

Interim Report 2025

Sustainable Power & Infrastructure Split Corp.

TSX: PWI, PWI.PR.A

BROMPTON
FUNDS

**VALUE
INTEGRITY
PERFORMANCE**

THE FOUNDATION FOR EXCELLENCE

MANAGEMENT REPORT OF FUND PERFORMANCE

August 12, 2025

This interim management report of fund performance for Sustainable Power & Infrastructure Split Corp. (the “Fund”) contains financial highlights but does not contain the unaudited interim financial statements of the Fund. The unaudited interim 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.sedarplus.ca. Shareholders may also contact Brompton Funds 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 are traded 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, TFSA and FHSA eligible. The Preferred shares have a low-to-medium risk rating and are rated Pfd-3 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 usually does not benefit from growth in value of the underlying investments. Generally, the Class A shares capture the price movement of the underlying investments 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 holders; and
- ii) to provide holders of Class A shares with regular monthly non-cumulative cash distributions, and the opportunity for capital appreciation through exposure to the Portfolio.

To achieve these objectives, the Fund invests in a globally diversified and actively managed 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 includes 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 targets investments in Sustainable Power and Infrastructure Companies that have strong and/or improving environmental, social and governance (“ESG”) characteristics as identified by the Manager. The Manager integrates ESG considerations to complement fundamental analysis in its security selection process. The qualitative ESG policies and practices considered 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. 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.

The Manager, at its discretion, selectively writes covered call options from time to time on the portfolio, to generate additional distributable cash and to reduce volatility. The Fund hedges substantially all of its foreign currency exposure back to the Canadian dollar.

RECENT DEVELOPMENTS

Extension of Term

On August 12, 2025, the Fund announced that the board of directors approved an extension of the maturity date for the Class A and Preferred shares for an additional 5-year term to May 29, 2031. The Preferred share dividend rate for the extended term will be announced at least 60 days prior to the original May 29, 2026, maturity date and will be based on market yields for preferred shares with similar characteristics at that time.

Market Conditions

Recent executive orders issued by U.S. President Trump, directing the United States to impose new tariffs and greater restrictions on trade between the United States and its trading partners. Retaliatory announcements made by some of the United States' global trading partners including Canada, and growing protectionist and anti-globalization sentiment in both the United States and Canada, may result in changes to existing trade agreements and greater restrictions on global trade. These developments could adversely affect global economic growth and increase geopolitical tensions. As a result, securities markets may experience negative impacts, including declines in the business operations of certain issuers. These risks could also adversely affect inflation and other factors related to the securities held in the Fund's portfolio, which either individually or in combination, may result in volatility and decline in the Fund's NAV.

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 2024 Annual Information Form, which is available at www.bromptongroup.com or on SEDAR+ at www.sedarplus.ca. There were no changes to the risks during the period ended June 30, 2025, that could materially affect an investment in the shares of the Fund as they were discussed.

RESULTS OF OPERATIONS

Distributions

Class A share cash distributions for the period amounted to \$0.51 per share, compared to \$0.40 for the same period in 2024. The Class A monthly distribution rate increased in October 2024 to \$0.085 per share, reflecting a 27.5% increase from the previous rate. Preferred share cash distributions declared for the period amounted to \$0.25 per share, unchanged from the same period in 2024. Since inception on May 21, 2021, the Fund has declared total cash distributions of \$3.37 per Class A share and \$2.06 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.

Revenue and Expenses

The Fund earned revenue of \$0.16 per Class A share, compared to \$0.39 per Class A share for the same period in 2024. The decrease was largely driven by an in-kind dividend received in 2024 from General Electric's spin-off of GE Vernova, as well as changes in the Fund's portfolio holdings.

Expenses amounted to \$0.13 per Class A share, compared to \$0.15 per class A share for the same period in 2024.

Net Asset Value

The Net Asset Value per Class A share was \$10.20 at June 30, 2025, up 8.3% from \$9.42 at December 31, 2024. The aggregate Net Asset Value of the Fund was \$65.7 million at June 30, 2025, up from \$63.5 million at December 31, 2024. 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.

Investment Portfolio

As at June 30, 2025, the Fund's investment portfolio included 23 securities, one of which was an ETF managed by the Manager. During the period, the Fund added 3 new securities and sold 4 existing holdings. The ETF is Brompton Global Infrastructure ETF and this investment provides exposure to global real asset companies. The investment weightings and a detailed listing of the Fund's holdings are provided in the financial statements.

