending transactions. These transactions involve the temporary exchange of securities as collateral with a commitment to deliver the same securities on a future date. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on securities held as collateral. Income earned from these transactions is recognized on an accrual basis and included in the Statements of Comprehensive Income.

j) Classification of Redeemable Units by the Fund

Under International Accounting Standard ("IAS") 32, *Financial Instruments: Presentation*, the Fund classifies its redeemable units as liabilities. The Fund's redeemable units do not meet the criteria in IAS 32 for classification as equity as the Fund has more than one contractual obligation to its unitholders.

4. REDEEMABLE UNITS

Authorized

The Fund is authorized to issue an unlimited number of transferable, redeemable units of beneficial interest, each of which represents an equal, undivided interest in the Net Asset Value of the Fund. Each unit entitles the holder to one vote and to participate equally with respect to any and all distributions made by the Fund. Unitholders may sell units on the TSX; in addition, unitholders may redeem (i) units of the Fund for cash at a redemption price per unit equal to 95% of the closing price for the applicable units on the TSX on the effective day of redemption, less any applicable Administration Fee determined by the Manager in its sole discretion, or (ii) a prescribed number of units for the constituent securities of the portfolio and cash, or for cash only.

The Fund received approval from the Toronto Stock Exchange for a normal course issuer bid program for the period from August 1, 2018 to July 31, 2019, which allowed the Fund to purchase up to 459,400 of its units for cancellation. The Fund could purchase units for cancellation at a price per unit not exceeding the most recently calculated Net Asset Value per unit immediately prior to the date of any such purchase of units. The Fund's issuer bid program was terminated as of the conversion date April 23, 2019.

Issued

	2019 Number of Units	2018 Number of Units
Redeemable units, outstanding at January 1	**4,407,152**	4,863,915
Issuance of redeemable units	**300,000**	-
Redemption of redeemable units	**(2,250,000)**	-
Repurchase of redeemable units	**(107,100)**	(457,400)
Redeemable units issued under the distribution reinvestment plan	**-**	637
Redeemable units, outstanding at December 31	**2,350,052**	4,407,152
Weighted average number of redeemable units outstanding	**3,237,921**	4,656,075

During the year ended December 31, 2019, 300,000 units (year ended December 31, 2018 – nil) units were issued at an average price of $10.32 per unit.

During the year ended December 31, 2019, 2,250,000 (year ended December 31, 2018 – nil) units were redeemed at an average price of $9.77 per unit.

During the year ended December 31, 2019, 107,100 units (year ended December 31, 2018 – 457,400) were purchased for cancellation pursuant to the normal course issuer bid program.

During the year ended December 31, 2019, no units (year ended December 31, 2018 - 637) were issued pursuant to the distribution reinvestment plan (note 7).

On December 31, 2019, the Fund's closing market price was $10.51 per unit (December 31, 2018 - $7.85).

5. CAPITAL MANAGEMENT

The Fund's capital is comprised of its Net Assets attributable to holders of redeemable units. The Fund's objectives in managing its capital are to provide unitholders with (i) stable monthly cash distributions, (ii) the opportunity for capital appreciation, and (iii) lower overall volatility of portfolio return than would otherwise be expected by owning securities of healthcare companies directly. The Fund manages its capital taking into consideration the risk characteristics of its holdings. In order to manage its capital structure, the Fund may adjust the amount of distributions paid to unitholders, return capital to unitholders, or purchase units for cancellation.

6. RELATED PARTY TRANSACTIONS

a) Management Fees

Pursuant to a management agreement, the Manager provides management and administrative services, including the provision of key management personnel, to the Fund. In consideration for these services prior to the Fund converting into an ETF on April 23, 2019, the Fund paid a management fee equal to 1.25% per annum of the Net Asset Value of the Fund, plus applicable taxes. Following the conversion, the fee was changed to 0.75% of the Net Asset Value, plus applicable taxes. These fees are calculated and payable monthly.

