

TSX: PWI, PWI.PR.A

BROMPTON
FUNDS



SUSTAINABLE
POWER & INFRASTRUCTURE
SPLIT CORP.

Sustainable Power & Infrastructure Split Corp.

Annual Report 2022

*Actively managed global portfolio of sustainable
power & infrastructure companies.*

**VALUE
INTEGRITY
PERFORMANCE**

THE FOUNDATION FOR EXCELLENCE

MANAGEMENT REPORT OF FUND PERFORMANCE

March 17, 2023

This annual management report of Fund performance for Sustainable Power & Infrastructure Split Corp. (the “Fund”) contains financial highlights but does not contain the audited annual financial statements of the Fund. The audited annual financial statements follow this report. You may obtain a copy of the audited annual or unaudited interim financial statements, at no cost, by calling 1-866-642-6001 or by sending a request to Investor Relations, Brompton Funds, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Suite 2930, Box 793, Toronto, Ontario, M5J 2T3, or by visiting our website at www.bromptongroup.com or SEDAR at www.sedar.com. Shareholders may also contact us by using one of these methods to request a copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure record, Independent Review Committee’s report, or quarterly portfolio disclosure.

THE FUND

Sustainable Power & Infrastructure Split Corp. is a mutual fund corporation managed by Brompton Funds Limited (the “Manager”). The Fund has Class A and Preferred shares outstanding which trade on the Toronto Stock Exchange (“TSX”) under the symbols PWI and PWI.PR.A, respectively. The Class A and Preferred shares are RRSP, DPSP, RRIF, RESP and TFSA eligible. The Preferred shares are rated Pfd-3 (high) by Dominion Bond Rating Service Limited (“DBRS”).

Preferred shares of the Fund receive fixed, cumulative quarterly payments. Payments may consist of ordinary dividends, capital gains dividends or returns of capital. Preferred shares have a priority claim ahead of the Class A shares on the Fund’s assets in the event of liquidation. However, the Net Asset Value of Preferred shares generally does not benefit from growth in value of the underlying stocks. Class A shares capture the movement of the underlying stocks but in a more magnified way than if an investor owned the underlying portfolio of securities directly. This magnification of return is commonly known as “leverage”, which is provided by the Preferred shares.

INVESTMENT OBJECTIVES AND STRATEGIES

The Fund’s investment objectives are:

- i) to provide holders of Preferred shares with fixed, cumulative, preferential quarterly cash distributions and to return the original issue price of \$10.00 per Preferred share to Preferred shareholders at maturity; and
- ii) to provide holders of Class A shares with regular monthly non-cumulative cash distributions, targeted to be \$0.06667 per share, and the opportunity for growth in Net Asset Value per share through exposure to the Portfolio.

To achieve these objectives, the Fund will invest in a globally diversified and actively managed portfolio (the “Portfolio”) consisting primarily of dividend-paying securities of power and infrastructure companies, whose assets, products and services the Manager believes are facilitating the multi-decade transition toward decarbonization and environmental sustainability. The Portfolio will include investments in companies operating in the areas of renewable power, green transportation, energy efficiency, and communications, among others (“Sustainable Power and Infrastructure Companies”). In seeking to achieve its investment objectives, the Fund intends to target investments in Sustainable Power and Infrastructure Companies that have positive and/or improving environmental, social and governance (“ESG”) characteristics as identified by the Manager.

The Manager will integrate ESG considerations to complement fundamental analysis in its security selection process. The qualitative ESG policies and practices considered may include, but are not limited to, a company’s environmental sustainability, diversity of employees, and corporate governance. The Manager reviews ESG ratings from third party data providers such as Bloomberg, MSCI, S&P Global, Sustainalytics, Refinitiv, ISS, and others that provide independent and objective ratings as an input to the overall investment analysis and risk assessment of a company. The Fund will only invest in issuers with a market capitalization of at least \$2 billion and the Manager expects that at least 15 Sustainable Power and Infrastructure Companies will comprise the Portfolio. In addition, up to 25% of the Portfolio may be invested indirectly through exchange-traded funds (“ETF”), including funds managed by the Manager, for the purposes of enhanced diversification and return potential, at the discretion of the Manager. Covered call options and cash-covered put options may be written in respect of the portfolio to generate additional distributable income for the Fund and/or to reduce the volatility of the Fund. In addition, the Fund may sell investments for working capital purposes or replace investments with proceeds from the exercise of covered call options previously written.

