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Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Brompton Funds Management Limited at Bay Wellington Tower, 181 Bay Street, Suite 2930, P.O. Box 793, Toronto, Ontario M5J 2T3, or by calling 1-866-642-6001 and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

Warrant Offering

July 7, 2010



BROMPTON SPLIT BANC CORP.

Warrants to Subscribe for up to 2,661,000 Units at a Subscription Price of \$20.58, each Unit consisting of one Class A Share and one Preferred Share

Brompton Split Banc Corp. will issue, to the holders of record of outstanding Class A Shares of the Company at the close of business (Toronto time) on July 19, 2010, up to 2,661,000 Warrants to subscribe for and purchase an aggregate of up to 2,661,000 Units, each Unit consisting of one Class A Share and one Preferred Share of the Company. This prospectus qualifies the distribution of the Warrants and the Class A Shares and Preferred Shares issuable upon the exercise thereof. See “Details of the Offering”.

Record Date:	July 19, 2010, subject to obtaining all necessary regulatory and exchange approvals.
Commencement Date:	Warrants may be exercised commencing on July 20, 2010.
Expiry Date and Time:	Warrants not exercised by 5:00 p.m. (Toronto time) on October 22, 2010 will be void and have no value.
Subscription Price:	The Subscription Price for the Warrants is \$20.58, which is the most recently calculated NAV per Unit prior to the date of filing the final prospectus plus the estimated per Unit fees and expenses of the Offering.
Basic Subscription Privilege:	Each Class A Shareholder at the close of business (Toronto time) on the Record Date will be entitled to receive one-half of one Warrant for each Class A Share held. Each Warrant entitles the holder thereof to subscribe for one Unit (consisting of one Class A Share and one Preferred Share) at the Subscription Price prior to 5:00 p.m. (Toronto time) on the Expiry Date. See “Details of the Offering – Basic Subscription Privilege”.
Additional Subscription Privilege:	Holders of Warrants who exercise Warrants under the Basic Subscription Privilege may also subscribe <i>pro rata</i> for Additional Units not subscribed for initially, if any, on the basis set forth within. See “Details of the Offering – Additional Subscription Privilege”.
No Minimum Issue Size:	The completion of the Offering is not conditional upon the receipt by the Company of any minimum amount of subscription proceeds.

The outstanding Class A Shares and Preferred Shares are listed and posted for trading on the TSX under the trading symbols “SBC” for Class A Shares and “SBC.PR.A” for Preferred Shares. The closing price on July 6, 2010 on the

TSX was \$9.24 per Class A Share and \$10.27 per Preferred Share. The TSX has conditionally approved the listing of the Warrants and the additional Preferred Shares and Class A Shares issuable upon the exercise thereof. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX on or before August 10, 2010. **There is currently no market through which the Warrants may be sold and purchasers may not be able to resell Warrants issued under this prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See “Risk Factors”.**

	<u>Subscription Price⁽¹⁾</u>	<u>Proceeds to the Company⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾</u>
Per Unit	\$20.58	\$20.27
Total	\$54,763,380	\$53,938,470

Notes:

- (1) The subscription price for the Warrants is \$20.58, which is the most recently calculated NAV per Unit prior to the date of filing the final prospectus plus the estimated per Unit fees and expenses of the Offering.
- (2) Assumes that all Warrants distributed to shareholders of record on the Record Date are exercised.
- (3) The Company will pay a fee at the time the Warrant is exercised equal to \$0.31 per Warrant to the CDS Participant whose client is exercising the Warrant, subject to a maximum of \$2,500 per beneficial subscriber in respect of Warrants exercised pursuant to the Basic Subscription Privilege. See “Fees and Expenses – Warrant Exercise Fee”.
- (4) Before deducting the estimated expenses of the Offering of \$140,000, which will be paid by the Company.

The Company is a mutual fund corporation incorporated under the laws of the Province of Ontario by articles of incorporation dated September 14, 2005, with a registered office located at Suite 2930, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2T3. The investment objectives of the Company are to provide holders of Preferred Shares with fixed cumulative preferential quarterly cash distributions in the amount of \$0.13125 per Preferred Share and to return the original issue price on the Maturity Date; and to provide holders of Class A Shares with regular monthly cash distributions targeted to be \$0.10 per Class A Share and to provide the opportunity for growth in net asset value per Class A Share. **There is no assurance that the Company will be able to achieve its investment objectives. If a Class A Shareholder does not exercise or elects to sell the Class A Shareholder’s Warrants, then the value of the Class A Shares held by that Class A Shareholder may be diluted as a result of the exercise of the Warrants by others. See “Risk Factors” for a discussion of certain factors that should be considered by holders of Warrants and investors in Class A Shares.**

The Company utilizes the book-entry only system administered by CDS with respect to the Class A Shares, Preferred Shares, and Warrants. A holder of Warrants may subscribe for Units by instructing the CDS Participant holding the subscriber’s Warrants to exercise all or a specified number of such Warrants and forwarding the Subscription Price for each Unit subscribed for to such CDS Participant. See “Details of the Offering – Basic Subscription Privilege”. Holders of Warrants who exercise Warrants pursuant to the Basic Subscription Privilege may subscribe *pro rata* for Units, if any, not initially subscribed for pursuant to the Additional Subscription Privilege. See “Details of the Offering – Additional Subscription Privilege”.

Computershare Trust Company of Canada will be appointed the Warrant Agent of the Company to receive subscriptions from holders of Warrants, to act as registrar and transfer agent for the Warrants and to perform certain services relating to the exercise and transfer of Warrants. Holders of Warrants desiring to exercise Warrants and purchase Units should ensure that subscriptions and payment in full of the Subscription Price are received by the Warrant Agent prior to 5:00 p.m. (Toronto time) on the Expiry Date. Warrants submitted to the Warrant Agent during the Exercise Period will be exercised in accordance with the practices and procedures of the Warrant Agent and the applicable CDS Participants. **Accordingly, a subscriber subscribing through a CDS Participant must deliver its payment and instructions sufficiently in advance of the Expiry Date to allow the CDS Participant to properly exercise the Warrants on such subscriber’s behalf. Class A Shares and Preferred Shares will be issued on a fully-paid basis only. Holders of Warrants are encouraged to contact their broker or other CDS Participants as each CDS Participant may have an earlier cut-off time.** See “Details of the Offering – Exercise of Warrants and Warrant Agent”.

Provided that the Company continues to qualify at all times as a mutual fund corporation within the meaning of the *Income Tax Act* (Canada) (the “Tax Act”), or the Class A Shares or the Preferred Shares are listed on a “designated stock exchange” for purposes of the Tax Act (which includes the TSX), Class A Shares and Preferred Shares issued as a result of the exercise of Warrants will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans

and tax-free savings accounts (each, a “Registered Plan”). Provided that the Warrants are listed on a designated stock exchange, or provided that at all times Class A Shares and the Preferred Shares are qualified investments for Registered Plans and the Company is not, and deals at arm’s length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the relevant Registered Plan within the meaning of the Tax Act, the Warrants will be a qualified investment under the Tax Act for a Registered Plan. Trusts governed by registered education savings plans should consult their own advisors as to eligibility.

