

Fund Data

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|--|-------------------|
| Inception date: | February 24, 2015 |
| Class A Ticker: | USF.UN |
| Class A Units outstanding : | 1,902,767 units |
| Class U Units outstanding: | 176,700 units |
| Total Net Asset Value ⁽¹⁾ : | \$17.40 mm |
| NAV Per Class A Unit ⁽¹⁾ : | \$8.13 |
| NAV per Class U unit ⁽¹⁾ : | US\$8.19 |
| Class A Market Capitalization ⁽¹⁾ : | \$14.97 mm |
| Market price per Class A unit: | \$7.87 |
| Market price per Class U unit: | Unlisted |
| Management fee: | 1.25% p.a. |

Distributions

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|--|---------------|
| Class A Distribution: | \$0.50 p.a. |
| Class U Distribution: | US\$0.50 p.a. |
| Most recent distribution ⁽²⁾ Class A: | \$0.125 |
| Most recent distribution ⁽²⁾ Class U: | US\$0.125 |
| Distribution frequency: | Quarterly |
| Current yield ⁽³⁾ : | 6.4% |
| Cumulative distributions Class A: | \$1.05 |
| Cumulative distributions Class U: | US\$1.05 |

Top Ten Holdings

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|--------------------------------|------|
| KKR & Co. L.P. | 5.2% |
| Moody's Corp | 4.7% |
| JPMorgan Chase & Co. | 4.6% |
| M&T Bank Corporation | 4.5% |
| The Progressive Corporation | 4.5% |
| Northern Trust Corporation | 4.4% |
| The Allstate Corp | 4.4% |
| The Charles Schwab Corporation | 4.3% |
| Berkshire Hathaway Inc. | 4.2% |
| Lincoln National Corporation | 4.1% |

Fund Overview

The Fund is a closed-end investment trust that invests in an actively managed portfolio of U.S. financial issuers and U.S. publicly listed alternative asset management issuers.

Objectives

The fund's investment objectives are to:

- provide stable quarterly cash distributions of C\$0.125 per unit to Class A holders and US \$0.125 per unit to Class U holders; and
- maximize total returns through capital appreciation and distributions.

Rationale

The U.S. financial sector is one of the largest and most diversified sectors in the U.S. market consisting of multiple financial oriented sub-sectors including banks, diversified financials, insurance companies and real estate investment trusts. These companies provide broad exposure to the U.S. financial services industry through loans and mortgages, insurance and investment products and commercial real estate. The Manager believes that U.S. financial services companies are well positioned to benefit from the improving U.S. economy.

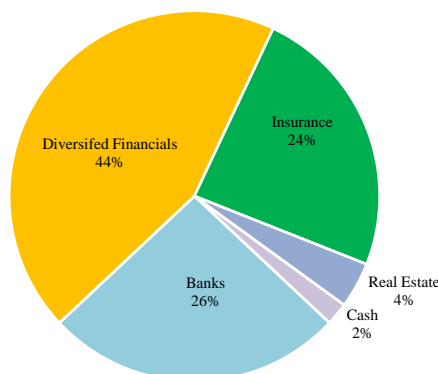
Portfolio Manager Commentary – March 2017

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 2016 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 2016 has been one of the worst performing sectors so far in 2017.

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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

Portfolio Manager Commentary – cont'd

During the quarter, the S&P 500 Financials Index rose to 3394.58 from 386.53 on December 30, 2016. Stocks within the portfolio had varying returns, led by KKR & Co L.P. which rose 19.5% during the period. This was somewhat offset by our holding in Simon Property Group Inc., which declined 5.5% while held in the Fund.

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 and ended the quarter with 2.4% of the portfolio written vs. 2.6% at the end of the previous quarter.

The Fund ended the quarter with a cash position of 1.7% vs. 3.4% for 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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