

Low Volatility U.S. Equity

INCOME FUND

Fact Sheet
March 31, 2017

Fund Data

Inception date:	March 13, 2013
Ticker:	LVU.UN
Units outstanding:	651,798 units
Total Net Asset Value ⁽¹⁾ :	\$6.69 mm
NAV Per Unit ⁽¹⁾ :	\$10.27
Total Market Capitalization	\$6.52 mm
Market price per unit	\$10.00
Management fee:	1.00% p.a.

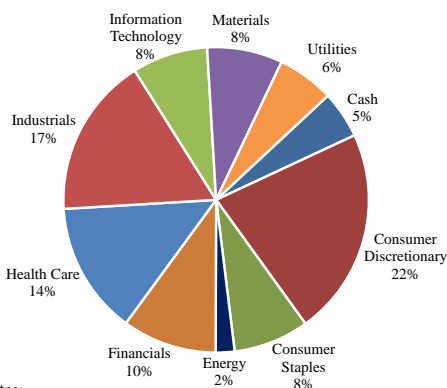
Distributions

Distribution:	5.0% of NAV p.a.
Most recent distribution ⁽²⁾ :	\$0.04817
Distribution frequency:	Monthly
Current yield ⁽³⁾ :	5.8%
Cumulative distributions:	\$2.70732

Top Ten Holdings

The Allstate Corp	5.4%
The Home Depot Inc.	5.3%
Cash	5.1%
Nike Inc.	5.0%
General Dynamics Corp	4.8%
Apple Inc.	4.6%
Pepsico Inc.	4.5%
Johnson & Johnson	4.2%
The Walt Disney Company	4.1%
Monsanto Co	4.1%

Sector Allocation



Notes:
(1) As at March 31, 2017
(2) March distribution
(3) Calculated as most recent distribution annualized divided by closing market price on March 31, 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 – March 2017

Global equity markets for the most part continued their strong post-Trump election rally into the first quarter of 2017. The Nasdaq Composite Index was one of the strongest performing indices in the first quarter with a total return of 10.1%, while the S&P 500 Index in the U.S. was up 3.8%. Here in Canada, the S&P/TSX Composite Index rose 2.4%.

The Financials sector which was by far the best performing sector in Canada and the U.S. during the fourth quarter of 2017 on expectations of higher net interest margins and less regulation gave way to the Information Technology and Consumer Discretionary sectors in the first quarter of 2017. Meanwhile, the Energy sector which was one of the best performing sectors in 2017 has been one of the worst performing sectors so far in 2017.

Commentary cont'd on next page

Portfolio Manager Commentary – cont'd

The S&P 100 Total Return Index rose during the period ending March 31, 2017 to 2049.3 vs. 1,931.7 on March 30, 2017. Stocks within the portfolio had varying returns, led by Apple Inc. which rose 24.6% during the period on the back of record iPhone sales reported in its first quarter results. United Parcel Service Inc. was the laggard during the period as it declined 7.5% while held within the portfolio with most of the decline coming after the company reported weaker than expected fourth quarter earnings and issued downside guidance for 2017.

Volatility as measured by the CBOE Volatility Index (VIX) remained at the low end of the range it has been trading at over the past few years, namely in the 10.5% to 13.0% range. The Fund stayed open on most of the portfolio during the period but did selectively write some covered calls from time to time. It ended the quarter with none of the portfolio written vs. 5.0% at the end of the previous quarter.

The Fund maintained an average cash position of 4.0% during the period and ended the quarter at 5.1% vs. 4.6% in the previous quarter.

The U.S. dollar was mostly hedged back into Canadian dollars throughout the period and ended the first quarter 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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