Provided that the holder of a tax-free savings account does not hold a significant interest (as defined in the Tax Act) in the Company or any person or partnership that does not deal at arm’s length with the Company within the meaning of the Tax Act, and provided that such holder deals at arm’s length with the Company within the meaning of the Tax Act, the Warrants, Preferred Shares and the Class A Shares offered hereby will not be a prohibited investment for a trust governed by such tax-free savings account. Generally, a holder will have a significant interest in the Company if the holder, together with persons with whom the holder does not deal at arm’s length, owns directly or indirectly 10% or more of the issued shares of any class of the shares of the Company or any corporation related to the Company within the meaning of the Tax Act. See “Canadian Federal Income Tax Considerations” and “Eligibility for Investment”.

No underwriter has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus.

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GLOSSARY OF TERMS

In this prospectus, the following terms have the meanings set forth below, unless otherwise indicated. Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars.

“**1933 Act**” means the United States *Securities Act of 1933*, as it may be amended from time to time.

“**Additional Units**” means the number of Units available for all subscriptions pursuant to the Additional Subscription Privilege.

“**Additional Subscription Privilege**” means the subscription privilege to subscribe for Additional Units to which all holders of Warrants that have subscribed for Units to which they are entitled pursuant to the Basic Subscription Privilege are entitled to.

“**Advisor**” means Brompton Capital Advisors Inc.

“**Basic Subscription Privilege**” means the subscription privilege pursuant to which holders of Warrants may exercise the Warrants and subscribe for Units at the Subscription Price during the Exercise Period.

“**Business Day**” means any day on which the TSX is open for business.

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

“**CDS Participants**” means participants in CDS.

“**Class A Shareholder**” means a holder of a Class A Share.

“**Class A Shares**” means the class A shares of the Company.

“**Class J Shareholder**” means a holder of a Class J Share.

“**Class J Shares**” means the class J shares of the Company.

“**Commencement Date**” means July 20, 2010.

“**Company**” means Brompton Split Banc Corp., a mutual fund corporation incorporated under the laws of the Province of Ontario.

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

“**DBRS**” means DBRS Limited.

“**Exercise Period**” means the period beginning at market open (Toronto time) on the Commencement Date and ending at 5:00 p.m. (Toronto time) on the Expiry Date.

“**Expiry Date**” means October 22, 2010.

“**Investment Guidelines**” means the investment guidelines of the Company described in “Description of the Business”.

“**Investment Objectives**” means the investment objectives of the Company described in “Description of the Business”.

“**Investment Restrictions**” means the investment restrictions of the Company, including without limitation those described in “Description of the Business”.

“**Manager**” means Brompton Funds Management Limited, in its capacity as manager of the Company, or if applicable, its successor.

“**Maturity Date**” means November 30, 2012.

“**Minister**” means the Minister of Finance (Canada).

“**NAV per Unit**” means the NAV of the Company divided by the number of Units then outstanding.

“**NAV of the Company**” means (i) the aggregate value of the assets of the Company, less (ii) the aggregate value of the liabilities of the Company (the Preferred Shares will not be treated as liabilities for these purposes), including any distributions declared and not paid that are payable to Shareholders on or before such date, less (iii) the stated capital of the Class J Shares (\$100) as described in the current annual information form of the Company.

“**Offering**” means the offering of up to 2,661,000 Warrants and up to 2,661,000 Units issuable upon the exercise thereof, as contemplated in this prospectus.

“**Options Advisor**” or “**Highstreet**” means Highstreet Asset Management Inc.

“**Proposed Amendments**” means all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister prior to the date hereof.

“**Preferred Shares**” means the preferred shares of the Company.

“**Record Date**” means July 19, 2010, subject to obtaining all necessary regulatory and exchange approvals.

“**Registered Plans**” means trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts.

“**Share**” means a Class A Share or Preferred Share of the Company.

“**Shareholder**” means a holder of a Class A Share or a Preferred Share.

“**Subscription Price**” means \$20.58, which is the most recently calculated NAV per Unit prior to the date of filing the final prospectus plus the estimated per Unit fees and expenses of the Offering.

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as the same may be amended from time to time.

“**TFSA**” means a tax-free savings account.

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

“**Unit**” means a notional unit consisting of one Preferred Share and one Class A Share. The number of Units outstanding at any time will be equal to the sum of the number of Preferred Shares and Class A Shares then outstanding divided by two.

“**United States**” means the United States of America, its territories and possessions.

“**U.S. person**” has the meaning given to such term in Regulation S under the 1933 Act.

“**Warrant**” means one transferable Warrant of the Company to be issued to Class A Shareholders and Class J Shareholders of record on the Record Date on the terms and conditions of the Warrant Indenture.

“**Warrant Agent**” means Computershare Trust Company of Canada, in its capacity as Warrant Agent under the Warrant Indenture.

“**Warrant Indenture**” means the Warrant indenture to be dated on or about the Record Date between the Company and the Warrant Agent.

FORWARD LOOKING STATEMENTS

Certain of the statements contained in this prospectus may be forward-looking statements. The use of 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 involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the Manager believes the expectations reflected in the forward-looking statements are reasonable, no assurance can be given that actual results will be consistent with these expectations and forward-looking statements. Potential subscribers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company and the Manager assume no obligation to update or revise them to reflect new events or circumstances except as may be required by applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commissions or similar authorities in each of the provinces and territories of Canada are specifically incorporated by reference and form an integral part of this prospectus:

- (a) the annual information form of the Company dated March 29, 2010 for the year ended December 31, 2009;
- (b) the annual financial statements of the Company dated March 11, 2010, together with the accompanying report of the auditors, for the fiscal year ended December 31, 2009; and
- (c) the management report of fund performance of the Company dated March 11, 2010 for the fiscal year ended December 31, 2009.

Any of the documents of the type referred to above including any material change reports (excluding confidential material change reports), annual information forms, interim and annual financial statements and related management reports of fund performance, business acquisition reports and information circulars filed by the Company with a securities commission or similar authority in Canada after the date of this prospectus and prior to the termination of the Offering, will be deemed to be incorporated by reference in this prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not constitute a part of this prospectus, except as so modified or superseded. Information on any of the websites maintained by the Company or the Manager does not constitute a part of this prospectus.

THE COMPANY

The Company is a mutual fund corporation incorporated under the laws of the Province of Ontario by articles of incorporation, dated September 14, 2005 with a registered office located at Suite 2930, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2T3. The Company is not a conventional mutual fund and has obtained exemptions from certain requirements of the securities legislation of the provinces and territories of Canada.

