

## Fund Data

Inception date:	May 17, 2007
Ticker (Preferred / Class A share):	SBN.PR.A / SBN
Units outstanding:	1,025,576 Units
Total Net Asset Value <sup>(1)</sup>	\$19.46 mm
NAV Per Preferred Shares <sup>(1)</sup> :	\$10.00
NAV Per Class A Shares <sup>(1)</sup> :	\$8.97
Total Market Capitalization	\$ 18.88 mm
Market price Per Preferred Shares	\$10.79
Market price Per Class A Shares	\$7.62
Management fee:	1.65% p.a.

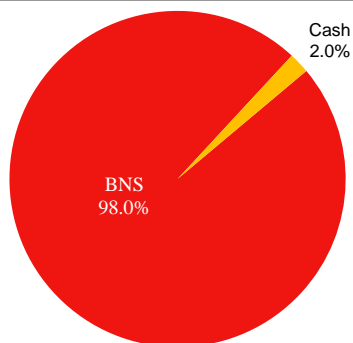
## Distributions (Class A share)

Distribution:	6.0% of NAV p.a.
Most recent distribution <sup>(2)</sup> :	0.0420
Distribution frequency:	Monthly
Current yield <sup>(3)</sup> :	6.6%
Cumulative distributions:	\$5.35367

## Top Holdings

The Bank of Nova Scotia	97.2%
Cash	2.2%

## Sector Allocation



Notes:  
 (1) As at June 31, 2017  
 (2) June distribution  
 (3) Calculated as most recent distribution annualized divided by closing market price on June 30, 2017

## Fund Overview

The Fund is a split share corporation which invests in common shares of The Bank of Nova Scotia ("BNS") and utilizes Strathbridge's proprietary SSO covered call writing strategy to enhance the income generated by the shares and to reduce volatility.

## Objectives

The fund's investment objectives are:

- Preferred Shares – (i) to provide holders of Preferred Shares with fixed cumulative preferential monthly cash distributions in the amount of \$0.04375 per Preferred Share (\$0.525 per year) representing a yield on the issue price of the Preferred Shares of 5.25% per annum; and (ii) to return the issue price of \$10.00 per Preferred Share to holders of Preferred Shares at the time of redemption of such shares upon Termination of the Fund; and
- Class A Shares – (i) to provide holders of Class A Shares with regular monthly cash distributions targeted to be 6.00% per annum on the net asset value ("NAV") of the Class A Shares; and (ii) to provide holders of Class A Shares with the opportunity for leveraged growth in NAV and distributions per Class A Share.

## Rationale

While the global financial services market has experienced one of the worst financial crises in history, the Investment Manager believes The Bank of Nova Scotia is well capitalized and is poised to provide strong returns over the next several years. The preferred shares are appropriate for an investor looking for a more secure investment than common equities with a high level of income. The Class A shares are appropriate for an investor seeking a leveraged play on BNS shares.

## Portfolio Manager Commentary – June 2017

Scotiabank reported earnings that were slightly better than expected this quarter lead by positive developments in its International operations. The dividend was increased to \$0.76 per share as announced in the previous quarter. The share price managed to top the big five banks this quarter with modest positive performance while the others all had negative price performance. The total return for BNS this quarter was 1.2 percent.

*Commentary cont'd on next page*

## Portfolio Manager Commentary – cont'd

---

Implied volatility peaked in May and moved lower through the quarter bottoming at 9.6 percent at the end of the quarter. With the share price continuing to trend higher the fund chose to stay un-written for the second quarter in a row.

## 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.



121 King Street West, Suite 2600  
Standard Life Centre, P.O. Box 113  
Toronto, ON  
M5H 3T9

Tel: 416-681-3900  
Toll free: 800-725-7172  
Email: [info@strathbridge.com](mailto:info@strathbridge.com)  
[www.strathbridge.com](http://www.strathbridge.com)