

**Portfolio Manager Commentary - March 31, 2024****Crude Oil Review**

Energy was the third best performing sector in the S&P/TSX Composite Total Return Index and the best performing sector in the S&P 500 Index in Q1 2025, with the S&P 500 Energy rising 10.2% despite the broader index being down for the quarter. West Texas Intermediate (WTI) crude ended the quarter at US\$71.48 per barrel, while Brent maintained a premium, closing at US\$74.74. In Canada, heavy oil differentials narrowed to a US\$10.89 discount by quarter-end, aided by the startup of the expanded Trans Mountain pipeline, which nearly tripled export capacity and improved pricing for Canadian heavy oil.

Global oil consumption posted its strongest increase since 2023, rising by 1.2 million barrels per day in Q1 2025. This provided support for oil prices during the first quarter. However, oil consumption in China continues to slow, its Q1 2025 crude oil imports declined 1.5% year-over-year, despite a notable rebound in March. In April, the International Energy Agency (IEA) revised its annual global oil demand growth forecast downward by 300,000 barrels per day to 730,000 barrels per day for 2025, with further deceleration to 690,000 barrels per day expected in 2026. This revision reflects heightened macroeconomic uncertainty stemming from escalating trade tensions and new tariffs, which have also contributed to a more cautious outlook for global growth and fuel demand.

In April, OPEC+ responded to supply disruption concerns by accelerating production increases, raising output by 411,000 barrels per day in May 2025—three times the previously planned monthly increment. This decision triggered a sharp drop in crude prices, with Brent falling below US\$70 per barrel after the announcement. At the same time, new tariffs are expected to raise costs for steel and equipment, discouraging drilling activity, while Chinese tariffs on U.S. ethane and liquified petroleum gas have led the IEA to revise its U.S. oil supply growth forecast for 2025 down by 150,000 barrels per day, now projecting growth of 490,000 barrels per day. As a result, the oil market faces significant uncertainty heading into the remainder of 2025, and we are closely monitoring developments related to tariffs.

**Portfolio Review**

Units (1 Class A share plus 1 Preferred share) of Brompton Energy Split Corp. (the “Fund”) were up 3.1% in Q1 2025. The S&P/TSX Capped Energy Total Return Index was up 4.1% and the S&P 500 Energy Index was up 10.2% over the same period. Top performers include Imperial Oil (+18.3%), Targa Resources Corp (+12.8%) and Southern (+12.7%). Natural gas players delivered strong outperformance in Q1 2025, driven by robust rallies in natural gas prices.

The Fund currently holds 18 North American Energy companies (9 Canadian names and 9 U.S. names). We added exposure to natural gas and regulated utilities during Q1 2025. E&P players expanded production modestly, which helped buoy cash flow and supported capital returns. We are increasingly cautious with E&P players due to their sensitivity to near-term commodity price volatility; we favor gas-weighted E&Ps that will still benefit from growing demand from LNG with the added potential of supply coming under pressure from less associated gas activity. Midstream players have benefited from EBITDA growth driven by new infrastructure project starts; they are well positioned due to their strong balance sheets and free cash flow backed by take-or-pay contracts. We still favour regulated utilities in the current environment of heightened market uncertainty, as their stable earnings and low correlation to commodity price volatility provide defensive positioning and predictable cash flows.

As we move through 2025, our focus remains on high-quality midstream operators and regulated utilities with visible growth pipelines, as well as select E&P companies demonstrating rigorous cost controls and shareholder return commitments. We believe the portfolio is well positioned to navigate the evolving demand dynamics and leverage infrastructure-driven opportunities in a transitioning energy landscape.

| Annual Compound Returns <sup>1</sup>       | YTD  | 1-YR  | 3-YR  | 5-YR  | 10-YR  | Since Inception <sup>2</sup> |
|--|------|-------|-------|-------|--------|------------------------------|
| Brompton Energy Split Corp. - Class A      | 5.5% | 6.6%  | 7.6%  | *     | (6.1%) | (6.5%)                       |
| S&P/TSX Capped Energy Total Return Index   | 4.1% | 0.4%  | 11.6% | 40.5% | 5.9%   | 5.5%                         |
| S&P/TSX Composite Total Return Index       | 1.5% | 15.8% | 7.8%  | 16.8% | 8.6%   | 8.3%                         |
| Brompton Energy Split Corp. - Unit         | 3.1% | 8.1%  | 8.3%  | 33.9% | 2.6%   | 2.3%                         |
| Brompton Energy Split Corp. - Preferred    | 2.1% | 8.5%  | 7.8%  | 25.5% | 6.8%   | 6.8%                         |
| S&P/TSX Preferred Share Total Return Index | 2.6% | 16.7% | 4.4%  | 12.7% | 3.8%   | 3.7%                         |

(1) Returns are for the periods ended March 31, 2025 and are unaudited. The table shows the Fund's compound return on a Class A Share, Preferred Share and unit (which consists of one Class A share and one Preferred share) for each period indicated compared with the S&P/TSX Capped Energy Total Return Index ("Energy Index"), the S&P/TSX Composite Total Return Index ("Composite Index") and the S&P/TSX Preferred Share Total Return Index ("Preferred Index"), (together the "Indices"). The Energy Index is derived from the Composite Index and tracks the performance of equity securities that are in the energy sector of the Toronto Stock Exchange ("TSX"). The Composite Index tracks the performance, on a market-weight basis and a total return basis, of a broad index of large-capitalization issuers listed on the TSX. The Preferred Index tracks the performance, on a market-weight basis and a total return basis, of preferred shares listed on the TSX that meet the criteria relating to size, liquidity and issuer rating. The Fund is actively managed; therefore, its performance is not expected to mirror that of the Indices, which have more diversified portfolios and include a substantially larger number of companies. The Indices' performance 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. Additionally, the performance of the Fund's Class A shares is impacted by the leverage provided by the Fund's Preferred shares. The performance information shown is based on net Asset value per Class A share and per unit, or the redemption price per Preferred share, and assumes that cash distributions made by the Fund during the periods shown were reinvested at net asset value per Class A share and per unit, or the redemption price per Preferred share in additional Class A shares, units and Preferred shares of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future.

(2) Inception Date February 24, 2015.

\* Performance per Class A share is not determinable, as the comparative Net Asset Value per Class A share was \$0.00.

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There are ongoing fees and expenses associated with owning shares of an investment fund. An investment fund must prepare disclosure documents that contain key information about the Fund. You can find more detailed information about the Fund in the public filings available at [www.sedarplus.ca](http://www.sedarplus.ca).

The indicated rates of return are the historical annual compounded total returns including changes in share value and reinvestment of all distributions and do not take into account certain fees such as redemption costs or income taxes payable by any securityholder that would have reduced returns. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

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