MANAGER, ADVISOR AND OPTIONS ADVISOR OF THE COMPANY

The manager of the Company is Brompton Funds Management Limited. The Manager is a member of the Brompton Group, a leading provider of structured investment products with over \$2.0 billion in assets as at April 30, 2010. The registered office of the Manager is Bay Wellington Tower, 181 Bay Street, Suite 2930, Toronto, Ontario M5J 2T3.

Brompton Capital Advisors Inc. is the Advisor to the Company and is responsible for maintaining the Portfolio in accordance with the Investment Guidelines and rebalancing criteria. The Advisor is registered as an Exempt Market Dealer and Portfolio Manager in the Province of Ontario. The principal office of the Advisor is located at Suite 2930, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2T3.

Pursuant to an agreement dated January 8, 2007, the Advisor has delegated its functions, powers, responsibilities and duties under the Advisor Agreement to the Options Advisor, Highstreet Asset Management Inc. Highstreet has agreed to perform the services of the Advisor under this agreement, however the Advisor remains responsible for all services rendered thereunder. The Options Advisor's principal office is located at Suite 350, 244 Pall Mall Street, London, Ontario N6A 5P6.

DESCRIPTION OF THE BUSINESS

Investment Objective

The Company's investment objectives are: (i) to provide holders of Preferred Shares with fixed cumulative preferential quarterly cash distributions in the amount of \$0.13125 per Preferred Share; (ii) to provide holders of Class A Shares with regular monthly cash distributions targeted to be \$0.10 per Class A Share; (iii) to return the original issue price to holders of Preferred Shares on the Maturity Date; and (iv) to provide holders of Class A Shares with the opportunity for growth in net asset value per Class A Share.

Investment Guidelines

The net proceeds of the Company's initial public offering were invested, on an approximately equally weighted basis in a portfolio of common shares of six Canadian banks (Bank of Montreal, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, The Bank of Nova Scotia, and The Toronto-Dominion Bank).

Brompton Capital Advisors Inc. is responsible for maintaining the portfolio in accordance with the Investment Guidelines and rebalancing criteria and has delegated these responsibilities to Highstreet. Highstreet, at its discretion, selectively writes covered call options and cash covered put options from time to time in respect of the shares of the banks included in the portfolio in order to generate additional distributable income for the Company.

The Company may from time to time hold cash and cash equivalents including short term debt instruments issued by the government of Canada or a province, short term commercial paper issued by Canadian financial institutions with a rating of at least R-1 (mid) by DBRS or the equivalent from another rating organization selected by the Options Advisor or term deposits.

Investment Restrictions

The Company is subject to certain Investment Restrictions that, among other things, limit the equity securities and other securities that the Company may acquire for the portfolio. The Company's Investment Restrictions may not be changed without the approval of the holders of the Preferred Shares and Class A Shares, each voting separately as a class, by an extraordinary resolution, at a meeting called for such purpose.

In addition, but subject to the Investment Restrictions, the Company has adopted the standard investment restrictions and practices set forth in NI 81-102 (as it may be amended from time to time), other than the restriction on investing more than 10% of the Company's assets in the securities of any one issuer at the time of investment.

Current Portfolio

The following tables are unaudited information relating to the composition of the portfolio as of March 31, 2010:

	% of Portfolio
The Toronto-Dominion Bank	17.9%
Bank of Montreal	17.2%
Canadian Imperial Bank of Commerce	16.3%
The Bank of Nova Scotia	16.0%
Royal Bank of Canada	15.9%
National Bank of Canada	15.8%
Cash and short-term investments	0.9%
Total	<u>100.0%</u>

RATIONALE FOR THE OFFERING

Successful completion of the Offering will provide the Company with additional capital that can be used to take advantage of attractive investment opportunities, and it is also expected to increase the trading liquidity of the Class A Shares and Preferred Shares and reduce the management expense ratio of the Company.

DETAILS OF THE OFFERING

The following is a summary only and is subject to, and is qualified in its entirety by reference to the detailed provisions of the Warrant Indenture.

Issue of Warrants and Record Date

Subject to the Company obtaining all necessary regulatory and exchange approvals, Class A Shareholders will receive Warrants on the basis of one-half of one Warrant for each Class A Share held at the close of business (Toronto time) on the Record Date. The Warrants entitle the holders thereof to subscribe for and purchase from the Company an aggregate of up to 2,661,000 Units, assuming exercise in full of the Warrants offered hereunder. The Company will also issue Warrants on the same basis to the holder of the Class J Shares.

The Warrants will be registered in the name of CDS or its nominee. Class A Shareholders hold their Class A Shares through a CDS Participant and will not receive physical certificates evidencing their ownership of Warrants. See "Delivery Form and Denomination of the Warrants".

Subscription Basis

One Warrant entitles the holder to subscribe for one Unit (consisting of one Class A Share and one Preferred Share) at the Subscription Price.

Subscription Price

The Subscription Price for the Warrants is \$20.58, which is the most recently calculated NAV per Unit prior to the date of filing the final prospectus plus the estimated per Unit fees and expenses of the Offering.

Commencement Date, Exercise Period and Expiry Date and Time

Warrants may be exercised commencing on the Commencement Date and prior to 5:00 p.m. (Toronto time) on the Expiry Date. Warrants may be exercised at any time during the Exercise Period. Holders of Warrants who exercise the Warrants will become holders of Class A Shares and Preferred Shares issued through the exercise of the Warrants. **WARRANTS NOT EXERCISED PRIOR TO 5:00 P.M. (TORONTO TIME) ON THE EXPIRY DATE WILL BE VOID.** If a Class A Shareholder does not exercise, or sells, the Warrants, then the value of the Class A Shares held by that Class A Shareholder may be diluted as a result of the exercise of Warrants by others. See “Dilution to Existing Class A Shareholders” below.

Exercise of Warrants and Warrant Agent

Computershare Trust Company of Canada will be appointed Warrant Agent of the Company to receive subscriptions from holders of Warrants, to act as registrar and transfer agent for the Warrants and to perform certain services relating to the exercise and transfer of Warrants pursuant to the Warrant Indenture. The Company will pay for the services of the Warrant Agent. Holders of Warrants desiring to exercise such Warrants and purchase Units should ensure that subscriptions and payment in full of the Subscription Price are received by the Warrant Agent prior to 5:00 p.m. (Toronto time) on the Expiry Date. Warrants submitted to the Warrant Agent during the Exercise Period will be exercised in accordance with the practices and procedures of the Warrant Agent and the applicable CDS Participants.

Delivery Form and Denomination of the Warrants

All Warrants will be deposited with CDS and all Class A Shareholders hold their shares through a CDS Participant. Holders must arrange exercises or transfers of Warrants through CDS Participants. The Company expects that each Class A Shareholder will receive a confirmation of the number of Warrants issued to such Class A Shareholder from their CDS Participant in accordance with the practices and procedures of that CDS Participant. CDS will be responsible for establishing and maintaining accounts for its participants holding Warrants.