The Fund's portfolio continues to meet its ESG related investment objectives and strategies. The securities sold and purchased in 2025 were a result of multiple different factors, including sector re-allocation, fundamental analysis and technical analysis. None of the securities sold in 2025 were a result of them not meeting ESG characteristics. In the Manager's view, all new purchases have positive and/or improving ESG characteristics. The 3 new purchases held in the Fund's portfolio are AT&T Inc., Ferrovial SE and Siemens AG. Please see the Portfolio Manager's report for more details on these new purchases.

The Fund's investments recorded net realized gains of \$2.0 million and a change in unrealized gain of \$2.3 million. The Fund's gains were primarily attributed to the industrials and utilities sectors, which together contributed \$4.0 million in net gains. General Electric Co. and Constellation Energy Corp. were the Fund's top performers, contributing \$2.0 million collectively. A detailed portfolio review is provided in the Portfolio Manager's Report.

The Fund selectively wrote covered call options on the underlying securities in the portfolio and generated premiums of \$0.4 million. The net realized and change in unrealized loss on option writing was \$0.4 million which represents the premium received, less the amount paid to close out the options at expiry. As at June 30, 2025, there were 214 option contracts outstanding, with a notional value representing 7.0% of the portfolio.

The Fund's foreign currency exposure to the US dollar, Euro and Japanese yen was substantially hedged through foreign currency forward contracts. The net realized and change in unrealized gain from foreign currency forward contracts was \$1.1 million. The gain was offset by the foreign currency loss of the respective foreign currency denominated securities in the investment portfolio.

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.

As at June 30, 2025, 0.6% of the Fund's Class A shares and 3.4% of the Fund's Preferred shares were held by investment funds managed by the Manager.

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 average Net Asset Value of the Fund, plus applicable taxes. The Fund does not pay any management fees on investments in funds managed by the Manager. The Net Asset Value of the Fund is determined by taking the total assets of the Fund and deducting the Fund's liabilities. For this purpose, the Preferred shares are not considered a liability of the Fund. 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. During the period, management fees amounted to \$0.3 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 which have been prepared in accordance with IFRS Accounting Standards. *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 Share

For the period/year ended	June 30, 2025	December 31			
		2024	2023	2022	2021 ¹
	\$	\$	\$	\$	\$
Net Assets, beginning of period/year ^{2,3}	9.42	6.47	6.28	10.09	9.29
Increase (decrease) from operations:⁴					
Total revenue	0.16	0.43	0.46	0.51	0.46
Total expenses ³	(0.13)	(0.29)	(0.25)	(0.26)	(0.20)
Preferred share premium/discount amortization, agents' fees and issuance costs	-	-	(0.01)	(0.05)	(0.28)
Preferred share distributions	(0.25)	(0.49)	(0.50)	(0.50)	(0.31)
Realized gains (losses)	0.64	0.55	(0.06)	(1.68)	(0.85)
Unrealized gains (losses)	0.87	3.67	1.26	(1.15)	2.17
Total increase (decrease) in Net Assets from operations	1.29	3.87	0.90	(3.13)	0.99
Distributions to Class A shareholders:^{2,5}					
Return of capital	n/a	0.86	0.73	0.80	0.47
Total distributions to Class A shareholders	0.51	0.86	0.73	0.80	0.47
Net Assets, end of period/year²	10.20	9.42	6.47	6.28	10.09

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

² 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.

³ 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 have also been reported as an expense during the period from May 21, 2021, to December 31, 2021.

⁴ 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.

⁵ Allocations for tax purposes for the period ended June 30, 2025, are not available until year end.

