

**BLOOM U.S. INCOME & GROWTH FUND (FORMERLY BLOOM U.S. ADVANTAGED
INCOME & GROWTH FUND) CLASS A UNITS**

Distribution Reinvestment Plan

March 21, 2013

INTRODUCTION

This distribution reinvestment plan is being offered to holders of Class A units of Bloom U.S. Income & Growth Fund (formerly Bloom U.S. Advantaged Income & Growth Fund) who are resident in Canada. The Plan is administered by CIBC Mellon Trust Company.

Purpose

The Plan enables Unitholders who elect to become participants in the Plan to acquire additional Units by reinvesting their cash distributions into Units.

Defined Terms

Where used herein, the following terms shall have the following meanings, respectively:

“Business Day” means any day except Saturday, Sunday or a statutory holiday in Toronto, Ontario or any other day on which the TSX is not open for trading.

“CDS” means CDS Clearing and Depository Services Inc. and includes any successor corporation or any other depository subsequently appointed by the Fund as the depository in respect of the Units.

“CDS Participant” means a broker, dealer, bank or other financial institution or other person for whom, from time to time, CDS effects book entries for securities issued by the Fund deposited with CDS.

“Declaration of Trust” means the declaration of trust governing the Fund dated as of February 25, 2013, as it may be amended or amended and restated from time to time.

“Distribution Payment Date” means a date on which the Fund pays a distribution to its Unitholders as described in the Declaration of Trust.

“Distribution Record Date” means the date for determination of Unitholders entitled to receive distributions as described in the Declaration of Trust.

“Fund” means Bloom U.S. Income & Growth Fund (formerly Bloom U.S. Advantaged Income & Growth Fund).

“Market Price” means the average price paid per Unit (excluding any applicable commissions, service charges or brokerage fees) pursuant to the Plan, issued by the Plan Agent, for all Units purchased in the market through the facilities of the TSX on the relevant Distribution Payment Date.

“Plan” means this distribution reinvestment plan of the Fund described herein.

“Plan Agent” means CIBC Mellon Trust Company or its successors or permitted assigns.

“Plan Participant” means eligible Unitholders who have notified the Fund and the Plan Agent via the applicable CDS Participant that such Unitholders wish to participate in the Plan and are subsequently enrolled in the Plan.

“TSX” means the Toronto Stock Exchange.

“Unitholder” means a holder of a Unit.

“Units” means Class A units of the Fund.

ADMINISTRATION

Cash distributions in respect of Units of Plan Participants will be held by the Fund and automatically reinvested pursuant to the Plan in additional Units at the Market Price. The Fund will permit distributions to be reinvested in accordance with the Plan commencing with the distribution of the Fund anticipated to be declared and payable to Unitholders as of the Distribution Record Date of June 28, 2013.

PARTICIPATION

Participation in the Plan

Any Canadian resident holder of Units may enrol in the Plan at any time. Because registrations and transfers of Units are only made through the book-based system operated by CDS, enrolment in the Plan may only be made through a CDS Participant. For this purpose, Unitholders should therefore contact the CDS Participant through which they currently hold their Units.

In order to participate in the Plan, a Unitholder must enrol in the Plan through his or her CDS Participant in sufficient time for notice to be provided to the Plan Agent, as described below.

A Unitholder may elect to become a participant in the Plan for a distribution by giving notice of the Unitholder's decision to become a Plan Participant for the relevant Distribution Record Date to the Unitholder's CDS Participant in accordance with such CDS Participant's customary procedures. CDS will provide a single notice to the Plan Agent prior to 2:00 p.m. (Toronto Time) on the Business Day immediately following the relevant Distribution Record Date. If a participation notice is received after the deadline by the Plan Agent, the current distribution will be paid to the Unitholder in cash and the Unitholder's enrolment in the Plan will not take effect until the next Distribution Date. Each month, each CDS Participant (but not the Plan Participant) must advise CDS of the number of Units held by it that will be participating in the Plan. Once enrolled in the Plan, participation of a Plan Participant will continue automatically unless terminated in accordance with the Plan.