None of the Company, the Manager, the Options Advisor or the Warrant Agent will have any liability for (i) the records maintained by CDS or CDS Participants relating to the Warrants or the accounts maintained by them, (ii) maintaining, supervising or reviewing any records relating to such Warrants or (iii) any advice or representations made or given by CDS or CDS Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or its participants.

The ability of a person having an interest in Warrants held through a CDS Participant to pledge such interest or otherwise take action with respect to such interest (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Basic Subscription Privilege

A holder of Warrants may subscribe for a whole number of Units by instructing the CDS Participant holding the subscriber’s Warrants to exercise all or a specified number of such Warrants and forwarding the Subscription Price for each Unit subscribed for in accordance with the terms of the Offering and the Warrant Indenture to the CDS Participant which holds the subscriber’s Warrants.

The entire Subscription Price for Units subscribed for must be paid at the time of subscription and must be received by the Warrant Agent prior to the date of the exercise of the Warrants. **Accordingly, a subscriber**

subscribing through a CDS Participant must deliver its payment and instructions sufficiently in advance of the Expiry Date to allow the CDS Participant to properly exercise the Warrants on such subscriber's behalf. Units will be issued on a fully-paid basis only. Class A Shares and Preferred Shares not issued prior to the closing of the record on a distribution record date will not be eligible to receive the applicable distribution. Holders of Warrants are encouraged to contact their broker or other CDS Participants as each CDS Participant may have an earlier cut-off time. See "Details of the Offering – Exercise of Warrants and Warrant Agent".

CDS Participants that hold Warrants for more than one beneficial holder may, upon providing evidence satisfactory to the Company and the Warrant Agent during the Exercise Period, exercise Warrants on behalf of their accounts on the same basis as if the beneficial owners of Class A Shares were holders of record on the Record Date.

Notwithstanding anything to the contrary in this prospectus, the Warrants may not be distributed to Shareholders located in the United States, and the Warrants, including those purchased in the secondary market, may be exercised only by a holder of Warrants who represents at the time of exercise that the holder is not located in the United States, did not acquire the Warrants while in the United States, is not a U.S. person and is not exercising the Warrants for resale to or for the account or benefit of a U.S. person or a person in the United States. Payment of the Subscription Price will constitute a representation that the subscriber is not located in the United States, did not acquire Warrants while in the United States, is not a U.S. person, and is not exercising the Warrants for resale to or for the account or benefit of a U.S. person or a person in the United States. See "Plan of Distribution – United States Unitholders".

Holders of Warrants who wish to exercise their Warrants and receive Class A Shares and Preferred Shares are reminded that because Warrants must be exercised through a CDS Participant, a significant amount of time may elapse from the date of exercise and the date the Class A Shares and Preferred Shares issuable upon the exercise thereof are issued to the holder.

Additional Subscription Privilege

Each holder of Warrants that subscribes for Units to which such holder is entitled pursuant to the Basic Subscription Privilege may, at any time during the Exercise Period, subscribe for additional Units pursuant to the Additional Subscription Privilege, if applicable, at a price equal to the Subscription Price for each additional Unit. Holders of Warrants will not be required to fully exercise all of their Warrants under the Basic Subscription Privilege in order to be eligible for the Additional Subscription Privilege.

The number of Additional Units available for all additional subscriptions will be the difference, if any, between the total number of Units issuable upon exercise of Warrants and the total number of Units subscribed and paid for prior to 5:00 p.m. (Toronto time) on the Expiry Date. Subscriptions for Additional Units will be received subject to allotment only and the number of Additional Units, if any, which may be allotted to each subscriber will be equal to the lesser of: (a) the number of Additional Units which that subscriber has subscribed for under the Additional Subscription Privilege; (b) the product (disregarding fractions) obtained by multiplying the number of Additional Units by a fraction, the numerator of which is the number of Warrants exercised by that subscriber under the Basic Subscription Privilege and the denominator of which is the aggregate number of Warrants exercised under the Basic Subscription Privilege by holders of Warrants that have subscribed for Additional Units pursuant to the Additional Subscription Privilege; and (c) 4,000 Units per beneficial subscriber. If any holder of Warrants has subscribed for fewer Additional Units than such holder's *pro rata* allotment of Additional Units, the excess Additional Units will be allotted in a similar manner among the holders who were allotted fewer Additional Units than they subscribed for.

To apply for Additional Units under the Additional Subscription Privilege, a beneficial holder of Warrants must forward his or her request to a CDS Participant. Payment for Additional Units must accompany the request when it is delivered to the CDS Participant. Accordingly, the subscriber must deliver payment and instructions sufficiently in advance of the Expiry Date to allow the CDS Participant to properly exercise Warrants on such subscriber's behalf and apply for Additional Units under the Additional Subscription Privilege, as applicable. Payment in full of the Subscription Price must be received by the Warrant Agent prior to 5:00 p.m. (Toronto time) on the Expiry Date, failing which the subscriber's entitlement to such Units will terminate. Any excess funds will be returned by mail or credited to a subscriber's account with its CDS Participant, without interest or deduction. **Units**

will be issued on a fully-paid basis only. Holders of Warrants are encouraged to contact their broker or other CDS Participants as each CDS Participant may have an earlier cut-off time.

Sale or Transfer of Warrants

Holders of Warrants in Canada may, instead of exercising their Warrants to subscribe for Units, sell or transfer their Warrants. Holders of Warrants who wish to sell or transfer their Warrants must do so in the same manner in which they sell or transfer Class A Shares and Preferred Shares, namely, by providing instructions to the CDS Participant holding their Warrants in accordance with the policies and procedures of the CDS Participant. The TSX has conditionally approved the listing of the Warrants and the additional Preferred Shares and Class A Shares issuable upon the exercise thereof. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX on or before August 10, 2010.

Dilution to Existing Class A Shareholders

If a Class A Shareholder wishes to retain its current percentage ownership in the Company and assuming that all Warrants are exercised, such Class A Shareholder should purchase all of the Units for which it may subscribe pursuant to the Warrants delivered under the Offering. If a Class A Shareholder does not do so and other holders of Warrants exercise any of their Warrants, that Class A Shareholder's current percentage ownership in the Company will be diluted by the issue of Class A Shares under the Offering.

The Warrant Indenture contains anti-dilution provisions such that the subscription rights in effect under the Warrants for Units issuable upon the exercise of the Warrants will be subject to adjustment from time to time if, prior to the Expiry Date, the Company:

- (a) subdivides, redivides or changes its outstanding Class A Shares or Preferred Shares into a greater number of Class A Shares or Preferred Shares;
- (b) reduces, combines or consolidates its outstanding Class A Shares or Preferred Shares into a smaller number of Class A Shares or Preferred Shares;
- (c) distributes to holders of all or substantially all of the outstanding Class A Shares or Preferred Shares, any securities of the Company including rights, options or warrants to acquire Class A Shares or Preferred Shares or securities convertible into or exchangeable for Class A Shares or Preferred Shares, or property or assets, including evidence of indebtedness (other than in connection with the distribution and exercise of the Warrants);
- (d) reclassifies the Class A Shares or Preferred Shares or reorganizes the capital of the Company; or
- (e) consolidates, amalgamates, or merges the Company with or into any other trust or other entity, or sells or conveys the property and assets of the Company as an entirety or substantially as an entirety (other than in connection with the redemption or retraction of Class A Shares or Preferred Shares).