RECENT DEVELOPMENTS

Market Conditions

Fiscal and monetary policy responses to increased levels of inflation have led to higher interest rates and to fluctuations in securities prices. In addition, global political tension and military events in Ukraine and Russia have also caused increased volatility and disruptions in global financial markets.

The collapse of Silicon Valley Bank and Signature Bank, followed by unfavourable news for Credit Suisse in early March 2023 led to overall financial market decline especially in the banking sector as of the date of the annual report. The Fund does not have any direct exposure to the three banks but its portfolio value has been impacted by overall market selloff.

The Fund's Net Asset Value reflecting the value of the Fund's portfolio based on the most recent valuation date can be found on the Fund's webpage at www.bromptongroup.com.

RISKS

Risks associated with an investment in the shares of the Fund are discussed in the Fund's 2022 Annual Information Form, which is available at www.bromptongroup.com or on SEDAR at www.sedar.com. There were no changes to the risks during the year ended December 31, 2022 that could materially affect an investment in the shares of the Fund as they were discussed.

RESULTS OF OPERATIONS

Distributions

Cash distributions for the year ended December 31, 2022 were \$0.80 per unit, reflecting a monthly distribution rate of \$0.06667, compared to \$0.47 per unit for the period from May 21, 2021 (commencement of operations) to December 31, 2021. Preferred share distributions for the year ended December 31, 2022 were \$0.50 per share reflecting quarterly distributions of \$0.125 compared to \$0.31 per share in 2021, reflecting two quarterly distributions of \$0.125 per Preferred share and one prorated from the commencement of operations to June 30, 2021 of \$0.05632 per Preferred share. Since inception, the Fund has distributed \$1.27 per Class A share and \$0.81 per Preferred share.

The Fund has a distribution reinvestment plan which allows participating Class A shareholders to automatically reinvest monthly distributions, commission free, in additional Class A shares of the Fund. Pursuant to this plan, during the year ended December 31, 2022, 6,027 Class A shares were acquired in the market at an average price of \$8.35 per Class A share.

Income and Expenses

The Fund's investment portfolio generated total income of \$0.51 per Class A share for the year ended December 31, 2022, compared to \$0.46 per class A share for the period from the commencement of operations to December 31, 2021. Total expenses were \$0.31 per Class A share during the year, compared to \$0.48 per class A share for the period from the commencement of operations to December 31, 2021. As of December 31, 2022 expenses consisted of \$0.05 per share of agents' fees and issuance costs, compared to \$0.28 per share in 2021. The issuance related costs were borne by new subscribing shareholders through the premium issue price paid by the Class A shareholders over the then current Net Asset Value paid by the new Class A shareholders.

Net Asset Value

The Net Asset Value per Class A share was \$6.28 at December 31, 2022, compared to \$10.09 at December 31, 2021. This reflects 37.8% or \$3.81 per class A share decrease. For the purpose of calculating the Net Asset Value of the Fund as a whole, the Preferred shares are not considered a liability of the Fund. The aggregate Net Asset Value of the Fund was \$60.8 million at December 31, 2022 compared to \$64.7 million at December 31, 2021 reflecting a decrease of 6.1% or \$3.9 million.

Investment Portfolio

At December 31, 2022, the Fund's investment portfolio included 32 securities across 8 sectors and 1 exchange-traded fund investment which is managed by the same Manager, compared to 30 securities across 8 sectors and 1 exchange-traded fund investment at December 31, 2021. During the year, the Fund purchased 12 new securities and sold 10 securities. The exchange-traded fund is Brompton Sustainable Real Assets Dividend ETF and this investment provides exposure to global real asset companies. As of December 31, 2022, the underlying ETF represented 4.6% of the Fund's Net Asset Value. The portfolio's investment weighting (excluding cash and short-term investments) and a detailed listing of the Fund's holdings is provided in the financial statements.

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To achieve the investment objectives, the Manager uses a multi-disciplinary investment process that includes fundamental, qualitative, and technical research to construct the portfolio. As a part of this process, the Manager has integrated ESG considerations into the fundamental analysis and has targeted investments in companies that have positive and/or improving environmental, social and governance (“ESG”) characteristics. The qualitative ESG considerations include reviewing a company's policies and practices in regards to environmental sustainability, diversity of employees, and corporate governance. The Manager also reviews ESG ratings from third party data providers such as Bloomberg, MSCI, S&P Global, Sustainalytics, Refinitiv, ISS, and others that provide independent and objective ratings as an input to the overall investment analysis and risk assessment of a company.