Ratios and Supplemental Data (Based on Net Asset Value)

As at	June 30, 2025	December 31			
		2024	2023	2022	2021
Net Asset Value (\$) (000s) – including Preferred shares	65,739	63,511	58,420	60,771	64,720
Number of Class A shares outstanding (000s)	3,254	3,270	3,546	3,732	3,222
Management expense ratio (“MER”) - Class A shares ¹	7.85%	8.29%	11.20%	9.35%	15.06%
Trading expense ratio ²	0.08%	0.11%	0.16%	0.09%	0.32%
Portfolio turnover rate ³	12.09%	42.59%	58.49%	31.37%	n/a
Net Asset Value per unit (\$) ⁴	20.33	19.55	16.60	16.41	20.21
Net Asset Value per Class A share (\$)	10.20	9.42	6.47	6.28	10.09
Net Asset Value per Preferred share (\$) ⁵	10.00	10.00	10.00	10.00	10.00
Closing market price - Class A shares (\$)	9.46	8.85	6.19	7.55	9.87
Closing market price - Preferred shares (\$)	10.20	10.37	9.98	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 and a proportionate share of any Underlying Funds’ expenses, but excludes 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. The MER for Class A shares also excludes Preferred share premium/discount amortization and issuance costs associated with share issuances under the treasury offering, where such issuances were accretive to the Net Asset Value. The 2021 MER includes issuance costs from the initial public offering, which amounted to \$1,392,583 for Class A shares and \$909,333 for Preferred shares. 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

The MER per Class A share, which includes Preferred share distributions, was 7.85%, down from 8.29% in 2024. Excluding Preferred share distributions, which are paid to Preferred shareholders to allow Class A shareholders to receive leveraged performance, the MER per Class A share was 2.46% down from 2.63% in 2024. The decrease in MER was driven by a higher average Net Asset Value of the Class A shares, which reduced the impact of fixed costs.

The MER per unit (includes one Class A share and one Preferred share) of the Fund, excluding Preferred share distributions, was 1.19%, compared to 1.23% in 2024. This latter ratio is more representative of the ongoing efficiency of the administration of the Fund.

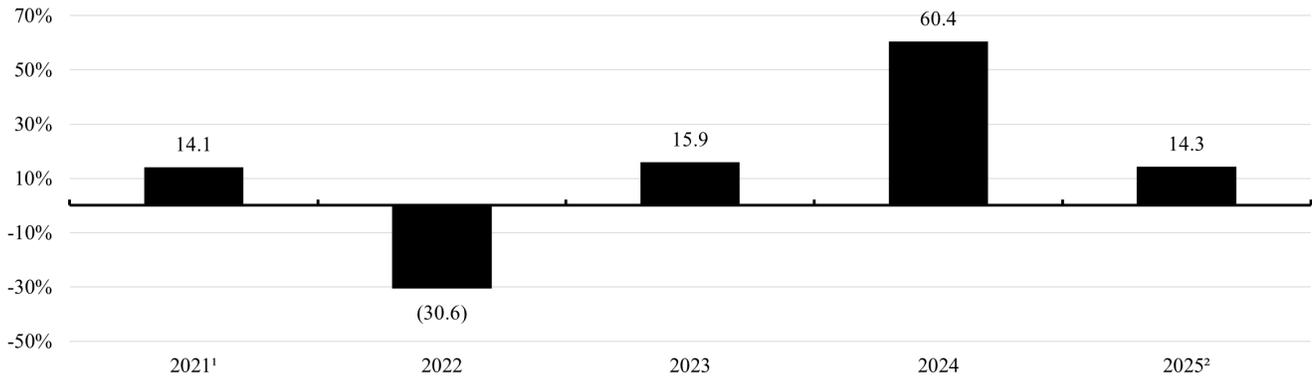
PAST PERFORMANCE

The performance information shown is based on Net Asset Value per Class A share and per unit (each unit consists of one Class A share and one 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 in additional Class A shares and units of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Return

The following charts show, 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.

