

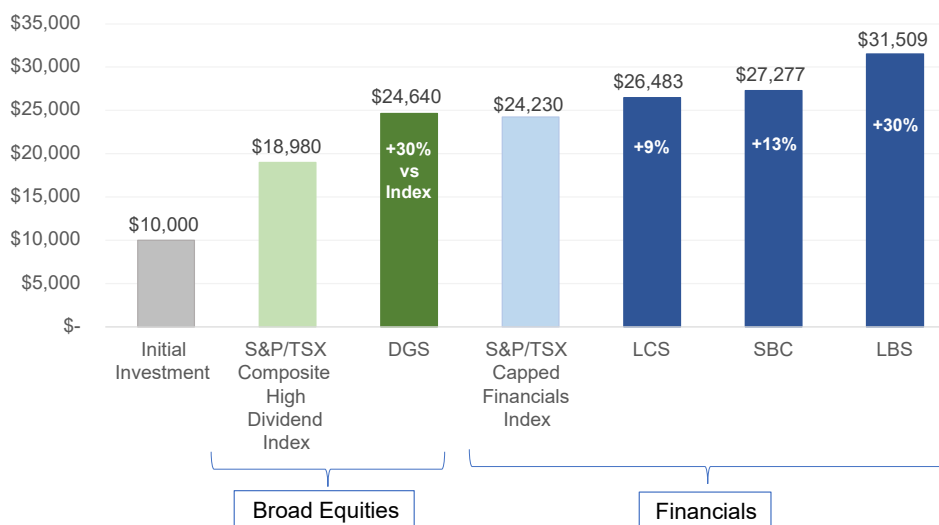
Split Share corporations (“Split Corp.”) are investment funds that hold a portfolio of dividend-paying stocks and offer two classes of shares to investors: preferred shares and class A shares (“Class A Shares”). TSX listed Split Corps have been in existence for about 20 years and in many cases, have a proven track record of enhancing returns. The preferred and Class A shares have distinct features and each trade separately on the stock exchange.

Split Corp. preferred shares receive regular dividends and have a fixed term to maturity. Investors in the preferred shares have a priority claim on the repayment of the par value of the shares at maturity and they do not participate in capital gains generated by the portfolio. The Class A shares of Split Corps, on the other hand, provide investors with enhanced returns (improved upside returns in “bull” markets, and accentuate downside returns in down markets) as well as the opportunity to receive high monthly cash distributions. This structure has allowed Split Corp. Class A share investors to generate long-term outperformance in equity markets that have historically trended higher over time.

Split Corps generally invest in large-cap dividend-paying stocks commonly held by investors. This includes Financials (Banks and Life Insurance Companies), Utilities, Telecommunications, and other sectors. In our recent Brompton Insights - [“Time for Dividend Stocks to Outperform?”](#), we outlined why we believe dividend-paying stocks, which underperformed the broader market in 2023, have the potential to outperform in 2024 as the dividend yields on these stocks coupled with falling yields on government bonds should drive a rotation back into dividend-paying stocks. Brompton’s Split Corp. Class A shares offer an attractive way to participate in this opportunity by providing leveraged exposure to these sectors.

Brompton Funds has more than \$2 billion AUM in the Canadian split share market and has four split share corporations with track records longer than 10 years. Below we compare the 10-year performance of Brompton’s Split Corp. Class A shares to the broader indices. All four Class A shares outperformed their comparable indices, ranging from 9% to 30% cumulative outperformance.<sup>1</sup> The returns below assume a reinvestment of monthly distributions and investors can achieve a similar result through participating in the dividend reinvestment plan, which is commission free to all investors.

### Class A Shares vs. Indices, 10-yr growth of \$10,000



Source: Brompton, LSEG Datastream, as of December 31, 2023. DGS: Dividend Growth Split Corp.; LCS: Brompton Lifeco Split Corp.; SBC: Brompton Split Banc Corp.; LBS: Life & Banc Split Corp. Class A share performance is based on net asset value and assumes distributions made by each Fund on its Class A shares were reinvested at net asset value in additional class A shares of each respective Fund.

Name	Ticker	Distribution Rate <sup>2</sup>	Portfolio	Annual Compound Returns <sup>1</sup>			
				1-Yr	3-Yr	5-Yr	10-Yr
<u><a href="#">Dividend Growth Split Corp.</a></u>	<u><a href="#">DGS</a></u>	23.4%	Canadian large-cap dividend growers	15.7%	24.5%	21.3%	9.4%
S&P/TSX Composite High Dividend Index				7.0%	13.6%	11.3%	6.6%
<u><a href="#">Life &amp; Banc Split Corp.</a></u>	<u><a href="#">LBS</a></u>	15.2%	Canada's big 6 banks and 4 largest lifecos	26.0%	21.8%	19.8%	12.2%
<u><a href="#">Brompton Split Banc Corp.</a></u>	<u><a href="#">SBC</a></u>	12.9%	Canada's big 6 banks	10.8%	12.1%	12.3%	10.6%
<u><a href="#">Brompton Lifeco Split Corp.</a></u>	<u><a href="#">LCS</a></u>	14.1%	Canada's 4 largest lifecos	65.2%	32.3%	31.0%	10.2%
S&P/TSX Capped Financials Index				13.9%	12.1%	11.7%	9.3%

Brompton's Split Corp. funds hold investments which are common in many Canadian investor accounts. For investors who wish to be "long" a sector or theme covered by a Split Corp., Class A shares provide investors an opportunity to generate enhanced returns on a portfolio of stocks compared to a direct investment in those holdings. For a full list of Brompton's Split Corp. funds, which cover sectors and themes such as Financials, Dividend Growth, Energy and Sustainable Power & Infrastructure, visit: [Split Share Class A Share Investments | Brompton Funds \(bromptongroup.com\)](#)

(1) Returns are for the period ended December 31, 2023 and are unaudited. The table shows the compound return on each Fund's Class A share for each period indicated compared with the S&P/TSX Composite High Dividend Index ("Composite High Dividend Index") and the S&P/TSX Capped Financials Index ("Financials Index") (together the "Indices"). The Composite High Dividend Index tracks the performance, on a market-weight basis and a total return basis, of 50-75 highest dividend yielding securities within the S&P/TSX Composite Index. The Financials Index is derived from the S&P/TSX Composite Index based on the financials sector of the Global Industry Classification Standard. The Funds' Class A shares are not expected to mirror the performance of Indices, which have more diversified portfolios. Further, the Indices are calculated without the deduction of management fees, fund expenses and trading commissions, whereas the performance of each Fund's Class A shares are calculated after deducting such fees and expenses. Further, the performance of each Fund's Class A shares is impacted by the leverage provided by each Fund's preferred shares. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown is based on Net Asset Value per Class A share and assumes that distributions made by the Fund on the Class A shares in the periods shown were reinvested at Net Asset Value per Class A share in additional Class A shares of each Fund. (2) No distributions will be paid on the Class A shares if (i) the distributions payable on the Preferred Shares are in arrears, or (ii) in respect of a cash distribution, after the payment of a cash distribution by the Fund the NAV per Unit would be less than \$15.00.

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You will usually pay brokerage fees to your dealer if you purchase or sell units of the investment funds on the Toronto Stock Exchange or other alternative Canadian trading system (an "exchange"). If the units are purchased or sold on an exchange, investors may pay more than the current net asset value when buying units of the investment fund and may receive less than the current net asset value when selling them.

There are ongoing fees and expenses with owning units 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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