Following the conversion, from a closed-end investment fund to an ETF, the Manager also intends to waive a portion of the management fees and/or to reimburse the Fund to ensure that the sum of management fees and certain normal-course operating expenses is limited to approximately 0.95% (inclusive of GST/HST) of Net Asset Value.

Prior to the conversion to an ETF, in connection with any purchases of units for cancellation, the Fund also paid to the Manager the following amounts, as partial compensation for the fees and expenses the Manager paid in connection with the Fund's initial public offering: (i) if the purchase was made at a discount to the then current Net Asset Value per unit purchased that is greater than 2.25% of the Net Asset Value per unit of the units purchased for cancellation July 2019, the Fund paid to the Manager an amount equal to 2.25% of the Net Asset Value plus applicable taxes, or (ii) if the purchase is made at a discount to the then current Net Asset Value per unit that is less than or equal to 2.25%, the Fund paid to the Manager an amount (excluding taxes) equal to such discount. To the extent that a purchase is made at a price that results in a discount that is greater than the Market Purchase Fee, the amount of the balance will be accretive to the Net Asset Value of the Fund. These fees were calculated and payable monthly, up to the conversion date April 23, 2019, when the Fund terminated its normal course issuer bid program.

For the year ended December 31, 2019, the management fee amounted to $337,454 (year ended December 31, 2018 - $706,359), of which $322 was payable as of December 31, 2019 (December 31, 2018 - $979 prepaid). The Market Purchase Fee amounted to $19,479 (year ended December 31, 2018 - $101,711). For the year ended December 31, 2019, the Manager absorbed $83,258 of costs (year ended December 31, 2018 – nil). As at December 31, 2019, nil was receivable from the Manager (December 31, 2018 – nil). The Fund is responsible for the payment of all expenses relating to its operations and the carrying on of its business.

b) Independent Review Committee Fees

The total remuneration paid to members of the Independent Review Committee during the year ended December 31, 2019 was $3,875 (year ended December 31, 2018 - $4,087) and consisted only of fees. As at December 31, 2019, there was nil (December 31, 2018 – nil) in Independent Review Committee fees.

7. DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS

Distributions, as declared by the Manager, are made on a monthly basis to unitholders of record on the last business day of each month. The distributions are payable by the tenth business day of the following month. For the year ended December 31, 2019, the Fund declared total monthly distributions of $0.50 per unit (year ended December 31, 2018 - $0.50 per unit), amounting to $1,589,383 (year ended December 31, 2018 - $2,306,628). Under the Fund's distribution reinvestment plan, unitholders may elect to reinvest monthly distributions in additional units of the Fund, which may be issued from treasury or purchased in the open market. For the year ended December 31, 2019, no units (year ended December 31, 2018 – 637 units) were issued by the Fund pursuant to the distribution reinvestment plan. Upon conversion to ETF, the reinvestment plan was amended to only include purchases in the open market.

On January 23, 2020, the Fund declared $0.0416 per unit monthly distributions for record dates January 31, 2020, February 28, 2020, March 31, 2020, respectively.

8. INVESTMENT TRANSACTIONS

Investment transactions for the years ended December 31 were as follows:

	2019 **$**	2018 $
Proceeds from sale of investments and options[1]	**44,776,167**	30,575,490
Less cost of investments and options sold:		
Investments and options at cost, beginning of year	**38,050,163**	44,977,980
Investments purchased and options written during the year[1]	**23,870,234**	23,604,889
Investments and options at cost, end of year	**(19,705,925)**	(38,050,163)
Cost of investments sold and options written during the year	**42,214,472**	30,532,706
Net realized gain (loss) on sale of investments and options	**2,561,965**	42,784

1 Includes in-kind transactions.

For the years ended December 31, 2019 and 2018, no soft dollar amounts were paid.

