

### Fund Data

Inception date:	August 2, 2005
Ticker:	TCT.UN
Units outstanding:	1,663,319 Units
Total Net Asset Value <sup>(1)</sup>	\$17.13 mm
NAV Per Unit <sup>(1)</sup> :	\$10.30
Total Market Capitalization	\$17.20 mm
Market price per unit	\$10.34
Management fee:	1.10% p.a.

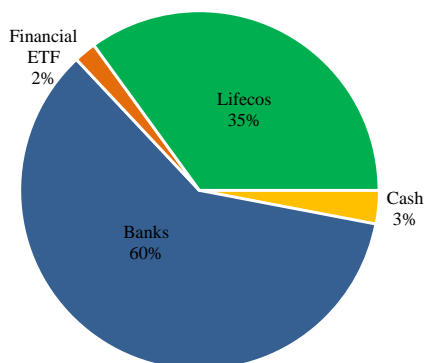
### Distributions

Distribution:	7.5% of NAV p.a.
Most recent distribution <sup>(2)</sup> :	\$0.19631
Distribution frequency:	Quarterly
Current yield <sup>(3)</sup> :	7.6%
Cumulative distributions:	\$10.6705

### Top Ten Holdings

Canadian Imperial Bank of Commerce	11.4%
Sun Life Financial Inc.	11.2%
Royal Bank of Canada	11.2%
Bank of Montreal	11.0%
National Bank of Canada	10.3%
The Toronto-Dominion Bank	9.1%
Manulife Financial Corporation	8.9%
Industrial Alliance Insurance and Financial Services Inc.	7.4%
The Bank of Nova Scotia	7.2%
Great-West Lifeco Inc.	7.0%

### Sector Allocation



### Fund Overview

The Fund is a closed-end investment trust designed to provide unitholders with exposure to the six largest Canadian banks and four largest Canadian life insurance companies 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 provide Unitholders of the Fund with a stable stream of quarterly cash distributions in an amount targeted to be 7.5 percent per annum on the NAV of the Fund; and
- to return \$15.60 per unit to Unitholders upon termination of the Fund.

### Rationale

These securities represent the top ten financial service companies in Canada and provide diversified exposure to the sector. The Fund is appropriate for those investors looking for exposure to Canada's financial services sector while earning attractive distributions.

### Portfolio Manager Commentary – December 2017

The S&P TSX Composite returned 4.4 % including dividends over the quarter closing near it's high at December 29th. Canadian Financials outperformed the broader Canadian market as the S&P/TSX Capped Financials Index posted a total return of 5.7 % over the quarter. The return on an equal weighted basket of the ten portfolio stocks was 5.8 %. The total fund return for the fourth quarter was 4.8 %.

The S&P/TSX Life and Health Insurance Index underperformed the S&P Diversified Bank Index Total Return Index over the past quarter with a return of 3.9 % versus 6.6 %. The standout performers in the portfolio were the Canadian Imperial Bank of Commerce on the upside with a return of 13.4% and Great West Lifeco on the downside with a return of -1.2%

*Commentary cont'd on next page*

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

## Portfolio Manager Commentary – cont'd

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Calendar fourth quarter annual dividend growth rates averaged 7.7 % for the portfolio holdings. The bank holdings annual dividend growth averaged 7.2 %, lagging the insurance companies 8.4 % increase. On a five-year basis, the average rate of dividend increases was 7.03 % for the portfolio holdings.

The 30 Day historical volatility in the S&P/TSX Capped Financials ETF (XFN) hit a low of 7.3 % in latter part of October reaching a high of 10.4 % early December. The fund had an average cash position of 3.8% over the quarter. Average covered call writing strategies decreased marginally to 3.1 % from 3.5 % in the third quarter. The overwritten position reached a high of 5.6 %. There were no put option transactions executed in the fund in the third quarter. The fund engaged in the purchase of some long call positions. Premiums on these options were as high as 0.5 percent of the market value of the fund. At year end the extent of our purchased call positions was reduced slightly to take some profits. The outstanding purchased call premiums at year end were 0.5 percent of the fund.

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## 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

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## 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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