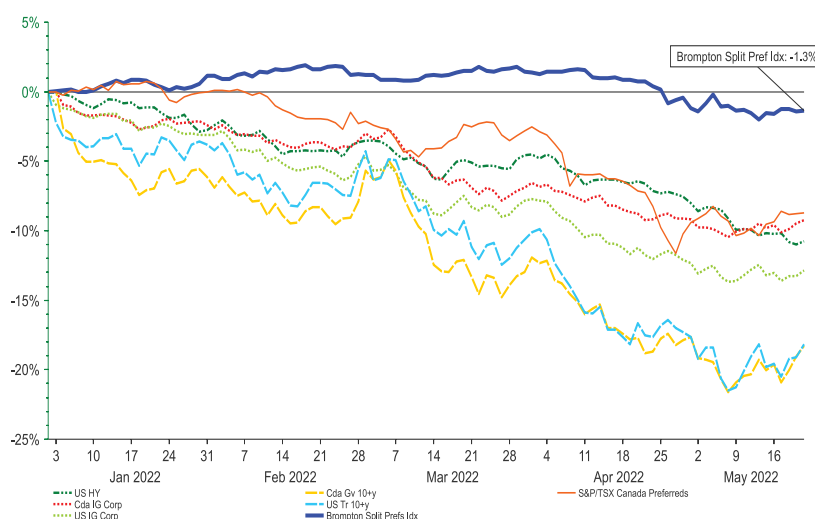


**Fund in focus:** [Dividend Growth Split Corp. \(DGS.PR.A\)](#), [Life & Banc Split Corp. \(LBS.PR.A\)](#), [Brompton Lifeco Split Corp. \(LCS.PR.A\)](#), [Global Dividend Growth Split Corp. \(GDV.PR.A\)](#), [Brompton Oil Split Corp. \(OSP.PR.A\)](#), [Sustainable Power and Infrastructure Split Corp. \(PWI.PR.A\)](#), [Brompton Split Banc Corp. \(SBC.PR.A\)](#)

2022 so far has seen a sharp increase in interest rates, combined with record-high inflation in both the U.S. and Canada, putting pressure on most categories of fixed income securities. With the U.S. Fed and the Bank of Canada expected to further hike interest rates in the near future, and the potential negative economic impact from the Russia-Ukraine war, this continues to be a challenging time for the fixed income investors who are looking for stable income and capital preservation.

**Major Fixed Income Categories: Total Return, YTD**  
(as of May 20, 2022)



Source: Refinitive Datastream. "Brompton Split Prefs Idx" depicts the market-capitalization-weighted total return performance of Brompton Split Corp. Preferred Shares (inclusion date for each preferred share = inception date), included ticker symbols: DGS.PR.A, GDV.PR.A, LBS.PR.A, LCS.PR.A, OSP.PR.A, SBC.PR.A & PWI.PR.A. Broad fixed income market indices include: ICE BofA US High Yield Index, ICE BofA Canada Corporate Bond Index, ICE BofA US Corporate Bond Index, ICE BofA Canada 10+ year Government Bond Index, ICE BofA US 10+ year Treasury Index and S&P/TSX Preferred Share Index.

One of the few standouts in Fixed Income has been Split Corp. Preferred Shares, which have had relatively strong performance. Split Corp. Preferred shares are unique fixed income instruments that stand out from corporate preferred shares but are not widely understood. The major features that differentiate Brompton Split Preferred shares from Canadian corporate Preferred shares include:

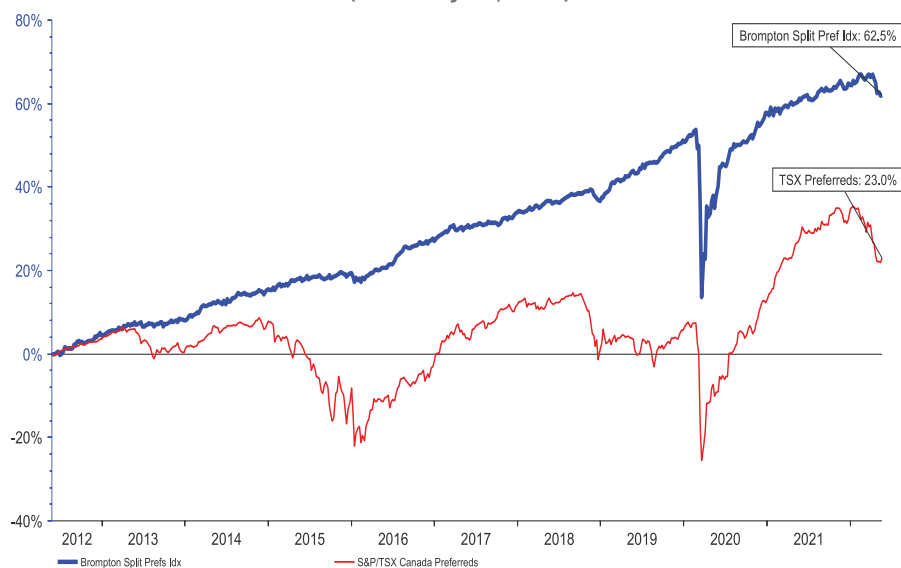
**1. Market-based "rate-reset" approach:** Many Canadian corporate preferred shares are "rate-resets", meaning that every 5 years, the dividend payable on the preferred shares are reset at the 5-year Government of Canada bond yield at the time of reset, plus a pre-determined reset spread. This sounds like a great idea, however as the corporate preferred market has discovered, fixed reset spreads can often be too low, introducing "spread risk" which has often resulted in low-yield resets and an associated sell-off as the lower yield becomes effective. Brompton Split Corp. Preferred Shares also offer a periodic rate reset, but with a more investor-friendly approach that avoids spread risk. Instead of a pre-defined spread, the Manager chooses the level of yield prior to the beginning of each term. Brompton makes the determination based on observed market rates for comparable preferred shares at the time of reset. This simple process resets yields to an attractive market-based level at the beginning of each (typically 5-year) term for Brompton Split Corp. Preferred shares, mitigating spread risk for investors.

