

## **Brompton Split Banc Corp. Warrants Offering: Frequently Asked Questions**

**How do I know if I am entitled to receive the warrants?** Canadian residents who held or purchased Class A shares of Brompton Split Banc Corp. (“SBC”) settling on or before July 19, 2010, and who remained holders as of the close of business on that date, are entitled to receive warrants. Holders not resident in Canada should refer to “I am not a resident of Canada; what are my entitlements?” below.

**How do I receive the warrants?** If you are a Class A shareholder of record on July 19, 2010, the warrants will be automatically deposited in the brokerage account where you hold your Class A shares.

**How many warrants am I entitled to?** Each Class A shareholder of record on July 19, 2010 is entitled to warrants. Holders are entitled to one half warrant for every Class A share held at that time.

**How do I exercise the warrants?** A valid exercise of warrants requires that the warrant holder submit warrants for cancellation, along with payment of the applicable subscription price for the warrants exercised. Submission of one warrant plus payment of the subscription price will result in the issue of one new Unit (each Unit consists of one Class A share and one Preferred share). To exercise the warrants, you must instruct your investment advisor to exercise all or a portion of your warrants on or before 5:00 p.m. (Toronto Time) on October 22, 2010 (the expiry date). **Warrantholders who exercise early with the goal of receiving a particular monthly distribution must submit a valid exercise request sufficiently in advance of the distribution record date. Each investment dealer may have different deadlines for submission of exercise requests in advance of a distribution record date or expiry; check with your investment advisor.** After valid exercise of warrants, the applicable number of Class A and Preferred shares will be deposited in your brokerage account.

**How much does it cost to exercise the warrants/what is the subscription price?** In order to validly exercise your warrant and receive new Units, you must pay the subscription price of \$20.58 per warrant exercised.

**Do I have to exercise the warrants?** You are under no obligation to exercise your warrants. If you do not want to increase your holdings of the Fund, you may sell your warrants on the TSX or let them expire unexercised.

**Can I buy or sell the warrants?** The warrants are listed for trading on the TSX enabling investors to buy or sell the warrants until October 22, 2010. The ticker symbol for the Brompton Life & Banc Split Corp. warrants is **SBC.WT**.

**I hold my Class A shares at a discount brokerage firm, how do I exercise my warrants?** Not all discount brokerages are the same, but typically there is a “Re-org Department” or “Corporate Actions Department” that handles transactions of this nature. Their call centre should be able to help you.

**What is the benefit of the warrants?** A warrant issue gives investors the ability to purchase more units of a fund on a low cost basis and provides the Fund with additional capital that can be used to take advantage of attractive investment opportunities. A larger fund also has greater liquidity in the market with greater trading volume and the management expense ratio (MER) of the Fund will be lower as operating expenses are spread over a greater number of units.

At Brompton, we will not issue units or shares of a fund at a price that would be dilutive to the existing Class A shareholders as at the time the price is fixed. At the time the subscription price

was set, the subscription price for the warrants was higher than the most recently calculated net asset value per unit.

**How do I exercise the additional subscription privilege?** Each investor who exercises warrants under the basic subscription privilege may also subscribe for the additional units available from unexercised warrants. To apply for the additional units, investors should contact their investment advisor, who will forward the request to their CDS participant prior to the expiry date. Payment of the subscription price for additional units must accompany the request.

**I am not a resident of Canada; what are my entitlements?** Due to securities regulations, warrants may not be distributed to anyone who is a resident of the United States of America. Accordingly, a request for subscription will not be accepted from any person, or his or her agent, who appears to be, or who the Fund has reason to believe is, a U.S. resident. Payment of the subscription price will constitute a representation by you that you are not a resident of the United States of America, its territories or possessions or the agent of any such person and are not purchasing the units for resale to any such person.

Warrant holders whose recorded addresses are outside of Canada and the United States will be permitted to subscribe for units pursuant to the terms of the offering or to sell or otherwise transfer their warrants provided they represent to the Fund that the receipt of warrants and the issuance of units upon the exercise of warrants will not be a violation of the laws of their jurisdiction of residence. By exercising warrants, warrant holders are confirming to the Fund that they are eligible to receive and exercise warrants to subscribe for units under the offering.

If you are a warrant holder whose recorded address is outside of Canada, we expect that your warrants will be held by your investment dealer on your behalf. If you are a United States warrant holder or a warrant holder whose address is outside of Canada and the United States and you are unable to confirm your eligibility to receive and exercise warrants, we expect that your investment dealer should, prior to the expiry date, attempt to sell the warrants allotable to you and deliver any proceeds received with respect to the sale of the warrants to you as soon as practicable. The treatment of warrants by investment dealers on behalf of non-residents of Canada will be subject to the standard procedures of such investment dealer. Non-residents of Canada should therefore consult their investment dealer for more information on its standard procedures in this respect.

**Are there any risks relating to the warrants?** If a Class A shareholder does not exercise or elects to sell the Class A shareholder's warrants, then the value of the units held by that Class A shareholder may be diluted as a result of the exercise of warrants by others. The exercise of warrants has all the risks associated with an investment in units of the Fund. See "Risk Factors" in the Fund's July 7, 2010 prospectus.