The Fund’s portfolio continues to meet the Fund’s ESG-related investment objectives and strategies. The securities that the Fund sold and purchased in 2022 were a result of many different factors, including re-allocation of sector weighting, fundamental analysis and technical analysis. None of the securities sold in 2022 was a result of those companies not meeting the ESG characteristics. The new purchases in the Fund’s portfolio all, in the Manager’s view, have positive and/or improving ESG characteristics. One of the new purchases was Glencore PLC which produces, recycles, and distributes commodities that are critical to enable the energy transition. Glencore was purchased by the Fund after the bribery scandal in West Africa was settled and was trading at an attractive price. The Manager believed that Glencore was attempting to resolve the other investigations they had in the US, UK, and Brazil. Glencore was also progressing on climate change with total emissions reductions. On the social side, Glencore was trying to improve safety and diversity. On the governance side, Glencore was building and implementing an ethics and compliance program.

For the year ended December 31, 2022, the Fund’s portfolio recorded net realized losses of \$5.8 million and change in unrealized losses of \$3.9 million. The Fund's investments in the Energy sector contributed to \$1.1 million in net realized and change in unrealized gains. This gain was offset by the losses spread throughout the Fund's other sectors, most notable the Industrials sector, which the losses were \$4.1 million.

In response to market conditions during 2022, the Fund selectively wrote covered call options on the companies in the portfolio and generated premiums of \$0.5 million. The Fund had a net realized and change in unrealized gain on options of \$0.2 million, which represented premium income, less amounts paid to close out the options at expiry. During 2022, the Fund wrote call options on an average notional value of 6.5% of the Fund’s portfolio. There were 562 option contracts outstanding at December 31, 2022 with a notional value representing 10.4% of the portfolio.

The Fund’s portfolio is comprised of US dollar, Euro, and to a lesser extent British pound, Japanese yen and Hong Kong dollar denominated securities. At December 31, 2022, the Fund’s exposure to foreign currencies was substantially hedged through foreign currency forward contracts and had a net realized and change in unrealized loss of \$2.1 million from foreign currency forward contracts during the year ended December 31, 2022. The loss was largely offset by the foreign currency gain of the respective foreign currency denominated securities in the investment portfolio.

Portfolio Sectors

Net Gains (Losses) by Sector (millions)	% of Portfolio as of 31-Dec-22	Realized \$	Change in Unrealized \$	Total \$
Communication services	9.9	-	(0.5)	(0.5)
Consumer discretionary	-	(0.9)	0.4	(0.5)
Energy	11.2	0.1	1.0	1.1
Industrials	28.8	(1.9)	(2.2)	(4.1)
Information technology	3.8	-	-	-
Materials	6.7	(0.9)	(0.7)	(1.6)
Real estate	6.6	0.1	(1.5)	(1.4)
Utilities	28.4	-	(0.6)	(0.6)
Sustainable real assets dividend exchange-traded fund	4.6	-	(0.2)	(0.2)
Options	-	0.2	-	0.2
Foreign currency forward contracts	-	(2.5)	0.4	(2.1)
Total	100.0	(5.8)	(3.9)	(9.7)

Geographic Split	% of Portfolio as of 31-Dec-22
United States	49.0
Canada	31.6
France	5.7
Japan	3.6
Switzerland	3.6
Germany	3.0
Great Britain	2.1
Hong Kong	1.4
Total	100.0

Liquidity

To provide liquidity for shareholders, the Class A shares and Preferred shares of the Fund are listed on the TSX. Investors also have the right to retract their shares in accordance with the Fund’s retraction provisions for each class of share.

RELATED PARTY TRANSACTIONS

Related party transactions consist of services provided by the Manager pursuant to a management agreement. See the Management Fees section below.

MANAGEMENT FEES

Pursuant to a management agreement, the Manager provides management and administrative services to the Fund, for which it is paid a management fee equal to 0.75% per annum of the Net Asset Value of the Fund, calculated and payable monthly in arrears. The Fund does not pay any management fees on investments in funds managed by the Manager. The management fee is used by the Manager to cover its costs to obtain the Fund’s assets, the cost to administer the Fund, the cost of investment management services and for profit. For the year ended December 31, 2022, management fees amounted to \$0.5 million.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help readers understand the Fund’s financial performance for the fiscal periods indicated. This information is derived from the Fund’s unaudited interim and audited annual financial statements. *The information in the following tables is presented in accordance with National Instrument (“NI”) 81-106 and, as a result, does not act as a continuity of opening and closing Net Assets per Class A share.* The increase (decrease) in Net Assets from operations is based on average shares outstanding during the period, and all other numbers are based on actual shares outstanding at the relevant point in time.

