



Ticker: CVE: HFC
 Shares o/s: 29MM
 Price: \$0.41
 Mcap: \$11.6MM



Q1 – 2018 Highlights

REVENUES:	UP	67.5%
CASH EARNINGS ¹ :	UP	\$368,000
NET EARNINGS:	UP	\$277,000
ASSETS UNDER MANAGEMENT & ADMINISTRATION:	UP	\$164.7 MILLION

Revenues for the quarter were **\$3,751,000 vs \$2,236,000** in the first quarter of last year; an increase of 67.75%. The increase came from improved performance in wealth management, principle trading and corporate finance as all segments met or exceeded expectations. Cash earnings¹ after-tax were **\$219,000 vs a loss of \$(149,000)** in the first quarter of last year; a significant positive reversal resulting from improved margins and scale. Net earnings were **\$99,000** for the three months ended November 30, 2017 vs a loss of **(\$178,000)** for the prior year period.

Assets under Management/Administration **grew to \$854,881,000 from \$690,114,000; an increase of 23.87%**. During the quarter we welcomed a number of new professionals into our Wealth Management and Institutional Sales & Trading group in furtherance of our growth plans for the current fiscal year.

Investment Dealer Highlights

Who we are

Hampton Financial Corporation (“HFC”) is a Toronto-based financial services company and parent of Hampton Securities Limited, a full-service Canadian investment dealer:

- Founded in 1996 as a family office, Hampton Securities has evolved and grown to become one of the most well recognised independent dealers in the industry
- \$900MM current assets under administration/management (“AUA/M”)
- 40+ investment advisors and 56 total staff

Our strategy

- 1. Proprietary investing** that is focused on high quality, low volatility, and higher yield products to enhance monthly cash flow, while providing consistent returns
- 2. Growth through acquisitions** to gain critical mass and realize operational synergies, and provide a win/win scenario for independent dealers across the country
- 3. Enhanced recruiting of advisors** providing an entry-level equity opportunity to join the ranks of our partners and continue the legacy of wealth creation for stakeholders at Hampton
- 4. Growing our capital base through prudent long-term investing** focused on high quality, high yield products to enhance sustainable earnings growth, reliable cash flow, and long-term value creation for all stakeholders



Raising up to \$20 million in 9% unsecured redeemable convertible debentures

Term Sheet Highlights:

- Issuer:** Hampton Financial Corporation, a corporation existing under the laws of the Province of Ontario (the "Corporation").
- Offering:** Unit offering of convertible, redeemable debenture units (the "Units"). Each Unit shall consist of \$1,000 CAD principal amount of 9% unsecured convertible debentures ("Debentures") and 1,000 subordinate voting share purchase warrants (the "Warrants") of the Corporation.
- Size:** Up to \$20,000,000 CAD aggregate principal amount of Units.
- Price:** \$1,000 CAD per Unit.
- Debentures:** The Debentures will bear interest from the Closing Date at 9.0% per annum, payable semi-annually in cash in arrears on the last day of June and December in each year.
- Warrants:** Each Warrant will entitle the holder, upon the exercise thereof, to purchase one subordinate voting share of the Corporation (each, a "Warrant Share") at the price of \$0.60 CAD per Warrant Share for a period of 60 months following the Closing Date.
- Term:** The principal amount owing under the Debentures, and any accrued and unpaid interest thereon, will be payable in cash on the date that is 60 months from the Closing Date (the "Maturity Date").
- Convertible:** The Debentures will be convertible at the option of the holder, at any time prior to the close of business on the last business day immediately preceding the Maturity Date, into that number of subordinate voting shares of the Corporation computed on the basis of the principal amount of the Debentures divided by the conversion price of \$0.60 CAD per subordinate voting share.
- Redemption:** After a period of 36 months following the Closing Date, and semi annually thereafter, Debenture holders will be granted a window of 10 business days that will afford them the right, but not the obligation, to notify the Corporation of their right to redeem (the "Redemption Rights") their principle amount of debentures, via written consent, within 30 days following the submission of their request
- Fees:** The Corporation may pay a fee in connection with the Offering comprised of (a) cash of up to 5% of the aggregate principal amount of the Units sold pursuant to the Offering and/or (b) an aggregate number of broker warrants, with substantially the same terms as the Warrants, of up to 5% of the aggregate number of Warrants issued pursuant to the Offering.

**This is a non-binding term sheet for illustrative purposes. For a summary of all binding terms, please see the Subscription Agreement*



Board of Directors

Peter M. Deeb
Chairman

- Peter founded Hampton Securities and has spent the last 20 years growing Hampton Securities into a leading investment dealer.
- Peter has spent a number of years as an entrepreneur in the energy, shipping, real-estate and finance industries.

Robert Sherman
Vice Chairman

- Robert is a Senior Vice President and Investment Advisor at Hampton and has over 25 years of experience in the investment industry.
- Robert has also held positions in the treasury and finance departments of Canadian mining companies.

John H. Sununu
Director

- John is a former three-term governor of New Hampshire.
- John was also George H.W. Bush’s Chief of Staff, serving in the White House until March 1, 1992.

Dr. Steven Small
Director

- Dr. Small has decades of experience as an entrepreneur, investor and founder/co-founder of several public and private companies across many sectors including Element Financial Corp, and Newcourt Credit Group.

Management Team

Peter M. Deeb
Chairman,
Chief Executive Officer

- Chairman of the board (see above)

Joe Pavao
President and Chief Operating Officer

- Joe has served in executive positions in the financial community for more than 25 years.
- Most recently he served as President of Solium Financial (SUM/TSX), and as Chief Strategy Officer at JitneyTrade Inc

Cheryl deMontigny
Chief Compliance Officer

- Cheryl has worked in the securities industry for over 25 years.
- She has spent over 15 years in senior compliance roles with Blackmont Capital Corporation, Octagon Capital Corporation, and Hampton Securities.

Jason Mackey
Chief Financial Officer & Corporate Secretary

- Jason began his career with KPMG. He was a senior manager in the firm’s investment dealer practice, performing assurance and advisory services

Contact Info

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