Participation in the Plan is restricted to residents of Canada for the purposes of the *Income Tax Act* (Canada). Neither the Plan Agent nor CDS will have any duty to inquire into the residency status of the Unitholders, nor will the Plan Agent or CDS be required to know the residency status of the Unitholders, other than as notified by a CDS Participant or the Fund. Upon ceasing to be a resident of Canada, a Plan Participant shall promptly notify its CDS Participant, who shall immediately terminate such Plan Participant's participation in the Plan.

The Fund reserves the right to deny participation in the Plan to any Unitholder where (i) the Unitholder's CDS Participant declines to assume the duties and responsibilities of a CDS Participant as set out herein, or (ii) the Unitholder resides in a jurisdiction where regulatory approvals are required in order to permit the Fund to establish the Plan and such approvals have not been granted.

Partial Participation and Changing the Number of Units Subject to the Plan

A Plan Participant may choose to have all or only a particular number of Units held by that Plan Participant enrolled in the Plan. If a Plan Participant wishes to add or withdraw Units subject to the Plan, the Plan Participant must notify the CDS Participant, in accordance with such CDS Participant's customary procedures, through which the Plan Participant holds its Units of its intention to change the number of Units subject to the Plan.

Transfer of Participation Rights

The right to participate in the Plan may not be transferred by a Plan Participant without the approval of the Fund and the applicable securities regulatory authorities.

Termination of Participation

Participation in the Plan may be terminated by a Plan Participant at any time by giving written notice to his or her CDS Participant in accordance with such CDS Participant's customary procedures. Plan Participants should contact their CDS Participant for appropriate procedures. Beginning on the first Distribution Payment Date after such notice is received by a CDS Participant, the distribution payable to such Unitholders will be made in cash. Any expenses associated with the preparation and delivery of a termination notice will be for the account of the Plan Participant exercising its right to terminate participation in the Plan.

The Manager, on behalf of the Fund, reserves the right to terminate participation in the Plan, of, any Plan Participant who, in the Fund's sole determination has failed to comply with the terms of the Plan, or in the reasonable opinion of the Fund, abused the Plan to the detriment of the Fund or its Plan Participants or Unitholders.

Amendment, Suspension or Termination of the Plan

The Manager, on behalf of the Fund, will be able to terminate the Plan at any time in its sole discretion, upon not less than 30 days' notice to: (i) the Plan Participants via the CDS Participants through which the Plan Participants hold their Units; (ii) CDS; (iii) the Plan Agent, and (iv) if necessary, the TSX. The Manager, on behalf of the Fund, also reserves the right to amend or suspend the Plan at any time, provided that any amendment to the Plan is subject to prior approval of any exchange upon which the Units are listed and posted for trading, but such action shall have no retroactive effect that would prejudice the interest of the Plan Participants. The Fund will send written notice of any such amendment, suspension or termination to CDS, which notice may be given by the Fund by issuing a press release or in any other manner the Manager determines to be appropriate, for onward communication to CDS Participants and Plan Participants.

In the event of suspension of the Plan by the Manager, any distribution paid after the effective date of any such suspension will be remitted by the Fund to the Plan Participant in cash only.

Rules and Regulations

The Fund may from time to time adopt rules and regulations to facilitate the administration of the Plan. The Fund also reserves the right to regulate and interpret the Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Plan.

PRICE OF UNITS AND COSTS

Price of Additional Units

On each Distribution Payment Date, distributions due to Plan Participants will be paid to the Plan Agent and applied to the purchase of a whole number of Units in the market through the facilities of the TSX by the Plan Agent on behalf of the Plan Participants. Such Units purchased under the Plan will be allocated by the Plan Agent to CDS. CDS will in turn credit Plan Participants for such whole Units via the applicable CDS Participant in accordance with its customary procedures.

No fractional Units will be issued under the Plan. Payment in cash in lieu of any fractional Units will be made by the Plan Agent to CDS. CDS will in turn credit Plan Participants for fractional Units via the applicable CDS Participant in accordance with its customary procedures.