9. SECURITIES LENDING

The Fund has entered into a securities lending program with its custodian, CIBC Mellon Trust Company (and certain of its affiliates). The Fund will receive collateral of at least 105% of the value of the securities on loan. Collateral will generally be comprised of cash and obligations of, or guaranteed by, the Government of Canada or a province thereof, or the United States Government or its agencies. The market values of the securities on loan and the related collateral at December 31, 2019 were $0.6 million and $0.6 million (December 31, 2018 – $3.0 million and $3.1 million), respectively. Securities lending income reported in the Statements of Comprehensive Income is net of a securities lending charge which the Fund's custodian, CIBC Mellon Trust Company (and certain of its affiliates), is entitled to receive.

Securities lending income reported in the Statements of Comprehensive Income is net of a securities lending charge which the Fund's custodian CIBC Melon Trust Company (and certain of its affiliated), is entitled to receive.

For the years ended December 31, securities lending income was as follows:

	2019 **$**	2018 $
Gross securities lending income	**7,164**	8,235
Securities lending charges	**(2,134)**	(2,469)
Net securities lending income	**5,030**	5,766
Withholding taxes on securities lending income	**(49)**	-
Net securities lending income received by the Fund	**4,981**	5,766

During the year ended December 31, 2019, securities lending charges represented 29.8% (year ended December 31, 2018 – 30.0%) of the gross securities lending income.

10. FOREIGN CURRENCY FORWARD CONTRACTS

The Fund uses foreign currency forward contracts to hedge foreign exchange risks associated with its US dollar, Euro, British pound, Danish krone, Norwegian krone, and Swiss franc investment portfolio. During the year ended December 31, 2019, the Fund realized a gain in the amount of $787,078 (year ended December 31, 2018 – loss of $494,451) on the close-out of certain contracts.

The Fund had entered into the following foreign currency forward contracts with a Canadian chartered bank with a DBRS rating of AA:

As at December 31, 2019:

Canadian Dollars Purchased (Sold)	**US Dollars Purchased (Sold)**	**Maturity Date**	**Forward Rate (USD/CAD)**	**Fair Value (CAD) $**
9,772,289	**(7,393,000)**	**15-Jan-20**	**0.75653**	**172,730**

Canadian Dollars Purchased (Sold)	**Euros Purchased (Sold)**	**Maturity Date**	**Forward Rate (EUR/CAD)**	**Fair Value (CAD) $**
12,493,176	**(8,507,000)**	**15-Jan-20**	**0.68093**	**93,279**

Canadian Dollars Purchased (Sold)	**British Pounds Purchased (Sold)**	**Maturity Date**	**Forward Rate (GBP/CAD)**	**Fair Value (CAD) $**
1,497,154	(859,000)	15-Jan-20	0.57376	19,192
191,904	(112,000)	15-Jan-20	0.58362	(799)
1,689,058	**(971,000)**			**18,393**

As at December 31, 2018:

Canadian Dollars Purchased (Sold)	US Dollars Purchased (Sold)	Maturity Date	Forward Rate (USD/CAD)	Fair Value (CAD) $
16,856,784	(12,600,000)	15-Jan-19	0.74747	(339,041)

Canadian Dollars Purchased (Sold)	Swiss Francs Purchased (Sold)	Maturity Date	Forward Rate (CHF/CAD)	Fair Value (CAD) $
1,309,185	(965,000)	15-Jan-19	0.73710	(32,239)

Canadian Dollars Purchased (Sold)	Euros Purchased (Sold)	Maturity Date	Forward Rate (EUR/CAD)	Fair Value (CAD) $
14,032,760	(9,200,000)	15-Jan-19	0.65561	(368,273)

Canadian Dollars Purchased (Sold)	British Pounds Purchased (Sold)	Maturity Date	Forward Rate (GBP/CAD)	Fair Value (CAD) $
3,866,070	(2,300,000)	15-Jan-19	0.59492	(137,333)

Canadian Dollars Purchased (Sold)	Norwegian Kroner Purchased (Sold)	Maturity Date	Forward Rate (NOK/CAD)	Fair Value (CAD) $
1,509,177	(9,630,000)	15-Jan-19	6.38096	(11,697)

