

BLOOM SELECT INCOME FUND
Distribution Reinvestment Plan

INTRODUCTION

This distribution reinvestment plan (the “**Plan**”) is being offered to holders (“**Unitholders**”) of units (the “**Units**”) of Bloom Select Income Fund (the “**Fund**”) resident in Canada.

Purpose

The Plan enables Unitholders who elect to become participants in the Plan (“**Plan Participants**”) to acquire additional Units by reinvesting their cash distributions in Units.

Defined Terms

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

“**Issue Price**” means the price per Unit equal to the net asset value of the Fund on the Distribution Record Date divided by the number of issued and outstanding Units on such date.

“**CDS**” means CDS Clearing and Depository Services Inc. or its nominee.

“**CDS Participant**” means a participant in the CDS system.

“**Declaration of Trust**” means the Declaration of Trust made as of March 22, 2012 in respect of the Fund, as amended from time to time.

“**Distribution Payment Date**” means the date for payment to Unitholders of distributions 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 Select Income Fund.

“**Plan**” means this distribution reinvestment plan.

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

“**Plan Participant**” means a Unitholder who elects to become a participant in the Plan.

“**Unitholder**” means a holder of a Unit.

“**Units**” means units of the Fund.

ADMINISTRATION

Cash distributions in respect of Units will be held by the Fund and automatically reinvested under the Plan in additional whole Units at the Issue 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 July 31, 2012.

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 Clearing and Depository Services Inc. (“**CDS**”), enrolment in the Plan may only be made through a participant in the

CDS system (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 CIBC Mellon Trust Company in its capacity as agent under the Plan (the “**Plan Agent**”), as described below. Once a Unitholder has enrolled in the Plan, participation continues automatically until the Fund terminates, unless terminated earlier in accordance with the terms of the Plan.

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. The CDS Participant will in turn be required to provide notice to CDS no later than 4:00 p.m. (Toronto time) on such Distribution Record Date or otherwise in accordance with CDS’ customary procedures. CDS in turn will provide a single notice to the Plan Agent prior to 10:00 a.m. (Toronto Time) on the business day immediately following the relevant Distribution Record Date.

The Fund reserves the right to deny participation in the Plan to any investor where (i) the investor’s CDS Participant declines to assume the duties and responsibilities of a CDS Participant as set out herein, or (ii) the investor 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. As the Fund is not seeking regulatory relief outside Canada, if Units of the Fund are held by a non-resident of Canada, such Unitholder is not eligible to participate in the Plan.

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. After termination of participation in the Plan, all future distributions will be paid to the Unitholder in cash or in Units, in accordance with the Declaration of Trust.

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) the Plan Agent, and (iii) if necessary, the Toronto Stock Exchange. 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, for onward communication to CDS Participants and Plan Participants.

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, CDS will be issued from treasury a number of whole Units which is equal to the cash amount to be reinvested for CDS on behalf of all Plan Participants divided by the Issue Price, such Issue Price to be communicated by the Fund to the Plan Agent. 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 this Reinvestment Plan. Payment in cash in lieu of any fractional interests in Units will be made by the Plan Agent to CDS. CDS will in turn credit Plan Participants for fractional interests in Units via the applicable CDS Participant in accordance with its customary procedures.

Costs

There are no commissions, service charges or brokerage fees payable in connection with the issuance of Units under the Plan. All administrative costs, including the Plan Agent's charges for administering the Plan, will 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 Issue 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 with respect to the prices used to calculate the number of Units issued under the Plan, or have any duties, responsibilities or liabilities except as are expressly set forth in the Plan or are required by law.

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.

Effective Date of the Plan

The effective date of the Plan is April 20, 2012.

Information Requests

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

Bloom Select Income 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