

Fund Data

Inception date:	November 16, 2006
Ticker:	CDD.UN
Units outstanding:	545,958 units
Total Net Asset Value ⁽¹⁾	\$3.17 mm
NAV Per Unit ⁽¹⁾ :	\$5.81
Total Market Capitalization	\$3.28 mm
Market price per unit	\$6.00
Management fee:	1.10% p.a.

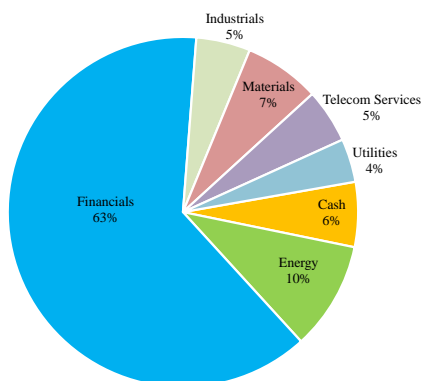
Distributions

Distribution:	6.5% of NAV p.a.
Most recent distribution ⁽²⁾ :	\$0.03261
Distribution frequency:	Monthly
Current yield ⁽³⁾ :	6.5%
Cumulative distributions:	\$5.530701

Top Ten Holdings

Bank of Montreal	8.7%
Thomson Reuters Corporation	8.4%
The Toronto-Dominion Bank	7.7%
Canadian Imperial Bank of Commerce	7.6%
Royal Bank of Canada	7.5%
National Bank of Canada	6.5%
The Bank of Nova Scotia	6.3%
Cash	6.0%
Enbridge Inc.	5.6%
Russel Metals Inc.	5.2%

Sector Allocation



Notes:
 (1) As at September 28, 2018
 (2) September distribution
 (3) Calculated as most recent distribution annualized divided by closing market price on September 28, 2018

Fund Overview

The Fund is a closed-end investment trust designed to provide unitholders with exposure to a blue chip portfolio consisting of fifteen high quality, large capitalization, and dividend paying Canadian companies across multiple industry sectors that have an excellent long term track record of dividend growth and share price appreciation.

Objectives

The fund's investment objectives are:

- to provide Unitholders of the Fund with monthly cash distributions in an amount targeted to be 6.5% per annum on the net asset value ("NAV") of the Fund; and
- to preserve and grow the NAV per Unit.

Rationale

The Fund is appropriate for those investors looking for a diversified Canadian large-capitalization portfolio while earning attractive distributions with lower volatility. The Fund utilizes Strathbridge's proprietary SSO covered call writing strategy to enhance the income generated by the portfolio and to reduce volatility. In addition, the Fund may write cash covered puts options in respect of securities in which it is permitted to invest.

Portfolio Manager Commentary – September 2018

The Canadian stock market made its 2018 and all-time highs in early July and have been moving sideways to lower since then. The performance this quarter, ending September was mixed with mostly single-digit positive and negative returns across sectors. The exceptions were Materials and Health Care.

The Materials sector was weaker on gold names. Bullion peaked in April and has been moving lower since then which is weighing on the miners. Health Care on the other hand has been dominated by stocks connected with the burgeoning cannabis industry.

AGF Management Inc (AGF.b) was our worst performer this quarter and continues its price weakness since the beginning of 2018. This is despite a reasonable year over year increase in assets under administration. Senior management changes may be a factor as the long-time CEO is stepping down. The total return was negative 11.06 percent.

Commentary cont'd on next page

Portfolio Manager Commentary – cont'd

Our top performer was Thomson Reuters (TRI) which has enjoyed a price uptrend since May and closed the quarter at new 2018 highs. The performance is partly due to the vote of confidence in the company shown by Blackstone Group LP who becomes a significant partner after a US\$20 billion acquisition of the TRI risk unit. Cash-rich TRI has been distributing some of the funds to shareholders with a plan to do more. Total return for third quarter was 11.8 percent.

Volatility as measured by the S&P TSX VIX index moved in a range between 10% and 15% for most of this quarter, quite similar to the previous quarter, and near the long-term average of just over 13 percent.

This quarter the fund delivered a total return of negative 2.64% compared to negative 0.65% for the S&P/TSX 60 Index. The trading price on September 28, 2018 was \$5.98 down \$0.07 from the June 29, 2018 trading price of \$6.05 and represents a premium to NAV of \$0.17 per unit.

Manager

- ✓ Strathbridge Asset Management Inc., experienced issuer with 10 listed closed-end funds
- ✓ One of Canada's most experienced option strategy managers, with over 20 years of investment management experience in Canada
- ✓ Proprietary selective call writing strategy utilized to enhance income generated from the portfolio and reduce volatility

Forward Looking Information and Disclaimer

This document may contain certain forward-looking statements. These statements may relate to future events or future performance and reflect management's current expectations. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. Although the forward-looking statements are based upon what management believes to be reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Neither the Funds nor their respective managers assume any obligation to update or revise any forward-looking statement to reflect new events or circumstances. Actual results may differ materially from any forward-looking statement. Historical results and trends should not be taken as indicative of future operations. The Fund is not guaranteed, its value changes frequently and past performance may not be repeated. Unless otherwise indicated and except for returns for period less than one year, the indicated rates of return are the historical annual compounded total returns including changes in security value. All performance data take into account distributions or dividends paid to unitholders but do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns.



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