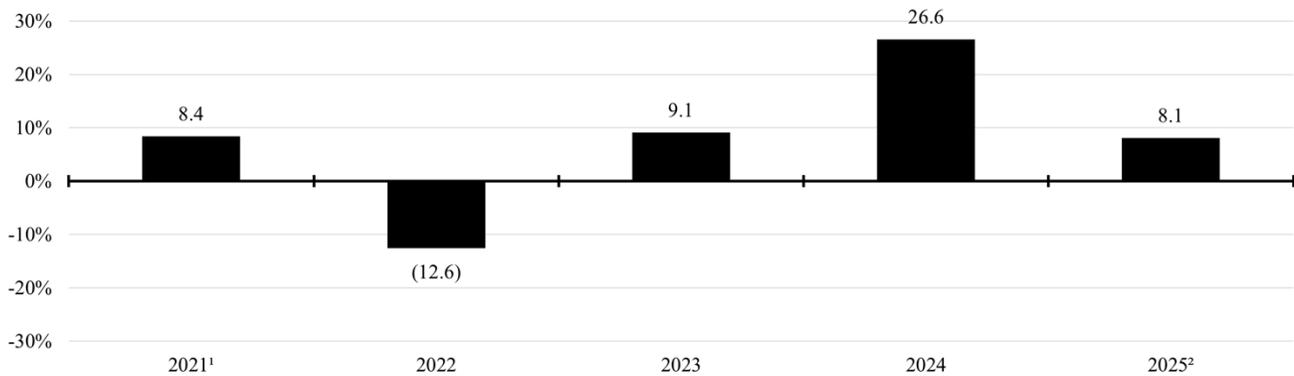
Class A Share



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

² Period ended January 1, 2025, to June 30, 2025.

Unit



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

² Period ended January 1, 2025, to June 30, 2025.

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2025

Total Net Asset Value¹		\$ 65,739,166
Portfolio Composition	% of Portfolio	% of Net Asset Value
<u>Asia</u>		
Japan		
Industrials	4.4	4.5
Total Asia	4.4	4.5
<u>Europe</u>		
Germany		
Industrials	3.1	3.1
Great Britain		
Materials	2.7	2.7
Ireland		
Industrials	6.4	6.4
Italy		
Industrials	4.2	4.2
Netherlands		
Industrials	2.3	2.3
Spain		
Utilities	3.9	4.0
Total Europe	22.6	22.7
<u>North America</u>		
Canada		
Energy	8.7	8.9
Investment Funds	5.6	5.7
Industrials	3.6	3.6
United States		
Industrials	17.1	17.2
Energy	11.2	11.2
Communication Services	9.4	9.6
Utilities	8.8	8.8
Information Technology	6.7	6.9
Total North America	71.1	71.9
Total Investments	98.1	99.1
Cash	1.9	2.0
Other net assets (liabilities)		(1.1)
Total	100.0	100.0

Top 25 Holdings	% of Portfolio	% of Net Asset Value
Trane Technologies PLC	6.4	6.4
Targa Resources Corp.	5.9	5.9
Brompton Global Infrastructure ETF	5.6	5.7
General Electric Co.	5.5	5.5
Williams Companies Inc.	5.3	5.3
T-Mobile US Inc.	5.1	5.2
Constellation Energy Corp.	5.0	5.0
Parker-Hannifin Corp.	4.7	4.8
Hitachi Ltd.	4.4	4.5
Keyera Corp.	4.4	4.5
Cameco Corp.	4.3	4.4
Prysmian SpA	4.2	4.2
Eaton Corporation PLC	4.1	4.1
Iberdrola S.A.	3.9	4.0
Southern Co.	3.8	3.8
Waste Connections Inc.	3.6	3.6
Motorola Solutions Inc.	3.5	3.6
Roper Technologies Inc.	3.2	3.3
Siemens AG	3.1	3.1
Quanta Services Inc.	2.8	2.8
Linde PLC	2.7	2.7
Ferrovial SE	2.3	2.3
Cash	1.9	2.0
Total	95.7	96.7

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.

MANAGER/PORTFOLIO MANAGER

Founded in 2000, Brompton is an experienced investment fund manager with income and growth focused investment solutions including exchange-traded funds (ETFs) and other TSX traded investment funds. Our funds are designed to address investors' cash flow requirements and to provide them with value-added diversification strategies. Since inception, Brompton has paid out approximately \$4.0 billion in distributions. For the level of service provided, our funds are known for their low management fees and costs.

BROMPTON
FUNDS

PORTFOLIO MANAGER'S REPORT

July 2025

Global Markets Review

The first half of 2025 saw global equity markets rebound strongly from early-year volatility, with all major indices posting gains despite significant turbulence. After a sharp sell-off between February and April—driven by competition from China’s DeepSeek AI, concerns over U.S. tariffs, and recession risks—markets staged a robust recovery as tariff fears eased, and corporate earnings proved resilient. For the 6-month period ending June 30, the MSCI World Total Return Index climbed 9.8%, reaching all-time high, with Industrials being the best performing sector. In North America, the S&P 500 Total Return Index was up 6.2%, also buoyed by Industrials. The S&P/TSX Composite Total Return Index gained 10.2% on the back of gold rallying. In Europe, the STOXX Europe 600 Total Return Index returned 9.4%. Spain, Italy, and Germany were the top-performing country indices, gaining 23.4%, 20.4%, and 20.1%, respectively, while the U.K., France, and Switzerland all finished the 6-month period in positive territory, up 9.5%, 6.8%, 5.9%, respectively.