FEES AND EXPENSES

Expenses of the Offering

The expenses of the Offering (including the costs of preparing, printing and mailing the prospectus, legal expenses, expenses of the auditor and translation fees), which are estimated to be \$140,000 in the aggregate, will be paid by the Company.

Warrant Exercise Fee

The Company will pay a warrant exercise fee at the time the Warrant is exercised equal to \$0.31 per Warrant to the CDS Participant whose client is exercising the Warrant. The warrant exercise fee payable is subject to a maximum of \$2,500 per beneficial subscriber in respect of Warrants exercised by or on behalf of any single beneficial subscriber pursuant to the Basic Subscription Privilege.

Management Fees

The Manager receives a management fee equal to 0.55% per annum of the Net Asset Value, calculated and payable monthly in arrears, plus applicable taxes. The Manager is responsible for paying the fees of the Options Advisor out of such management fee. A service fee (described below) is also payable by the Company to the Manager.

Service Fee

The Company pays to the Manager a service fee (calculated quarterly and paid as soon as practicable after the end of each calendar quarter) equal to 0.40% per annum of the Net Asset Value represented by the Class A Shares held at the end of the relevant quarter by clients of CDS Participants, plus applicable taxes. For these purposes, the value of a Class A Share will be the NAV per Unit, less \$10 dollars, and less any accrued and unpaid distributions on the Preferred Shares. Such service fee is applied by the Manager to pay a service fee in an equivalent aggregate amount, plus applicable taxes, to CDS Participants based on the number of Class A Shares held by clients of such CDS Participants at the end of the relevant quarter.

Ongoing Expenses

The Company also pays for all expenses incurred in connection with its operation and administration, as more fully described in the current annual information form of the Company, which is incorporated by reference in this prospectus.

Additional Services

Any arrangements for additional services between the Company and the Manager, or any affiliate thereof, that have not been described in this prospectus will be on terms that are no less favourable to the Company than those available from arm's length persons (within the meaning of the Tax Act) for comparable services and the Company will pay all expenses associated with such additional services.

CAPITALIZATION TABLE

The following table sets forth the unaudited capitalization of the Company before and after giving effect to the Offering:

<u>Designation</u>	<u>Authorized</u>	<u>Outstanding as at December 31, 2009</u>	<u>Outstanding as at June 30, 2010</u>	<u>Outstanding as at June 30, 2010 after giving effect to the Offering ⁽²⁾</u>
Class A Shares	Unlimited	\$61,513,386 ⁽¹⁾ (5,322,295 Class A Shares)	\$54,225,303 (5,309,595 Class A Shares)	\$81,413,773 (7,970,595 Class A Shares)
Preferred Shares	Unlimited	\$53,222,950 (5,322,295 Preferred Shares)	\$53,095,950 (5,309,595 Preferred Shares)	\$79,705,950 (7,970,595 Preferred Shares)
Class J Shares	Unlimited	\$100 (100 Class J Shares)	\$100 (100 Class J Shares)	\$100 (100 Class J Shares)
Total		\$114,736,436	\$107,321,353	\$161,119,823

(1) The capitalization of the Class A Shares is presented in accordance with Note 3 of the Company's annual financial statements.

(2) Based on the number of Class A Shares and Preferred Shares outstanding as at June 30, 2010, less the payment of the expenses of the Offering, estimated to be \$140,000, and assuming payment of a warrant exercise fee by the Company equal to \$0.31 per Warrant and assuming the exercise of all Warrants issued hereunder at a Subscription Price of \$20.58.

**PRICE RANGE, NET ASSET VALUE, TRADING VOLUME OF
CLASS A SHARES AND PREFERRED SHARES**

The Class A Shares trade on the TSX under the symbol “SBC” and the Preferred Shares trade on the TSX under the symbol “SBC.PR.A”. On July 6, 2010 the closing price on the TSX was \$9.24 per Class A Shares and \$10.27 per Preferred Share. The following table sets forth the NAV per Unit and market price range and trading volume of the Class A Shares and the Preferred Shares on the TSX for the 12-month period prior to the date of this prospectus. All such information, other than the NAV per Class A Share and Preferred Share, was obtained from Thomson Reuters or the TSX. The Company, the Manager, the Options Advisor and the Warrant Agent do not assume any responsibility for the accuracy of such information.

Period	NAV per Unit⁽¹⁾		Class A Shares Market Price			Preferred Shares Market Price		
	Low	High	Low	High	Volume	Low	High	Volume
<u>2010</u>								
July 1-6	n/a	n/a	\$ 9.03	\$ 9.47	15,255	\$ 10.01	\$ 10.35	6,020
June	\$ 20.21	\$ 21.87	\$ 9.40	\$ 11.00	197,786	\$ 10.15	\$ 10.60	32,326
May	\$ 21.64	\$ 22.65	\$ 10.21	\$ 12.01	227,221	\$ 10.06	\$ 10.67	30,274
April	\$ 22.50	\$ 23.36	\$ 11.06	\$ 12.49	218,495	\$ 10.32	\$ 10.67	136,803
March	\$ 22.13	\$ 23.09	\$ 10.61	\$ 12.44	171,366	\$ 10.01	\$ 11.01	29,801
February	\$ 20.22	\$ 21.52	\$ 9.31	\$ 10.83	153,356	\$ 10.20	\$ 10.40	43,759
January	\$ 20.46	\$ 21.01	\$ 9.66	\$ 10.89	100,339	\$ 10.20	\$ 10.45	57,259
<u>2009</u>								
December	\$ 21.15	\$ 21.59	\$ 9.91	\$ 11.45	328,141	\$ 10.18	\$ 10.55	130,255
November	\$ 20.79	\$ 21.74	\$ 9.37	\$ 11.50	324,709	\$ 10.20	\$ 10.45	146,694
October	\$ 20.55	\$ 21.23	\$ 9.13	\$ 10.50	305,773	\$ 10.19	\$ 10.40	180,048
September	\$ 20.61	\$ 21.57	\$ 9.57	\$ 10.70	258,723	\$ 10.16	\$ 10.48	120,292
August	\$ 20.38	\$ 21.51	\$ 9.17	\$ 10.72	143,752	\$ 10.01	\$ 10.33	54,858
July	\$ 18.36	\$ 20.65	\$ 7.43	\$ 10.24	807,046	\$ 9.55	\$ 10.45	200,743

Notes

(1) The Net Asset Value is calculated and published on a weekly basis.