11. OPTIONS CONTRACTS

The Fund may write covered call and cash-covered put options to generate additional income. Broker margin on the Statements of Financial Position represents cash collateral on European options. The Fund had the following call option contracts outstanding:

As at December 31, 2019:

Underlying Interest	**No. of Contracts[1]**	**Expiration Date**		**Strike Price per Contract**	**Premium Received (CAD) $**	**Fair Value (CAD) $**
Adidas AG	4	17-Jan-20	EUR	300.00	1,308	(909)
Allianz AG	3	17-Jan-20	EUR	225.00	501	(227)
Aon PLC	6	17-Jan-20	USD	210.00	1,101	(1,461)
ASML Holding NV	7	17-Jan-20	USD	280.00	3,239	(15,770)
BNP Paribas SA	10	17-Jan-20	EUR	56.00	364	(198)
Bouygues SA	20	17-Jan-20	EUR	38.00	1,474	(1,922)
SAP SE, ADR	12	17-Jan-20	USD	140.00	772	(429)
					8,759	**(20,916)**

1 Each contract was written for 100 shares of the underlying security.

As at December 31, 2018:

Underlying Interest	No. of Contracts[1]	Expiration Date		Strike Price per Contract	Premium Received (CAD) $	Fair Value (CAD) $
Aon PLC	14	18-Jan-19	USD	165.00	2,402	(8)
ASML Holding NV	10	18-Jan-19	USD	170.00	1,885	(1,229)
ASML Holding NV	10	18-Jan-19	USD	185.00	1,126	(243)
Compagnie Financière Richemont SA	30	18-Jan-19	CHF	68.00	1,333	(1,688)
Danone SA	25	18-Jan-19	EUR	68.00	1,367	(195)
Diageo PLC	15	18-Jan-19	USD	145.00	2,002	(2,304)
Kering SA	5	18-Jan-19	EUR	430.00	1,090	(2,862)
Medtronic PLC	20	18-Jan-19	USD	95.50	1,338	(1,502)
Medtronic PLC	21	18-Jan-19	USD	100.00	2,050	(287)
					14,593	(10,318)

1 Each contract was written for 100 shares of the underlying security.

12. FINANCIAL RISK MANAGEMENT

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2019, and groups the securities by country and market segment. The following summary represents the investment sectors held by the Fund as at December 31, 2018. Significant risks that are relevant to the Fund are discussed below.

As at	December 31, 2018
Investment Sector	% of Portfolio
Consumer discretionary	16.6
Consumer staples	13.7
Financials	15.9
Healthcare	23.8
Industrials	10.7
Information technology	14.4
Materials	0.7
Utilities	4.2
Total	100.0

The Manager attempts to minimize the potential adverse effects of these risks on the Fund's performance by employing a professional, experienced investment manager. These risks are managed by diversifying the investment portfolio within the constraints of the investment objectives. To assist in managing risks, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and restrictions, internal guidelines, and securities regulations.

The investment portfolio is primarily comprised of North American exchange-listed equity securities.

a) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Investment Manager attempts to moderate this risk through the careful management of securities within the parameters of the investment strategy. Except for options written, the maximum risk of loss resulting from financial instruments is equivalent to their fair value. There were no cash covered put options outstanding as at December 31, 2019 and 2018. No additional risk is introduced by covered call options written.

The Fund is exposed to other price risk from its investment in equity securities. As at December 31, 2019 and 2018, had the prices on the respective stock exchanges for these securities increased by 10%, with all other variables held constant, Net Assets attributable to holders of redeemable units would have increased by approximately $2.3 million or 9.1% (December 31, 2018 – approximately $3.6 million or 10%). Similarly, had the prices on the respective stock exchanges for the securities decreased by 10.0%, with all other variables held constant, Net Assets attributable to holders of redeemable units would have decreased by approximately $2.3 million or 9.4% (December 31, 2018 - approximately $3.7 million or 10.2%). In practice, the actual trading results may differ, and the difference could be material.

b) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund did not have significant credit risk exposure as at December 31, 2019 and 2018. The carrying amount of income receivable represents the maximum credit risk exposure as it will be settled in the short term.