Inflation continued to moderate globally, but the pace of central bank easing slowed as policymakers weighed the impact of new U.S. tariff policies and persistent inflationary pressures. In the U.S., inflation declined to 2.4% while the unemployment rate remained relatively low at 4.1%. Meanwhile, manufacturing PMI for June came in at 49.0 and has remained in contractionary territory for the past 6 months, which indicates that tariffs have driven up input prices, slowed new orders, and led to inventory accumulation. In bond markets, the U.S. 10-year Treasury yield fell from 4.57% to 4.23%, while the Canadian 10-year and most European 10-year yields largely mirrored U.S. Treasuries. The exception was Germany, where the country’s 10-year yield spiked in early March after the new government proposed a sizeable infrastructure and defense spending plan that surprised the market. In equity markets, growth saw a robust recovery after the market sold off in March and April and ended up outperforming value by the end of June. Regional performance remained bifurcated, with Canada and Europe outperforming the U.S.

The Federal Reserve (the “Fed”) kept interest rates unchanged at 4.25-4.50% range at both May and June Federal Open Market Committee (FOMC) meetings. The Fed acknowledged that economic activity continues to expand at a solid pace, with a low unemployment rate and resilient labour market conditions. However, Fed Chair Jerome Powell highlighted that, while headline and core inflation cooled in May, prices are expected to rise in coming months as tariffs affect consumers. The Fed’s economic projections now anticipate slower GDP growth of 1.4% for 2025, down 0.3 percentage points from its previous projection, and inflation of 3.0% by year-end. By the end of June, the Fed Funds Futures have priced in two additional 25 bps rate cuts for the second half of 2025. Nevertheless, it would be challenging for the Fed to resume rate cuts until there is more visibility on tariffs and their impacts on inflation and unemployment.

The Bank of Canada (“BoC”) overnight policy rate sits at 2.75% after two 25 bps rate cuts in the first quarter. The decision to cut rates in the first quarter and then hold them flat in the second quarter reflects heightened uncertainty from shifting U.S. trade policy and new tariffs, which raised downside risks to Canadian growth but lifted inflation expectations. The BoC also noted that the labour market has weakened, particularly in trade-sensitive sectors, and that businesses are planning to scale back hiring. The unemployment rate reached 7.0% in Q2, the highest reading since September 2021. Investment activities also remain muted, particularly in the manufacturing sector, while rising import costs and excess supply pressures from reduced U.S. demand for Canadian goods continue to weigh on the already fragile economy. The BoC also indicated that there could be a need for additional rate relief should the economy weaken further.

The European Central Bank (“ECB”) cut its benchmark interest rate by 25 bps at each of the April and June meetings, which brought the rate to 2.15%. President Christine Lagarde insisted that the ECB is well placed to navigate upcoming challenges. A stronger euro and weaker energy prices should support the market’s speculation that the ECB is getting to the end of the rate cut cycle. The ECB expects trade policy uncertainty to weigh on investments and exports, while government spending will likely support growth over the medium term. This statement echoes Germany’s momentous fiscal package on infrastructure and defense over the next decade. In response, the Germany’s DAX index rallied, buoyed by aerospace and defense stocks. Moreover, the ECB also noted that real income in Euro Area remains healthy, and the labour market remains resilient, supporting European household spending.

The first half of 2025 started with mega-cap tech underperformance following the release of DeepSeek’s lower-cost open-source AI model. This development disrupted the competitive landscape of the AI industry and shifted investor sentiment. Soon after, concerns over tariffs and escalating trade tensions dominated market headlines, further dampening sentiment. Markets plunged in early April after aggressive U.S. tariff announcements but rebounded rapidly when tariffs were postponed for 90 days, restoring investor optimism. Additionally, geopolitical tensions escalated in the Middle East when Israel launched surprise strikes on Iranian military and nuclear facilities on June 13. With the U.S. intervening, a ceasefire was brokered before month end. Many global indices witnessed a V-shaped recovery and reached all-time highs towards mid-year. Meanwhile, U.S. equities did not lead the performance this time as non-U.S. markets, such as Canada and Europe, outperformed. Fund flows out of the U.S. on the back of the perceived loss of “U.S. exceptionalism” as well as continued dollar depreciation boosted returns for international equities.