**2. End-of-term redemption at the preferred shareholder's option:** Most Canadian corporate preferred are callable only at the issuer's option. This introduces "call risk" into the mix; issuers use this feature to call corporate preferred shares in cases where there is economic benefit for the issuer to do so, which implies that investors are economically dis-advantaged by the call feature. In contrast, Brompton Split Corp. Preferred shares are redeemable at the investor's option at the end of each term, a unique feature which is not generally available

in the Canadian corporate preferred share market. This critical difference provides the investor with the option to hold if the reset coupon is attractive at the start of the next 5 year term, or redeem if the investor wishes to go to cash or reinvest elsewhere. In either case, the investor decides, not the issuer.








The investor-friendly features provided by Brompton Split Corp. Preferred shares increase the attractiveness of Split Corp. Preferred shares relative to Canadian corporate preferred shares and provide strong trading price support on the TSX. These features have helped Brompton Split Corp. Preferred shares outperform the broader Canadian corporate preferred share market over the long-term with lower volatility. Especially during times of uncertainty in the fixed-income market, Brompton Split Corp. Preferreds offer an attractive investment solution for fixed income investors looking for both stable cash flow and capital preservation.

### Brompton Split Prefs v.s. TSX Preferreds: Total Return, 10 year comparison (as of May 20, 2022)



Source: Refinitive Datastream. "Brompton Split Prefs Idx" depicts the market-capitalization-weighted total return performance of Brompton Split Corp Preferred Shares (inclusion date for each preferred share = inception date), included ticker symbols: DGS.PR.A, GDV.PR.A, LBS.PR.A, LCS.PR.A, OSP.PR.A, SBC.PR.A and PWI.PR.A. "S&P/TSX Preferreds" represents the S&P/TSX Preferred Share Index.

### Brompton Split Corp. Preferred Shares

Fund	TSX Ticker	Distribution <sup>1</sup>	Yield to Maturity <sup>3</sup>	Downside Protection <sup>2</sup>	Market Cap <sup>1</sup>	Sector
 BROMPTON SPLIT BANC CORP. BROMPTON	<a href="#">SBC.PR.A</a>	4.9%	5.0%	52%	\$161 million	Big 6 Canadian banks
 LIFE & BANC SPLIT CORP.	<a href="#">LBS.PR.A</a>	5.3%	6.7%	44%	\$325 million	Canada's 4 largest life insurance companies and the Big 6 banks
 BROMPTON LIFECO SPLIT CORP.	<a href="#">LCS.PR.A</a>	6.1%	7.9%	25%	\$88 million	Canada's 4 largest life insurance companies
 GLOBAL DIVIDEND GROWTH Split Corp.	<a href="#">GDV.PR.A</a>	4.9%	5.7%	49%	\$129 million	Large-cap global dividend growth companies
 DIVIDEND GROWTH Split Corp.	<a href="#">DGS.PR.A</a>	5.5%	7.5%	36%	\$469 million	Bluechip Canadian equities
 BROMPTON OIL SPLIT CORP.	<a href="#">OSP.PR.A</a>	6.6	12.6%	33%	\$9 million	Large-cap North American oil and gas issuers
 SUSTAINABLE POWER & INFRASTRUCTURE SPLIT CORP.	<a href="#">PWI.PR.A</a>	4.1%	4.2%	45%	\$33 million	Global portfolio of sustainable power & infrastructure companies

<sup>1</sup> As of May 24, 2022, market cap for preferred shares.

<sup>2</sup> As of May 12, 2022, calculation method = Class A NAV/Total Unit NAV.

<sup>3</sup> Yield to Maturity calculation based on May 20, 2022 Split Preferred market price.

Ticker	Inception Date	Annual Compound Returns <sup>4</sup>					
		YTD	1-YR	3-YR	5-YR	10-YR	S.I.
SBC.PR.A	November 2005	1.7%	5.1%	5.1%	5.0%	4.9%	5.0%
LBS.PR.A	October, 2006	1.8%	5.6%	5.6%	5.3%	5.2%	5.2%
LCS.PR.A	April, 2007	2.1%	6.4%	6.4%	6.2%	5.9%	5.7%
GDV.PR.A	June, 2018	1.7%	5.1%	5.1%	-	-	5.1%
DGS.PR.A	December, 2007	1.8%	5.6%	5.6%	5.5%	5.4%	5.4%
OSP.PR.A	February, 2015	4.9%	37.3%	8.2%	6.9%	-	6.4%
PWI.PR.A	May, 2021	Return history less than 1 year					

<sup>4</sup> Returns are for the periods ended April 30, 2022 and are unaudited. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown is based on the redemption price per Preferred share and assumes that distributions made by the Fund on the Preferred shares in the periods shown were reinvested (at the redemption price per Preferred share) in additional Preferred shares of the Fund.

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There are ongoing fees and expenses 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.sedar.com](http://www.sedar.com). 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 a security holder 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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