In the event that the Plan Agent, on behalf of Plan Participants, is unable to use the entire reinvested amount of the distributions due to Plan Participants to purchase additional Units in the market through the facilities of the TSX, the Fund will issue to Plan Agent (not CDS) from treasury the number of whole Units which is equal to the cash amount not used to purchase additional Units in the market divided by the net asset value per Unit as at the Distribution Record Date of the Fund. The Plan Agent shall calculate an average weighted price of all Units purchased through the facilities of the TSX and all Units issued from treasury (the “**Issue Price**”). The Plan Agent will in turn credit CDS who will credit Plan Participants for such Units at the Issue Price via the applicable CDS Participants in accordance with its customary procedures.

Costs

Any applicable commissions, service charges or brokerage fees payable in connection with the purchase of Plan Units will be paid by the Fund. All administrative costs, including the Plan Agent’s charges for administering the Plan, will also be paid by the Fund.

REPORTING

Reports to Plan Participants

Plan Participants will receive confirmation of the number of Units issued to them under the Plan and the Market Price from their CDS Participant in accordance with such CDS Participant’s customary procedures. These statements are a Plan Participant’s continuing record of the cost of purchases and should be retained for income tax purposes. In addition,

each Plan Participant will receive the appropriate information annually for income tax reporting purposes from their CDS Participant in accordance with such CDS Participant's customary procedures.

As all Units issued by the Fund are held in the CDS book-based system, no Unit certificates will be provided to Plan Participants for Units issued under the Plan.

UNIT VOTING

Whole Units obtained under the Plan may be voted by the Plan Participant either by proxy or in person in the same manner as all other Units held. Plan Participants will receive particulars and appropriate documentation through their CDS Participant if a meeting of the Fund is called.

RESPONSIBILITIES OF THE FUND

Neither the Fund nor the Plan Agent shall be liable for any act undertaken or omitted in good faith, including, without limitation, any claims for liability arising in connection with or relating to:

- (a) income taxes (together with any applicable interest and/or penalties) payable by CDS Participants or Plan Participants in connection with the latter's participation in the Plan;
- (b) the prices at which Units are purchased for the Plan Participant's account and the times such purchases are made;
- (c) receipt or non-receipt of any payment, form or other writing purported to have been sent to the Fund, the Plan Agent, any Plan Participant or CDS Participant;
- (d) actions taken as a result of inaccurate and incomplete information or instructions;
- (e) any decision to amend, suspend, terminate or replace the Plan in accordance with the terms hereof; or
- (f) the involuntary termination of a Plan Participant's participation in the Plan in the circumstances described herein.

Plan Participants should recognize that neither the Fund nor the Plan Agent can assure a profit or protect against a loss on Units issued under the Plan.

INCOME TAX CONSIDERATIONS

Each Unitholder considering enrolling in the Plan should seek independent advice regarding the tax consequence of participating in the Plan.

PERSONAL LIABILITY

The obligations of the Fund hereunder are not personally binding on the trustee or any registered or beneficial Unitholder and resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the foregoing, but the property of the Fund from time to time shall be bound by such obligations.

Effective Date of the Plan

The effective date of the Plan is March 21, 2013.

Information Requests

All requests for information regarding the Plan should be directed to Fund or the Plan Agent as follows:

Bloom U.S. Income & Growth Fund
c/o Bloom Investment Counsel, Inc.
150 York Street, Suite 1710
Toronto, ON M5H 3S5
Telephone: 416-861-9941
E-mail: info@bloomfunds.ca
Website: www.bloomfunds.ca

CIBC Mellon Trust Company
c/o Canadian Stock Transfer Company Inc.
P.O. Box 700, Station B
Montreal, QC H3B 3K3
Telephone: 1-800-387-0825 or 416-682-3860
Facsimile: 1-888-249-6189
E-mail: inquiries@canstockta.com
Website: www.canstockta.com