USE OF PROCEEDS

The proceeds of the Offering, after deducting the fees and expenses of the Offering, will be invested by the Company in accordance with the Investment Objectives and Investment Guidelines of the Company, subject to the Investment Restrictions of the Company.

PLAN OF DISTRIBUTION

The TSX has conditionally approved the listing of the Warrants and the additional Preferred Shares and Class A Shares issuable upon the exercise thereof. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX on or before August 10, 2010.

United States Shareholders

The Class A Shares and Preferred Shares are not registered under the 1933 Act. The Offering is made in Canada and not in the United States. The Offering is not, and under no circumstances is to be construed as, an offering of any Class A Shares and Preferred Shares for sale in the United States or an offering to or for the account or benefit of any U.S. person or a solicitation therein of an offer to buy any securities. Accordingly, the Warrants may not be distributed to Shareholders located in the United States, and no subscriptions will be accepted from any person, or their agent, who appears to be, or who the Company has reason to believe is, resident in the United States.

Each CDS Participant will, prior to the Expiry Date, attempt to sell for the United States Class A Shareholders the Warrants allotable to such United States Class A Shareholders at the price or prices it determines in its discretion. Any proceeds received by the CDS Participant with respect to such Warrants are expected to be delivered by the CDS Participant as soon as practicable to such United States Class A Shareholders.

Other Foreign Shareholders and Undeliverable Documents

Class A Shareholders whose recorded addresses are outside of Canada, other than the United States, will be permitted to subscribe for Units pursuant to the terms of the Offering or, if they do not wish to exercise any of their Warrants to subscribe for Units, will be permitted to sell or otherwise transfer their Warrants through a CDS Participant provided that they represent to the Company that the receipt by them of Warrants and the issuance to them of Class A Shares and Preferred Shares upon the exercise of the Warrants will not be in violation of the laws of their jurisdiction of residence.

By exercising Warrants, holders exercising through CDS Participants will be deemed to be confirming to the Company that such Class A Shareholders are eligible to receive Warrants and to exercise Warrants to subscribe for Units under the Offering.

All Class A Shareholders whose recorded address is outside of Canada, other than those Class A Shareholders who confirm their eligibility to receive and exercise Warrants, are advised that their Warrants will be held by their CDS Participant for the account of such Class A Shareholders. The CDS Participant will, prior to the Expiry Date, attempt to sell for such Class A Shareholders the Warrants allotable to such Class A Shareholders at the price or prices it determines in its discretion. Any proceeds received by the CDS Participant with respect to such Warrants are expected to be delivered by the CDS Participant as soon as practicable to such Class A Shareholders.

If any Warrant offering documents are returned to a CDS Participant prior to the Expiry Date as undeliverable, the Manager expects that the respective Warrants will be sold and the net proceeds held by the CDS Participant for the account of the Class A Shareholders whose Warrant offering documents were undeliverable, and in the event such proceeds are not claimed before 5:00 p.m. on the Expiry Date, such proceeds will be paid to the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Manager will receive the fees described under “Fees and Expenses” for its services to the Company and will be reimbursed by the Company for all expenses incurred in connection with the operation and administration of the Company.

RISK FACTORS

Certain risk factors relating to the Company, the Class A Shares, the Preferred Shares and the Warrants are described below. Additional risks and uncertainties not currently known to the Manager, or that are currently considered immaterial, may also impair the operations of the Company. If any such risk actually occurs, the business, financial condition, liquidity or results of operations of the Company and the ability of the Company to make distributions on the Class A Shares and Preferred Shares, could be materially adversely affected.

Dilution to Existing Class A Shareholders

If a Class A Shareholder does not exercise or elects to sell the Class A Shareholder's Warrants, then the value of the Class A Shares held by that Class A Shareholder may be diluted as a result of the exercise of Warrants by others.

No Public Market for the Warrants

The TSX has conditionally approved the listing of the Warrants and the additional Preferred Shares and Class A Shares issuable upon the exercise thereof. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX on or before August 10, 2010. There is currently no public market for the Warrants and there can be no assurance that an active public market will develop or be sustained after completion of the Offering.

Performance of the Portfolio Issuers and Other Considerations

The NAV per Unit varies as the value of the securities in the portfolio varies. The Company has no control over the factors that affect the value of the securities in the portfolio. Factors unique to each company included in the portfolio, such as changes in their management, strategic direction, achievement of goals, mergers, acquisitions and divestitures, changes in distribution policies and other events, may affect the value of the common shares and other securities in the portfolio. A substantial drop in the North American equities markets could have a negative effect on the Company and could lead to a significant decline in the value of the portfolio and the value of the Class A Shares and Preferred Shares. Class A Shares and Preferred Shares of the Company may trade in the market at a discount to their NAV and there can be no assurance that they will trade at a price equal to their NAV.

Recent Global Financial Developments

Global financial markets experienced a sharp increase in volatility beginning in 2008. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities, contributing to a reduction in liquidity among financial institutions and a reduction in the availability of credit to those institutions and to the issuers who borrow from them. While central banks and governments continue attempts to restore liquidity to the global economy, no assurance can be given that the combined impact of the significant revaluations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world. Some or all of these economies may experience significantly diminished growth and some or all may suffer a recession, the duration of which cannot be predicted. These market conditions and unexpected volatility or illiquidity in financial markets may also significantly and adversely affect the prospects of the Company and the value of the portfolio. A substantial decline in the North American equities markets could be expected to have a negative effect on the Company.

Concentration Risk

The Company will be invested at all times in up to six issuers in one industry. The Company's holdings will be less diversified and the NAV per Unit may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative impact on the value of the Preferred Shares and the Class A Shares.

No Assurances on Achieving Objectives

There is no assurance that the Company will be able to achieve its distribution objective or will return to investors an amount equal to or in excess of the original issue price of the Preferred Shares or the Class A Shares. There is no assurance that the Company will be able to pay quarterly distributions on the Preferred Shares or monthly distributions on the Class A Shares. The funds available for distributions to Shareholders will vary according to, among other things, the dividends and distributions paid on all of the securities, the level of option premiums received and the value of the securities comprising the portfolio. As the dividends and distributions received by the Company may not be sufficient to meet the Company's objectives in respect of the payment of distributions, the Company may depend on the receipt of option premiums and the realization of capital gains to meet those objectives. Although many investors and financial market professionals price options based on the Black-Scholes Model, in practice actual option premiums are determined in the marketplace and there is no assurance that the premiums predicted by such pricing model can be attained.

Sensitivity to Interest Rates

The market price of the Preferred Shares and Class A Shares may be affected by the level of interest rates prevailing from time to time. A rise in interest rates may have a negative effect on the market price of such shares and increase the cost of borrowing to the Company, if any. Shareholders who wish to redeem or sell their Preferred Shares or Class A Shares prior to the Maturity Date will therefore be exposed to the risk that the market price of the Preferred Shares and Class A Shares may be negatively affected by interest rate fluctuations.

