

Low Volatility U.S. Equity

INCOME FUND

Fact Sheet
March 31, 2018

Fund Data

Inception date:	March 13, 2013
Ticker:	LVU.UN
Units outstanding:	459,606 units
Total Net Asset Value ⁽¹⁾ :	\$4.90 mm
NAV Per Unit ⁽¹⁾ :	\$10.67
Total Market Capitalization	\$4.90 mm
Market price per unit	\$10.65
Management fee:	1.00% p.a.

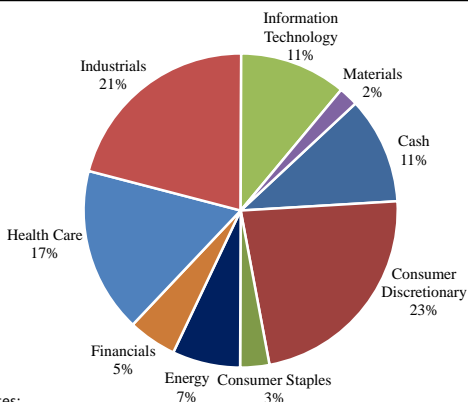
Distributions

Distribution:	5.0% of NAV p.a.
Most recent distribution ⁽²⁾ :	\$0.05074
Distribution frequency:	Monthly
Current yield ⁽³⁾ :	5.7%
Cumulative distributions:	\$3.29701

Top Ten Holdings

Cash	11.3%
Raytheon Company	5.7%
NIKE, Inc.	5.6%
Danaher Corporation	5.5%
Microsoft Corporation	5.4%
Bristol-Myers Squibb Co	5.0%
Amazon.com, Inc.	4.8%
The Walt Disney Company	4.6%
The Goldman Sachs Group Inc.	4.6%
Lockheed Martin Corporation	4.4%

Sector Allocation



Notes:
(1) As at March 29, 2018
(2) March distribution
(3) Calculated as most recent distribution annualized divided by closing market price on March 29, 2018

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 2018

Global equity markets experienced heightened volatility in the first quarter of 2018, on fears surrounding rising interest rates, trade policy and market valuations. The S&P/TSX Composite Index lagged most other indices losing -4.5%, while in the U.S., the S&P 500 Index was down 0.76% and the international MSCI EAFE Index was down 1.58%.

The Information Technology sector led all other sectors in the S&P 500 Index in the first quarter, with a total return of 3.5%. Meanwhile, the Telecom Services sector was the worst performing sector, with a total return of -7.5% during the quarter.

Commentary cont'd on next page

Portfolio Manager Commentary – cont'd

The S&P 100 Total Return Index, measured in CAD \$, rose during the period ending March 29, 2018 to 2,988.46 vs. 2,951.34 on December 29, 2017. Stocks within the portfolio had varying returns led by Amazon.com, Inc., which rose 23.8%, during the period. Meanwhile, Charter Communications, Inc. was the laggard during the period as it declined 15.7% while held within the portfolio.

Volatility, as measured by the Chicago Board Options Exchange Volatility Index (“VIX”) picked up in the first quarter of 2018 after touching new all-time lows in late November 2017. As a result, the call writing activity picked up as the Fund on average had 8.5% of portfolio written during the period vs. 1% on average during the previous quarter.

The Fund ended the quarter with a cash position of 11.3% vs. 3.7% at the end of the previous quarter. The U.S. dollar exposure was 50% hedged back into Canadian dollars throughout the period.

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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