Net Assets per Class A Share¹

For the period/year ended December 31	2022 \$	2021² \$
Net Assets, beginning of period/year ^{3,4}	10.09	9.29
Increase (decrease) from operations:⁵		
Total revenue	0.51	0.46
Total expenses ⁴	(0.31)	(0.48)
Preferred share distributions	(0.50)	(0.31)
Realized gains (losses)	(1.68)	(0.85)
Unrealized gains (losses)	(1.15)	2.17
Total increase (decrease) in Net Assets from operations	(3.13)	0.99
Distributions to Class A shareholders:³		
Return of capital	0.80	0.47
Total distributions to Class A shareholders	0.80	0.47
Net Assets, end of period/year²	6.28	10.09

¹ The financial information was prepared using International Financial Reporting Standards.

² Period from May 21, 2021 (commencement of operations) to December 31, 2021.

³ Net Assets per Class A share and distributions per Class A share are based on the actual number of Class A shares outstanding at the relevant time.

⁴ The opening Net Assets per Class A share is net of agents' fees and issuance costs on Class A shares and Preferred shares. For financial reporting purposes, the costs related to Preferred shares, in the amount of \$0.28 per share, have also been reported as an expense during the period from May 21, 2021 to December 31, 2021. Total expenses, excluding the agents' fees and issuance costs on Preferred shares, were \$0.20 per share.

⁵ The increase (decrease) in Net Assets from operations per Class A share is based on the weighted average number of Class A shares outstanding over the fiscal period.

Ratios and Supplemental Data (Based on Net Asset Value)

As at December 31	2022	2021
Net Asset Value (\$) (000s) – including Preferred shares	60,771	64,720
Number of Class A shares outstanding (000s)	3,732	3,222
Management expense ratio (“MER”) - Class A shares ¹	10.63%	15.06%
Trading expense ratio ²	0.09%	0.32%
Portfolio turnover rate ³	31.37%	n/a
Net Asset Value per unit (\$) ⁴	16.41	20.21
Net Asset Value per Class A share (\$)	6.28	10.09
Net Asset Value per Preferred share (\$) ⁵	10.00	10.00
Closing market price - Class A shares (\$)	7.55	9.87
Closing market price - Preferred shares (\$)	9.75	10.50

¹ MER for Class A shares is based on the requirements of NI 81-106 and includes the total expenses of the Fund for the stated period, including distributions on Preferred shares, issuance costs and a proportionate share of any underlying funds' expenses, but excluding brokerage commissions on securities transactions, and is expressed as an annualized percentage of the average Net Asset Value of the Fund for Class A shares over the period. Please see the Expense Ratio section following this table for further discussion of the calculation.

² The trading expense ratio represents total commissions, transaction costs and a proportionate share of any underlying funds' transaction costs expressed as an annualized percentage of daily average Net Asset Value of the Fund during the period.

³ The Fund's portfolio turnover rate indicates how actively the Fund manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. The portfolio turnover rate is not provided when the Fund is less than one year old. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, excluding cash and short-term investments maturing in less than one year, by the average market value of such investments during the period.

⁴ A unit includes one Class A share and one Preferred share. Net Asset Value per unit is determined by the Net Asset Value of the Fund, for which the Preferred shares are not treated as liabilities. Net Asset Value per unit includes any distributions declared and not paid that are payable to Shareholders.

⁵ Net Asset Value per Preferred share does not include the accrued Preferred share distributions.

Expense Ratio

At December 31, 2022, the MER per Class A share, which included Preferred share distributions and agents' fees and issuance costs, was 10.63%, down from 15.06% in 2021. The 2022 MER consisted of 1.28% of agents' fees and issuance costs, compared to 7.44% in 2021. The treasury issuances were priced at Net Asset Value per unit or higher plus fees and expenses and therefore, not dilutive for the existing shareholders. The agents' fees and issuance costs from the treasury issuances were borne by the new subscribing shareholders. However, pursuant to the prescribed regulatory formula, these costs must be included in the MER calculation.

The MER per Class A share, excluding agents' fees and issuance costs, and Preferred share distributions, was 2.78% in 2022, compared to 2.45% in 2021. The MER per unit of the Fund, excluding Preferred share distributions, issuance costs and agents' fees, was 1.20% in 2022, unchanged from 2021. This ratio is more representative of the ongoing efficiency of the administration of the Fund.