Greater Volatility of the Class A Shares

An investment in the Class A Shares represents a leveraged investment by virtue of the Preferred Shares which have priority in payment of any distributions and any proceeds from the winding-up of the Company. This leverage amplifies the potential return to investors of Class A Shares in so far as returns in excess of the amounts payable to holders of Preferred Shares accrue to the benefit of the holders of Class A Shares. Conversely, any losses incurred by the portfolio accrue to the detriment of the holders of the Class A Shares since the Preferred Shares rank prior to the Class A Shares in respect of distributions and proceeds upon the winding-up of the Company.

Changes in Credit Rating

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. There can be no assurance that the Preferred Shares will maintain their rating by DBRS for any given period of time or that the rating will not be lowered or withdrawn entirely by DBRS if in DBRS' judgment circumstances so warrant. A lowering or withdrawal of the rating of the Preferred Shares may have a negative effect on the market value of the Preferred Shares.

Reliance on the Advisor and Option Advisor

The Advisor and the Option Advisor will perform their duties in a manner consistent with the Investment Objectives, Investment Guidelines and rebalancing criteria of the Company. The employees of the Advisor and the Option Advisor who will be primarily responsible for the management of the portfolio have extensive experience in managing investment portfolios and writing covered call and cash covered put options in connection with managing such investment portfolios. There is no certainty that the employees of the Advisor and Option Advisor who will be primarily responsible for the management of the portfolio and option writing program will continue to be employees of the Advisor or Option Advisor throughout the term of the Company.

Use of Options and Other Derivative Instruments

The Company is subject to the full risk of its investment position in the securities comprising the portfolio, including those securities that are subject to outstanding call options and those securities underlying put options written by the Company, should the market price of such securities decline. In addition, the Company will not participate in any gain on the securities that are subject to outstanding call options above the strike price of the options.

There is no assurance that a liquid exchange or over-the-counter market will exist to permit the Company to write covered call options or cash covered put options or purchase cash covered put options on desired terms or to close out option positions should the Option Advisor desire to do so. The ability of the Company to close out its positions may also be affected by exchange imposed daily trading limits on options or the lack of a liquid over-the-counter market. If the Company is unable to repurchase a call option which is in-the-money, it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires. In addition, upon the exercise of a put option, the Company will be obligated to acquire a security at the strike price which may exceed the then current market value of such security.

In purchasing call or put options or selling call or writing put options, the Company is subject to the credit risk that its counterparty (whether a clearing corporation, in the case of exchange traded instruments, or other third party, in the case of over-the-counter instruments) may be unable to meet its obligations.

Sensitivity to Volatility Levels

The Company intends to sell call options in respect of some or all of the securities held in the portfolio. Such call options may be either exchange traded options or over-the-counter options. By selling call options, the Company will receive option premiums. The amount of option premium depends upon, among other factors, the implied volatility of the price of the underlying security as, generally, the higher the implied volatility, the higher the option premium. The level of implied volatility is subject to market forces and is beyond the control of the Option Advisor or the Company.

Foreign Currency Exposure

As the portfolio may contain some securities and options denominated in U.S. dollars, the NAV of the Company and the value of distributions and option premiums received by the Company will, when measured in Canadian dollars, be affected by fluctuations in the value of the U.S. dollar relative to the Canadian dollar.

Securities Lending

The Company may engage in securities lending. Although the Company will receive collateral for the loans and such collateral will be marked-to-market, the Company will be exposed to the risk of loss should the borrower default on its obligations to return the borrowed securities and the collateral be insufficient to reconstitute the portfolio of loaned securities.

Taxation

In determining its income for tax purposes, the Company treats option premiums received on the writing of covered call options and cash covered put options and any losses sustained on closing out such options as capital gains and capital losses, as the case may be, in accordance with its understanding of the CRA's published administrative policy and assessing practice. Gains or losses on the disposition of shares, including the disposition of shares held in the portfolio upon exercise of a call option, are treated as capital gains or losses. The CRA's practice is not to grant an advance income tax ruling on the characterization of items as capital gains or income and no advance ruling has been requested or obtained.

If, contrary to the CRA's published administrative policy, some or all of the transactions undertaken by the Company in respect of options were treated on income rather than capital account, after-tax returns to Shareholders could be reduced, the Company could be subject to non-refundable income tax from such transactions and the Company could be subject to penalty taxes in respect of excessive capital dividend elections.

There can be no assurance that changes will not be made to the tax rules affecting the taxation of the Company or the Company's investments, or that such tax rules will not be administered in a way that is less advantageous to the Company or its Shareholders.

Significant Retractions

If a significant number of Class A Shares and Preferred Shares are retracted, the trading liquidity of the Class A Shares and Preferred Shares could be significantly reduced. In addition, the expenses of the Company would be spread among fewer Class A Shares and Preferred Shares resulting in a potentially lower NAV.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Company, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act with respect to the receipt of Warrants under the Offering. This summary is applicable only to a Class A Shareholder who is an individual (other than a trust), who acquires Warrants pursuant to the Offering and who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length with and is not affiliated with the Company, and holds Class A Shares and will hold Warrants, and Class A Shares and Preferred Shares issued pursuant to the exercise of Warrants, as capital property. Warrants, Class A Shares and Preferred Shares will generally be considered to be capital property to a Shareholder unless they are held in the course of carrying on a business of trading or dealing in securities or were acquired in one or more transactions considered to be an adventure in the nature of trade. A Shareholder whose Class A Shares and Preferred Shares might not otherwise qualify as capital property may be

entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the Class A Shares and Preferred Shares and every other “Canadian security” (as defined in the Tax Act) owned by such Shareholder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. This election is not available in respect of the Warrants. Shareholders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances.

This summary is based upon the current provisions of the Tax Act and the Proposed Amendments, and counsel’s understanding of the current published administrative policies and assessing practices of the CRA made publicly available prior to the date hereof and on a certificate of the Company as to certain factual matters. This summary assumes that the Proposed Amendments will be enacted as currently proposed although no assurance can be given in that regard. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in the law or administrative policy or assessing practice of the CRA, whether by way of legislative, governmental or judicial decision or action, nor does it take into account provincial or foreign tax legislation or considerations.

This summary is not exhaustive of all possible Canadian federal income tax considerations. Moreover, the income and other tax consequences will vary according to the status of the Shareholder, the province or territory or provinces or territories in which the Shareholder resides or carries on business and, generally, the Shareholder’s own particular circumstances. Accordingly, the following description of income tax matters is of a general nature only and is not intended to constitute advice to any particular Shareholder. Shareholders should consult their own tax advisors with respect to the income tax consequences applicable to them, based upon their particular circumstances.

Based on an administrative position of the CRA, no amount will be required to be included in computing the income of a Class A Shareholder as a consequence of acquiring Warrants under the Offering. The cost of a Warrant received under the Offering will be nil. The cost of a Warrant acquired by a Shareholder will be averaged with the adjusted cost base to the Shareholder of any other Warrants held at that time as capital property to determine the adjusted cost base of each such Warrant to the Shareholder.