All transactions in securities are settled/paid for upon delivery. The risk of default is considered minimal as delivery of securities sold is only made once the Fund has received payment. The trade will fail if either party fails to meet its obligation.

The Fund is also exposed to credit risk for the amount of unrealized gains under the foreign currency forward contracts (note 10) with a Canadian chartered bank with a DBRS rating of AA.

The Fund generally transacts in exchange-traded options; therefore, credit risk is considered minimal.

c) Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price. Before the conversion to an ETF, the Fund was exposed to liquidity risk through its monthly and annual redemptions. For the annual redemption, the Fund received notice by the last business day in June and had up to the tenth business day in August to settle the redemptions, which gave the Investment Manager time to sell securities, although there might not be sufficient time to sell the securities at a reasonable price. After the conversion to an ETF, the Fund is subject to the potential daily net redemptions of units. The Fund invests its Net Assets in securities that are traded on public exchanges and expects that the securities may be sold on a timely basis, although there may not be sufficient time to sell the securities at a reasonable price. In addition, the Fund expects that most redemptions will be in-kind, which allows the Fund to deliver securities to meet its redemption obligations.

As at December 31, 2019 and 2018, all of the Fund's financial liabilities had maturities of less than three months.

d) Currency Risk

Currency risk is the risk that financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The investment portfolio of the Fund includes cash and equities that are primarily US-dollar and Euro denominated and to a lesser extent British pound ("GBP"), Danish krone ("DKK"), Norwegian krone ("NOK"), and Swiss franc ("CHF") denominated. The Fund's currency risk is substantially hedged with the use of foreign currency forward contracts. The tables below indicate the foreign currency investment holdings in the Fund and the corresponding foreign currency hedges as at December 31, 2019 and 2018 in Canadian dollar terms. The tables also illustrate the potential impact to the Fund's Net Assets attributable to holders of redeemable units, with all other variables held constant, as a result of a 5% change in the foreign currency related to the Canadian dollar. In practice, the actual trading results may differ, and the difference could be material.

As at December 31, 2019:

	Investments and Options $	Cash and Other Receivables $	Foreign Currency Forward Contracts (note 10) $	Total Currency Exposure $	Impact on Net Assets $	Impact on Net Assets (%)
British pounds	1,630,581	112,349	(1,670,665)	72,265	3,614	0.01
Euros	12,245,051	482,513	(12,399,897)	327,667	16,383	0.07
Swiss francs	-	16,903	-	16,903	845	0.00
US dollars	9,586,156	370,201	(9,599,559)	356,798	17,840	0.07
	23,461,788	**981,966**	**(23,670,121)**	**773,633**	**38,682**	**0.15**

As at December 31, 2018:

	Investments and Options $	Cash and Other Receivables $	Foreign Currency Forward Contracts (note 10) $	Total Currency Exposure $	Impact on Net Assets $	Impact on Net Assets (%)
British pounds	4,094,631	-	(4,003,403)	91,228	4,561	0.01
Euros	13,647,085	118,742	(14,401,032)	(635,205)	(31,760)	(0.09)
Norwegian kroner	1,417,817	-	(1,520,874)	(103,057)	(5,153)	(0.01)
Swiss francs	1,319,621	9,303	(1,341,424)	(12,500)	(625)	0.00
US dollars	16,605,198	102,542	(17,195,825)	(488,085)	(24,404)	(0.07)
	37,084,352	230,587	(38,462,558)	(1,147,619)	(57,381)	(0.16)

13. FAIR VALUE MEASUREMENT

The Fund's assets and liabilities recorded at fair value have been categorized within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities. Short-term notes included in cash and short-term investments are classified as level 1.