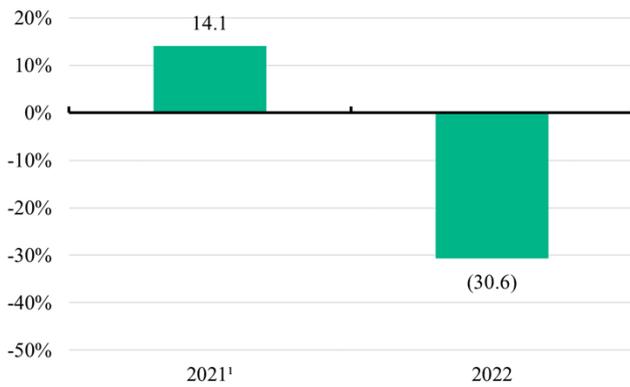
PAST PERFORMANCE

The following chart and table show the past performance of the Fund. 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 per unit and assumes that distributions made by the Fund on the Class A shares and units in the periods shown were reinvested (at Net Asset Value per Class A share and per unit, respectively) in additional Class A shares and units of the Fund.

The bar chart shows the Fund’s returns for a Class A share and a unit since inception to December 31, 2022. The chart shows, in percentage terms, how investments held in a Class A share and a unit on the first day of the fiscal period would have changed by the last day of the fiscal period.

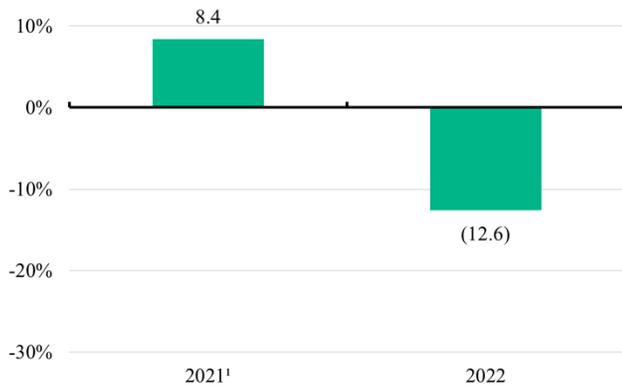
Year-by-Year Return

Class A Share



¹ Period from May 21, 2021 (commencement of operations) to December 31, 2021.

PWI Unit



¹ Period from May 21, 2021 (commencement of operations) to December 31, 2021.

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The following table shows the Fund's compound returns on a Class A share, Preferred share and unit for each period indicated, compared with the S&P Global Infrastructure Total Return Index ("Infrastructure Index"), the MSCI World Index ("MSCI Index"), and the S&P/TSX Preferred Share Index ("Preferred Share Index") (together the "Indices"). The Infrastructure Index tracks 75 companies from around the world, chosen to represent the listed infrastructure industry and related operations. The index includes three distinct infrastructure clusters: energy, transportation, and utilities. The MSCI Index captures large- and mid-cap representation across 23 developed markets countries and covers approximately 85% of the free float-adjusted market capitalization in each country. The Preferred Share Index tracks the performance, on a market weight basis, of a broad index of preferred shares trading on the TSX that met the criteria relating to size, liquidity and issuer rating. The Fund invests in an actively managed portfolio. It is therefore not expected the Fund's performance will mirror those of the Indices which have more diversified portfolios. The Indices are 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. Further, the performance of the Fund's Class A shares is impacted by the leverage provided by the Fund's Preferred shares.

Annual Compound Returns

	1-Year %	Since Inception %
Sustainable Power & Infrastructure Split Corp - Class A share	(30.6)	(13.5)
S&P Global Infrastructure Total Return Index	(0.2)	2.2
MSCI World Index	(17.7)	(5.5)
Sustainable Power & Infrastructure Split Corp - Preferred share	5.1	5.1
S&P/TSX Preferred Share Index	(18.1)	(8.2)
Sustainable Power & Infrastructure Split Corp - Unit	(12.6)	(3.3)

The 2022 market was a challenging year with MSCI World Index slumped by 17.7%. In 2022, the Fund's units outperformed the MSCI World Index by 5.1%. The Fund's performance benefited from positive performance in the Energy sector, as during Q4 the Fund shifted it's allocations more towards the sector. Please see the Portfolio Manager's report for more details.

