

Fund Data

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|---|-------------------|
| Inception date: | December 2, 2005 |
| Ticker (Preferred / Capital Unit): | TXT.PR.A / TXT.UN |
| Units outstanding: | 1,146,869 Units |
| Total Net Asset Value ⁽¹⁾ | \$20.16 mm |
| NAV Per Preferred Shares ⁽¹⁾ : | \$12.50 |
| NAV Per Capital Unit ⁽¹⁾ : | \$5.08 |
| Total Market Capitalization | \$19.61 mm |
| Market price Per Pref Shares | \$12.65 |
| Market price Per Capital Unit | \$4.45 |
| Management fee: | 1.10% p.a. |

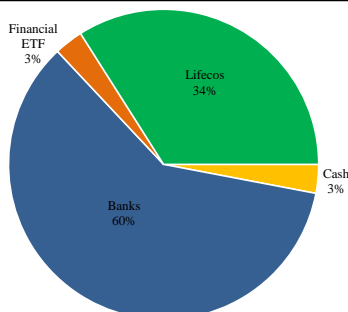
Distributions (Capital Unit)

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|---|------------------|
| Distribution: | 7.5% of NAV p.a. |
| Most recent distribution ⁽²⁾ : | \$0.0975 |
| Distribution frequency: | Quarterly |
| Current yield ⁽³⁾ : | 8.8% |
| Cumulative distributions: | \$5.28901 |

Top Ten Holdings

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|---|-------|
| Canadian Imperial Bank of Commerce | 11.7% |
| Royal Bank of Canada | 11.5% |
| Sun Life Financial Inc. | 11.4% |
| Bank of Montreal | 11.3% |
| National Bank of Canada | 10.5% |
| The Toronto-Dominion Bank | 9.4% |
| Manulife Financial Corporation | 9.1% |
| Industrial Alliance Insurance and Financial Services Inc. | 7.5% |
| The Bank of Nova Scotia | 7.3% |
| Great-West Lifeco Inc. | 7.1% |

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 split share 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:

- Capital Units – (i) to provide holders of Capital Units, upon redemption, with the benefit of any capital appreciation in the market price of the securities in the Fund's portfolio; and (ii) to pay quarterly distributions to holders of Capital Units in an amount targeted to be 7.5% per annum of the NAV per Capital Unit; and
- Preferred Securities – (i) to pay holders of Preferred Securities fixed quarterly cash interest payments equal to 6.25% per annum on the \$12.50 principal amount of a Preferred Security; and (ii) to repay the principal amount of \$12.50 per Preferred Security on the maturity date.

Rationale

These securities represent the top ten financial service companies in Canada and provide diversified exposure to the sector. The Preferred Securities are appropriate for an investor looking for a more secure investment than common equities with a high level of income. The Capital Units are appropriate for an investor seeking a leveraged play on the ten financial service companies included in the portfolio while earning tax-efficient distributions.

Portfolio Manager Commentary – December 2017

The S&P TSX Composite returned 4.4 % including dividends over the quarter closing near it's high on 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 over the past quarter with a total 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

Portfolio Manager Commentary – cont'd

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 3.7% 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 fourth 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.

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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