Looking forward to the rest of 2025, we believe tariff-driven volatility will continue to cloud the global economic outlook as trade policy uncertainty complicates central banks' monetary decisions, overshadows corporate earnings, and erodes consumer confidence. Despite investors ending the 6-month period with renewed optimism, we believe it is prudent to remain cautious as several trade-related deadlines approach. The Q2 rally was underpinned by resilient economic data and earnings, but the path forward may hinge on the resolution of trade tensions and central bank actions. From a portfolio construction perspective, the prevailing market uncertainty underscores the importance of maintaining a well-diversified portfolio that spans multiple sectors and geographies. In this climate, we favour a balanced portfolio and carefully select companies that are less exposed to tariffs and demonstrate resilience during economic turbulence.

Portfolio Review

Units (1 Class A share plus 1 Preferred share) of Sustainable Power & Infrastructure Split Corp. (the "Fund") were up 8.1% during the first half of 2025 underperforming S&P Global Infrastructure Total Return Index.

The fund benefitted from our picks in Utilities and Infrastructure Suppliers (not in the index). Top contributors were General Electric, Constellation Energy and Iberdrola. Industrials continue to be a standout performer, with our picks benefitting from several multiyear secular trends. The rapid expansion of artificial intelligence has significantly increased power demand, driving a surge in orders for critical electrical components such as switchgear, transformers, cooling systems, and power management solutions. Concurrently, the global push to decarbonize energy and electrify transportation and buildings continues to stimulate investment in new and upgraded electrical infrastructure. In the aerospace sector, rising travel demand is boosting the need for new airplanes; however, supply chain constraints are extending the operational life of older aircraft resulting in lucrative aftermarket opportunities. Finally, Utilities have also benefitted from the explosion in electricity demand as this has forced them to increase their capital expenditure plans significantly while also benefiting from higher prices on their merchant generation. This is especially true for those with clean baseload power such as Constellation and Iberdrola.

Offsetting this was our underweight in European Utilities, that led to the fund underperforming the benchmark. Utilities were the second-best performing sector in Europe. Lingering concerns over geopolitical instability, coupled with tariff threats and signs of a slowing global economy, have led investors to seek refuge in this more stable sector. A budding recovery in European power demand has further bolstered the sector. This uptick, combined with the ongoing policy-driven push for green energy and grid modernization, points towards a strong and sustained earnings growth outlook for the sector. Our relative underweight in Utilities allowed us to fund positions in sectors not in the index – such as Communication, Technology and Materials – all of which generated a positive return.

During the first half of the year, we strategically reduced our exposure to electricals, shifting our focus toward investment themes that are less dependent on data center expansion. We also increased our exposure to Telecoms, while reducing weights in Energy and Materials.

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 2025 were a result of many different factors, including re-allocation of sector weighting, fundamental analysis and technical analysis. None of the securities sold in 2025 were a result of them not meeting ESG characteristics. The new purchases in the Fund's portfolio all, in the Manager's view, have positive and/or improving ESG characteristics.

AT&T Inc. integrates its climate impact goals with its business strategy by including scaling renewable energy capacity and virtualizing more portions of its network, which has enabled it to improve speed to deploy new capabilities while reducing energy use and emissions.

Ferrovial SE targets reaching carbon neutrality by 2050. Its also employed dynamic traffic management in its Managed lanes to help increase mobility, road safety and lower CO2 emissions through reduction of road congestion.

Siemens Smart Infrastructure (SI) electrification products are essential to the roll-out of the energy transition and renewable infrastructure. SI's building products, particularly around HVAC, help reduce energy usage within buildings. Siemens' Digital Industries (DI) products drive manufacturing efficiency, which drives savings in energy and resource usage. Siemens' Mobility, by supplying train and rail solutions, supports alternative low environmental impact forms of transport.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking information may relate to matters disclosed in this document and to other matters identified in public filings relating to the Fund, to the future outlook of the Fund and anticipated events or results and may include statements regarding the future financial performance of the Fund. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Actual results may vary from such forward-looking information. 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.