SUMMARY OF INVESTMENT PORTFOLIO

As at December 31, 2022

Total Net Asset Value¹	\$ 60,770,647	
Portfolio Composition	% of Portfolio	% of Net Asset Value
<u>Asia</u>		
Hong Kong		
Utilities	1.4	1.4
Japan		
Industrials	3.5	3.6
Total Asia	4.9	5.0
<u>Europe</u>		
France		
Industrials	3.2	3.2
Utilities	2.5	2.5
Germany		
Utilities	3.0	3.0
Great Britain		
Utilities	2.1	2.2
Switzerland		
Materials	3.5	3.6
Total Europe	14.3	14.5
<u>North America</u>		
Canada		
Industrials	9.5	9.6
Utilities	8.0	8.0
Communication services	6.4	6.5
Sustainable Real Assets Dividend Exchange-traded Fund	4.6	4.6
Energy	3.0	3.0
United States		
Industrials	12.5	12.6
Utilities	11.3	11.4
Energy	8.2	8.3

SUMMARY OF INVESTMENT PORTFOLIO (cont'd)

Portfolio Composition (cont'd)	% of Portfolio	% of Net Asset Value
North America (cont'd)		
United States (cont'd)		
Real estate	6.6	6.6
Information technology	3.8	3.8
Communication services	3.4	3.4
Materials	3.1	3.1
Total North America	80.4	80.9
Cash and short-term investments	0.4	0.4
Other net liabilities		(0.8)
Total	100.0	100.0

Top 25 Holdings	% of Portfolio	% of Net Asset Value
Brompton Sustainable Real Assets Dividend ETF	4.6	4.6
ONEOK Inc.	4.5	4.5
Nextera Energy Inc.	4.1	4.2
ON Semiconductor Corp.	3.8	3.8
Williams Companies Inc.	3.7	3.8
Glencore PLC	3.5	3.6
Hitachi Ltd.	3.5	3.6
Roper Technologies Inc.	3.5	3.6
Exelon Corp.	3.5	3.5
SBA Communications Corp.	3.5	3.5
T-Mobile US Inc.	3.4	3.4
Canadian National Railway Co.	3.3	3.3
Canadian Pacific Railway Ltd.	3.3	3.3
BCE Inc.	3.2	3.3
Schneider Electric SE	3.2	3.2
Waste Management Inc.	3.2	3.2
Telus Corp.	3.2	3.2
Capital Power Corp.	3.1	3.1
Brookfield Infrastructure Partners LP	3.1	3.1
Albemarle Corp.	3.1	3.1
Prologis Inc.	3.1	3.1
Enbridge Inc.	3.0	3.0
RWE AG	3.0	3.0

Top 25 Holdings (cont'd)	% of Portfolio	% of Net Asset Value
Waste Connections Inc.	2.9	3.0
Jacobs Solutions Inc.	2.9	2.9
Total	85.2	85.9

¹ Net asset value of the fund includes the value of the Preferred shares and Class J shares.

The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Quarterly updates are available on the Fund's website at www.bromptongroup.com within 60 days of each quarter end.

2022 TAX INFORMATION

The following information is applicable to holders who, for the purpose of the Income Tax Act (Canada), are resident in Canada and hold units as capital property outside of an RRSP, DPSP, RRIF, RESP or TFSA. Shareholders should receive a T5 slip from their investment dealer providing this information.

T5 supplementary slips will indicate Capital Gains Dividends in Box 18 and Actual Amount of Eligible Dividends in Box 24. Dividend income is subject to the standard gross-up and federal dividend tax credit rules. The return of capital component is a non-taxable amount that serves to reduce the adjusted cost base of Fund shares.

The following tables outline the breakdown in the Fund's distributions on Class A and Preferred shares paid in 2022 on a per share basis.

Class A Shares		Return of Capital \$	Total Distributions \$
Record Date	Payment Date		
31-Dec-21	17-Jan-22	0.06667	0.06667
31-Jan-22	14-Feb-22	0.06667	0.06667
28-Feb-22	14-Mar-22	0.06667	0.06667
31-Mar-22	14-Apr-22	0.06667	0.06667
29-Apr-22	13-May-22	0.06667	0.06667
31-May-22	14-Jun-22	0.06667	0.06667
30-Jun-22	15-Jul-22	0.06667	0.06667
29-Jul-22	15-Aug-22	0.06667	0.06667
31-Aug-22	15-Sep-22	0.06667	0.06667
30-Sep-22	17-Oct-22	0.06667	0.06667
31-Oct-22	14-Nov-22	0.06667	0.06667
30-Nov-22	14-Dec-22	0.06667	0.06667
		0.80004	0.80004

Preferred Shares		Eligible Dividends	Return of Capital	Total Distributions
Record Date	Payment Date	\$	\$	\$
31-Dec-21	17-Jan-22	0.03476	0.09024	0.12500
31-Mar-22	14-Apr-22	0.03476	0.09024	0.12500
30-Jun-22	15-Jul-22	0.03476	0.09024	0.12500
30-Sep-22	17-Oct-22	0.03476	0.09024	0.12500
		0.13904	0.36096	0.50000

This information is of a general nature and does not constitute legal or tax advice to any particular investor. Accordingly, investors are advised to consult their own tax advisors with respect to their individual circumstances.

