

Low Volatility U.S. Equity

INCOME FUND

Fact Sheet
December 31, 2017

Fund Data

Inception date:	March 13, 2013
Ticker:	LVU.UN
Units outstanding:	459,606 units
Total Net Asset Value ⁽¹⁾ :	\$5.06 mm
NAV Per Unit ⁽¹⁾ :	\$11.01
Total Market Capitalization	\$4.83 mm
Market price per unit	\$10.51
Management fee:	1.00% p.a.

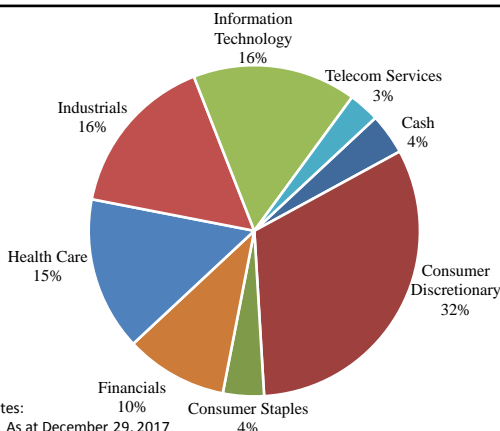
Distributions

Distribution:	5.0% of NAV p.a.
Most recent distribution ⁽²⁾ :	\$0.0501
Distribution frequency:	Monthly
Current yield ⁽³⁾ :	5.7%
Cumulative distributions:	\$3.14296

Top Ten Holdings

Amazon.com, Inc.	5.8%
McDonald's Corporation	5.8%
Apple Inc.	5.7%
Lowe's Companies Inc.	5.5%
American Express Company	5.4%
The Home Depot, Inc.	5.3%
United Technologies Corporation	5.1%
NIKE, Inc.	5.0%
Danaher Corporation	4.9%
Berkshire Hathaway Inc.	4.9%

Sector Allocation



Notes:
(1) As at December 29, 2017
(2) December distribution
(3) Calculated as most recent distribution annualized divided by closing market price on December 29, 2017

Fund Overview

The Fund is a closed-end investment trust that invests in U.S. equities selected from the S&P 100 Index, with a beta of less than 1.0 and utilizes Strathbridge's proprietary SSO covered call writing strategy to enhance the income generated by the portfolio and to reduce volatility.

Objectives

The fund's investment objectives are:

- to maximize risk adjusted returns for unitholders; and
- to pay unitholders monthly distributions in an amount targeted to be 5.0 percent per annum on the NAV per Unit

Rationale

The portfolio is expected to benefit from exposure to U.S. domiciled large capitalization multinational corporations, broad industry diversification relative to the TSX and exhibit lower portfolio volatility relative to the S&P 100. The Fund is appropriate for those investors looking for conservative exposure to U.S. equities while earning attractive distributions.

Portfolio Manager Commentary – December 2017

Global equity markets rallied strongly in the fourth quarter of 2017, with many indices closing the year at or near new all-time highs. The Dow Jones Industrial Average was one of the strongest performing indices in the fourth quarter with a total return of 11.0%, while the NASDAQ Composite Index in the U.S. was up 7.3%. Here in Canada, the S&P/TSX Composite Index which had lagged most other indices in the first three quarters of 2017, generated a total return of 4.4% in the fourth quarter.

The Consumer Discretionary sector led all other sectors in the S&P 500 Index in the fourth quarter, with a total return of 9.5%. Meanwhile, the Utilities sector was the worst performing sector, with a total return of -0.6% during the quarter.

Commentary cont'd on next page

Portfolio Manager Commentary – cont'd

The S&P 100 Total Return Index rose during the period ending December 29, 2017 to 2,951.34 vs. 2,750.30 on December 30, 2017. Stocks within the portfolio had varying returns led by home improvement retailers Lowe's Companies, Inc. and The Home Depot, Inc., which rose 16.9% and 16.5%, respectively, during the period. Meanwhile, Amgen Inc. was the laggard during the period as it declined 8.8% while held within the portfolio due to reporting third quarter drug sales that missed analyst's estimates.

Volatility levels, as measure by the Chicago Board Options Exchange Volatility Index ("VIX") remained at the lower end of its historical range, touch new all-time lows in late November, which adds to the challenge of overwriting. However, this low level of volatility and the manager's favourable view on the market provided an opportunity to purchase calls options on select names while limiting the call writing activity over the period. The Fund on average had 1% of portfolio written during the period vs. 3.4% on average during the previous quarter while it ended the period with 0.2% of the NAV invested in calls pos.

The Fund maintained an average cash position of 5.1% during the period, but ended the quarter at 3.7% vs. 5.9% at the end of the previous quarter.

The U.S. dollar was mostly hedged back into Canadian dollars throughout the period and ended December with approximately 100% of the U.S. dollar exposure hedged.

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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