The exercise of a Warrant will not constitute a disposition of property for purposes of the Tax Act and, consequently, no gain or loss will be realized by the Shareholder on the exercise of a Warrant. Upon exercise of a Warrant, the Company intends, for its purposes, to issue each Class A Share for \$10.58 and each Preferred Share for \$10.00. Although the Company believes that such allocation of the aggregate Subscription Price is reasonable, such allocation is not binding on the CRA. A Class A Share and a Preferred Share acquired by a Shareholder upon the exercise of a Warrant will have a cost to the Shareholder for tax purposes equal to the aggregate of the Subscription Price for such Unit allocated to such Class A Share and Preferred Share and the adjusted cost base, if any, to the Shareholder of the Warrant so exercised that has been allocated to such Class A Share and Preferred Share. The cost of Class A Shares and Preferred Shares acquired by a Shareholder upon the exercise of a Warrant will be averaged with the adjusted cost base to the Shareholder of all other Class A Shares and Preferred Shares held at the time as capital property to determine the adjusted cost base of each such Class A Share and Preferred Share to the Shareholder.

Upon the disposition of a Warrant by a Shareholder, other than pursuant to the exercise thereof, the Shareholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of reasonable costs of disposition, exceed (or are less than) the adjusted cost base, if any, of the Warrant to the Shareholder. Upon the expiry of an unexercised Warrant, a Shareholder will realize a capital loss equal to the adjusted cost base, if any, of the Warrant to the Shareholder. One-half of such a capital gain will be included in computing the Shareholder’s income, and one-half of such a capital loss may be deducted against taxable capital gains in accordance with the detailed rules in the Tax Act.

ELIGIBILITY FOR INVESTMENT

Provided that the Company continues to qualify at all times as a mutual fund corporation within the meaning of the Tax Act, or the Class A Shares or the Preferred Shares are listed on a “designated stock exchange” for purposes of the Tax Act (which includes the TSX), Class A Shares and Preferred Shares issued as a result of the exercise of Warrants will be qualified investments for trusts governed by Registered Plans. Provided that the Warrants are listed on a designated stock exchange, or provided that at all times Class A Shares and the Preferred

Shares are qualified investments for Registered Plans and the Company is not, and deals at arm's length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the relevant Registered Plan within the meaning of the Tax Act, the Warrants will be a qualified investment under the Tax Act for a Registered Plan. Trusts governed by registered education savings plans should consult their own advisors as to eligibility.

Provided that the holder of a tax-free savings account does not hold a significant interest (as defined in the Tax Act) in the Company or any person or partnership that does not deal at arm's length with the Company within the meaning of the Tax Act, and provided that such holder deals at arm's length with the Company within the meaning of the Tax Act, the Warrants, Preferred Shares and the Class A Shares offered hereby will not be a prohibited investment for a trust governed by such tax-free savings account. Generally, a holder will have a significant interest in the Company if the holder, together with persons with whom the holder does not deal at arm's length, owns directly or indirectly 10% or more of the issued shares of any class of the shares of the Company or any corporation related to the Company within the meaning of the Tax Act.

AUDITORS

The auditors of the Company are PricewaterhouseCoopers LLP, Chartered Accountants, Licensed Public Accountants, Suite 3000, P.O. Box 82, Royal Trust Tower, TD Centre, Toronto, Ontario, M5K 1G8.

REGISTRAR AND TRANSFER AGENT AND WARRANT AGENT

Computershare Investor Services Inc. is the registrar and transfer agent for the Class A Shares and Preferred Shares. Computershare Trust Company of Canada will be appointed the Warrant Agent and the registrar and transfer agent for the Warrants.

INTEREST OF EXPERTS

Certain legal matters relating to the Offering will be passed upon by Osler, Hoskin & Harcourt LLP on behalf of the Company. As of the date hereof, the partners and associates of Osler, Hoskin & Harcourt LLP as a group each own less than one percent of the outstanding Class A Shares or Preferred Shares and any other outstanding securities of any associate or affiliate of the Company.

The auditors of the Company are PricewaterhouseCoopers LLP, Chartered Accountants, Licensed Public Accountants, who have prepared an auditors' report dated March 11, 2010 in respect of the financial statements of the Company as at December 31, 2009 and 2008. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

CONTRACTUAL RIGHT OF ACTION FOR RESCISSION

Pursuant to the terms of the Warrant Indenture, the Company has granted to each holder of Warrants who elects to purchase Units pursuant to the Basic Subscription Privilege a contractual right of rescission. Pursuant to such right, a holder of Warrants that elects to exercise Warrants pursuant to the Basic Subscription Privilege may rescind such exercise by delivering a notice of rescission (in the form attached to the Warrant Indenture) to the Warrant Agent not later than midnight (Toronto time) on the second Business Day after a valid subscription is received by the Warrant Agent (being the date on which both the instruction to exercise the Warrants and payment in full of the Subscription Price therefor is received by the Warrant Agent). Each holder of Warrants validly electing to rescind an exercise of Warrants will receive a full refund of the Subscription Price paid in connection with such exercise and will not receive any Class A Shares or Preferred Shares. Any Warrants rescinded will be cancelled. The contractual right of rescission granted to such holder is in addition to any other right or remedy available to a holder of Warrants at law.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two Business Days after

receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the short form prospectus (the "prospectus") of Brompton Split Banc Corp. (the "Company") dated July 7, 2010, relating to the issue of Warrants to subscribe for Units of the Company (each Unit consisting of one Class A Share and one Preferred Share of the Company). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use, through incorporation by reference in the prospectus, of our report to the Shareholders of the Company on the statement of investments as at December 31, 2009, the statements of financial position as at December 31, 2009 and 2008 and the statements of operations and deficit and changes in shareholders' equity and cash flows for the years ended December 31, 2009 and 2008. Our report is dated March 11, 2010.

Toronto, Ontario
July 7, 2010

(Signed) PricewaterhouseCoopers LLP
Chartered Accountants, Licensed Public Accountants

CERTIFICATE OF THE COMPANY AND THE MANAGER

Dated: July 7, 2010

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Quebec, Northwest Territories, Yukon Territory and Nunavut.

BROMPTON SPLIT BANC CORP.

(Signed) MARK A. CARANCI
President, Chief Executive Officer and Director

(Signed) CRAIG T. KIKUCHI
Chief Financial Officer

On behalf of the Board of Directors

(Signed) PETER A. BRAATEN
Director

(Signed) RAYMOND R. PETHER
Director

**BROMPTON FUNDS MANAGEMENT LIMITED
(as Manager)**

(Signed) MARK A. CARANCI
President, Chief Executive Officer and Director

(Signed) CRAIG T. KIKUCHI
Chief Financial Officer

On behalf of the Board of Directors

(Signed) PETER A. BRAATEN
Director

(Signed) RAYMOND R. PETHER
Director