MANAGER/PORTFOLIO MANAGER

Founded in 2000, Brompton is an experienced investment fund manager with income focused investment solutions including exchange-traded funds (ETFs) and other TSX traded investment funds. Brompton's Portfolio Management team specializes in Canadian and global equity investments and is a leading manager of covered call writing strategies in Canada. Brompton actively manages 20 investment funds, which are listed on the TSX.



PORTFOLIO MANAGER'S REPORT

January 2023

Global Markets Review

The 2022 market presented investors with a challenging environment. The Russia-Ukraine war, aggressive monetary tightening, and rampant inflation fueled a rise in recessionary concerns, sending most major global indices to their worst yearly performance in decades. All in all, the MSCI World Index slumped by 17.7%. Energy significantly outperformed and was the only sector that registered positive returns during the year (+47.7%), while Communication Services was the bottom-performing sector (-36.7%). In North America, the S&P 500 dropped by 18.1% with Energy also the best-performing sector. The S&P/TSX Composite edged down 5.8%, boosted by Energy (+30.9%) and Consumer Staples (+10.1%). In Europe, the STOXX 600 lost 9.9% for the year. Major European indices also finished the year in negative territory except for the U.K. FTSE 100 (+4.6%). Spain IBEX 35 and France CAC 40 were down by 2.0% and 6.7%, respectively. Italy, Germany, and Switzerland fell by 9.4%, 12.3%, and 14.3%, respectively.

Global economic growth was challenged by elevated inflation throughout 2022. The impact from exogenous shocks, such as the Russia-Ukraine war and China's Covid restrictions, faded during the back half the year. While inflation trended down from the June high (9.1%) to 6.5% by December, other major economic indicators in the U.S. confirmed an economic slowdown. Manufacturing PMI largely retreated in Q4 and entered December at 48.4, an indication of contraction if readings are below 50. Global bond markets remained volatile during the second half of 2022. The U.S. Treasury market kept rising in response to the inflation overshoot and monetary tightening, while the 2-year and 10-year Treasury spread went deeper below zero territory. The US dollar appreciated during the first three quarters thanks to a hawkish Federal Reserve, but weakened against major currencies during Q4 amid expected moderation in further rate hikes. Meanwhile, the Bank of Japan ended the year with a hawkish surprise of widening the target range for 10-year government bond yields, which spiked to the highest levels since 2015. Most equity markets made robust gains in Q4, with investors balancing a slower pace of central bank tightening, deceleration of inflation, and reopening in China. Energy, Industrials, and Materials were strengthened during the quarter. From a factor perspective, value generated the best risk-adjusted returns for 2022, which came at the expense of growth.

Central banks in developed economies continued to deliver hawkish stances of their monetary policy to combat inflationary risks, although the pace started decelerating. The Federal Reserve dialed back to a 50-basis-point hike in December after a 75 basis-point tightening in November, sending the target rate to the 4.25%-4.50% range. As investors expect a less aggressive Fed and attempt to evaluate where the tightening cycle would end, the Fed funds futures market is pricing in 60 basis points of tightening in the first half

of 2023 and at least 40 basis points of cut in the second half of the year. However, as the discussion on Fed pivot is being debated, the tone could quickly change to an even higher target rate if inflation does not moderate further and the labor market remains tight.

The Bank of Canada (BoC) delivered two consecutive 50-basis-point policy rate increases at the October and December meetings, respectively. This sent Canada's overnight policy rate to 4.25%. As the central bank's rhetoric shifted from "the policy rate will need to rise further" to "considering whether the policy interest rate needs to rise further", the BoC's tightening cycle is likely nearing the zenith. Monetary policy is now considerably restrictive and risks to the economy are skewed to the downside if elevated policy rates persist, which could stem from high household debt levels and a weaker housing market.

