Brompton Split Corp. Preferred Share USD ETF (SPLT.U)

Canadian Income with a USD Hedging Advantage

BROMPTON FUNDS

SPLT.U provides investors with access to SPLT's portfolio of Canadian split preferred shares while delivering the investment results in U.S. dollars. By hedging the portfolio's Canadian-dollar exposure to USD, investors can maintain exposure to the Canadian portfolio while reducing CAD/USD currency volatility and currently benefiting from positive currency carry.

As of **Sept 2, 2026**, hedging from CAD to USD provides approximately a **+1.50% annualized currency gain**.[1]

How hedging works:

SPLT owns Canadian-dollar assets. To provide returns in USD without taking CAD currency risk, SPLT.U effectively sells CAD and buys USD forward.

As of September 2, 2026[1]	Rate
BoCs overnight rate	2.25%
U.S. Fed funds target	3.50% – 3.75%
Effective Fed funds rate	3.63%
Overnight differential	+1.38% U.S. (Fed rate 3.63% - BoCs rate 2.25%)
1yr FX forward pickup	~1.50%

SPLT.U Offers Attractive Income, Hedging Opportunity & Tax Advantage

SPLT's portfolio income is expected to be primarily **eligible Canadian dividends**. The 1.5% hedging pickup accrues to the SPLT.U NAV and when ultimately realized, is expected to be taxed as **capital gain**. The tax-efficient distribution & hedging gains, to an Ontario investor in the highest marginal tax bracket, can be assessed as a pre-tax interest equivalent required to generate the same after-tax benefits:

Hypothetical Example[2]	Amount	After-Tax Amount	Pre-Tax Int. Equiv.[3]
Distribution (Eligible Dividend)	6.00%	3.64%	7.89%
FX Gain (Capital Gains)	1.50%		

Pre-Tax Interest Equiv. Calculation (ON & Fed Combined)	
Highest Marginal Income Rate	53.53%
Highest Marginal Eff. Elig. Dividend Rate	39.34%
Highest Marginal Eff. Cap Gains Rate	26.76%

Annual Compound Returns[4]	YTD	1-Year	3-Year	SI[5]
Brompton Split Corp. Preferred Share ETF – CAD Units	4.9%	5.4%	9.7%	9.7%

[1] Source: LSEG Workspace, as of September 2, 2026

[2] Ilustrative only. Reflects annualized distribution rate of SPLT.U based on initial issue price of US $11.00. The ~1.5% hedging pickup is not guaranteed and will fluctuate with interest-rate differentials, forward exchange rates and hedging costs. Tax treatment depends on the character of distributions and gains realized by the fund and the investor's individual circumstances.

[3] Based on combined Federal and Provincial (Ontario) highest marginal tax rates/tax credits (Source KPMG, 'Personal Tax Rates', 2025), assuming all distributions from SPLT.U are eligible dividends.

[4] Returns are for the periods ended August 31, 2026 and are unaudited. Inception date June 12, 2023. The table shows the ETF's compound returns for each period indicated. Past performance does not necessarily indicate how the ETF will perform in the future. The information shown is based on Net Asset Value per CAD unit and assumes that distributions made by the ETF on its CAD units in the period shown were reinvested at Net Asset Value per CAD unit in additional CAD units of the ETF.

[5] Period from June 12, 2023 (inception) to August 31, 2026

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