Level 2: Inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgement or estimation.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Assets and liabilities at fair value as at December 31, 2019	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Equities	23,482,709	-	-	23,482,709
Foreign currency forward contracts gain	-	285,201	-	285,201
Foreign currency forward contracts loss	-	(799)	-	(799)
Option contracts	(20,916)	-	-	(20,916)
Total	**23,461,793**	**284,402**	**-**	**23,746,195**

Assets and liabilities at fair value as at December 31, 2018	Level 1 $	Level 2 $	Level 3 $	Total $
Equities	36,937,268	-	-	36,937,268
Foreign currency forward contracts loss	-	(888,583)	-	(888,583)
Option contracts	(10,318)	-	-	(10,318)
Total	36,926,950	(888,583)	-	36,038,367

There were no transfers of financial assets and liabilities between the levels during the years ended December 31, 2019 and 2018.

All fair value measurements above are recurring. The carrying values of cash, income receivable, broker margin, distributions payable and accounts payable and accrued liabilities approximate their fair values due to their short-term nature. Fair values are classified as level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as level 1 subsequently ceases to be actively traded, it is transferred out of level 1. In such cases, the instrument is reclassified into level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as level 3.

a) Equities

The Fund's investments in equity securities are classified as level 1 when the security is actively traded and a reliable price is observable. The net realized and change in unrealized gain from equity securities during the year ended December 31, 2019 was $7,760,475 (year ended December 31, 2018 – loss of $3,107,906).

b) Foreign Currency Forward Contracts

The Fund may enter into foreign currency forward contracts, which are agreements between two parties to buy and sell currencies at a set price on a future date. The fair value of such contracts will fluctuate with changes in currency exchange rates. The forward contracts' value is the value that could be realized if the forward contracts were closed out on the financial reporting date and the change in fair value recorded as an unrealized gain or loss. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract on the date it was opened and the value on the date it was closed. Foreign currency forward contracts are classified as level 2. The net realized and change in unrealized gain from foreign currency forward contracts during the year ended December 31, 2019 was $1,960,063 (year ended December 31, 2018 – loss of $2,107,896).

c) Options Contracts

The Fund's option contracts written are classified as level 1, as the options are based on unadjusted quoted prices in active markets. The net realized and change in unrealized loss from option contracts during the year ended December 31, 2019 was $319,699 (year ended December 31, 2018 – gain of $62,203).

14. OFFSETTING OF FINANCIAL INSTRUMENTS

The Fund has a foreign exchange settlement and novation netting agreement in place for its foreign currency forward contracts that does not meet the criteria for offsetting in the Statements of Financial Position but allows for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. The following tables present the Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangement and similar agreements. The tables are presented by type of financial instruments, as at December 31, 2019 and 2018.

As at December 31, 2019

	Amounts eligible for offset			
Financial Assets and Liabilities	**Gross Amounts of Recognized Financial Assets/Liabilities $**	**Net Amounts of Financial Assets/ Liabilities Presented in the Statement of Financial Position $**	**Financial Instruments Eligible for Offset $**	**Net Amount $**
Derivative Assets	285,201	285,201	(799)	284,402
Derivative Liabilities	(799)	(799)	799	-
Total	**284,402**	**284,402**	**-**	**284,402**

As at December 31, 2018

	Amounts eligible for offset			
Financial Assets and Liabilities	Gross Amounts of Recognized Financial Assets/Liabilities $	Net Amounts of Financial Assets/ Liabilities Presented in the Statement of Financial Position $	Financial Instruments Eligible for Offset $	Net Amount $
Derivative Assets	-	-	-	-
Derivative Liabilities	(888,583)	(888,583)	-	(888,583)
Total	(888,583)	(888,583)	-	(888,583)

15. INCOME TAXES

As at December 31, 2019, the Fund had $1,201,579 (December 31, 2018 - $1,201,579) of capital loss carry-forwards. The capital losses can be carried forward for an indefinite period.

The Fund also had non-capital loss carry-forwards for income tax purposes of $396,464 at December 31, 2019 (December 31, 2018 - $596,946). The non-capital loss carry-forwards will expire as follows:

	2019 **$**
2037	**359,163**
2038	**37,301**
	396,464

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