The European Central Bank (ECB) continued raising the benchmark interest rate by 75 basis points at the October meeting, followed by a slower pace of 50 basis points in December. With the current benchmark interest rate at 2.5%, the Governing Council's hawkish rhetoric was largely unchanged, signaling that interest rates will still have to rise "significantly" further to tame inflation. Nonetheless, the ECB not only have to catch up to other major central banks such as Federal Reserve, but the Eurozone is also suffering from higher inflation, energy prices and geopolitical uncertainties, meaning that the ECB could be forced to raise rates aggressively even in a recession. Meanwhile, the Bank of England (BoE) also stepped down its hiking increment from 75 basis points in November to 50 basis points in December. The statement suggests that the labor market is top of mind to determine the path of policy rates in coming months. On the political front, Rishi Sunak was appointed leader of the Conservative party and became U.K.'s new prime minister, succeeding Liz Truss, who stepped down after only seven weeks of tenure.

During the second half of 2022, the market narratives continued to focus on inflationary risks and the path of tightening. While inflation appears to have decelerated during Q4, it remains elevated and well above central bank targets. We believe it will take some time for inflation to cool due to the stickiness of things like service inflation and lagging components like shelter. The pace of interest rate increases has begun to decelerate and is expected to be more modest in 2023. Having said that, we must acknowledge the path to inflation reduction is not a linear one as there are elements of structural inflation that will likely persist in the future. These include, reversal of many globalization trends, underinvestment in infrastructure and commodities, and the cost of climate change and decarbonization. Moreover, low unemployment rates, elevated job-workers gap and higher wage growth will continue to tighten the labor market, making broader inflation more stubborn. According to the latest World Economic Outlook update issued by the International Monetary Fund (IMF) in October 2022, the global economy is projected to grow 2.7% for 2023, revised down by 0.9 percentage points lower from the April forecast. Global inflation is forecast to decline to 6.5% in 2023 and further to 4.1% by 2024.

Looking forward to 2023 in our view, while the pace of monetary tightening will not likely exceed that of 2022, the uncertainty in the mix of growth, inflation, and recession risk will be an overhang to risk assets in the first half of 2023. We believe when companies report Q4 2022 earnings in early 2023, estimates will likely be revised downwards early to reflect the underlying economic conditions, which have been weakening. Therefore, investors should stay defensive amid this volatile market regime. We continue to favour high quality companies that generate inflation-resistant cash flow, maintain stable margin levels, and demonstrate a consistent track record of capital return to shareholders. Staples, healthcare, and real assets should perform well in that regard. More opportunities should unfold in the back half of 2023 as additional economic data emerges to provide more clarity to the uncertainty, and when forward valuations begin to reflect probabilities of a post-recession environment. In high volatility market regimes, strategies that lower portfolio correlations, such as investing in low volatility styles and preferred shares, should enhance risk-adjusted returns. Additionally, Brompton's ability to lean on its covered call writing program to harvest volatility risk premia augments risk-adjusted returns, lowers portfolio volatility, and aids in funding distributions.

Portfolio Review

Units (1 Class A share plus 1 Preferred share) of Sustainable Power & Infrastructure Split Corp were down 12.6% during 2022.

The Fund was positively impacted by stock selection in Energy. Williams, ONEOK and Enbridge were the top contributors to the Fund's gains. Energy was the top performing sector in North America and Europe. The Energy sector benefited from geopolitical uncertainty brought on by the Russian-Ukraine conflict. Sanctions placed on Russia further restricted oil's flow and enhanced oil prices. We see no quick resolution on the horizon, and we remain optimistic on Energy fundamentals.

Gains were more than offset by lagging performance from Industrials. High quality industrials automation players and global transportation giants, including Schneider Electric, Siemens, ABB and Union Pacific, have seen rotation out of their respective sub-sectors into defensives. We trimmed our allocation to this sector during the year to position the portfolio more defensively. Auto players saw weak returns due to production disruptions caused by supply chain issues. We believe supply chain challenges will take multiple quarters to resolve. We continue to monitor the sector closely for changes in our thesis.

During Q4, investor sentiment has improved, and we have pivoted the Fund more offensively by increasing the Fund's allocations to Energy and Industrials. Unprecedented support for energy independence and greenhouse gas reduction should translate into capital expenditure and revenue growth opportunities for many of our Industrials, Energy and Utilities holdings in the long run. The portfolio

currently consists of both defensive and cyclical names, with a bias towards defensives. We believe the Fund is appropriately positioned given our cautious outlook for the coming year.

FORWARD-LOOKING STATEMENTS

Some of the statements contained herein including, without limitation, financial and business prospects and financial outlook may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. 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 reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based on what management believes to be reasonable assumptions, we cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no obligation to update or revise them to reflect new events or circumstances, except as required by law.