



## Fund Data

Inception date:	February 17, 2004
Ticker (Preferred / Class A share):	WFS.PR.A / WFS
Units outstanding:	2,060,607 Units
Total Net Asset Value <sup>(1)</sup>	\$30.60 mm
NAV Per Preferred Shares <sup>(1)</sup> :	\$10.00
NAV Per Class A Shares <sup>(1)</sup> :	\$4.85
Total Market Capitalization	\$29.94 mm
Market price Per Preferred Shares	\$10.23
Market price Per Class A Shares	\$4.30
Management fee:	1.10% p.a.

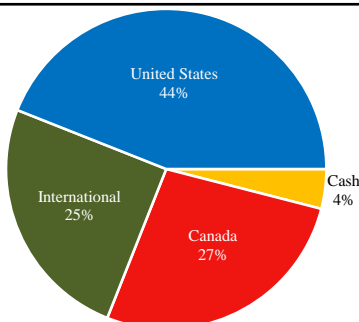
## Distributions (Class A share)

Distribution:	See Note 2
Most recent distribution <sup>(2)</sup> :	Nil
Distribution frequency:	Quarterly
Current yield <sup>(3)</sup> :	Nil
Cumulative distributions:	\$5.541237

## Top Ten Holdings

The Charles Schwab Corporation	5.6%
BlackRock, Inc.	5.3%
JPMorgan Chase & Co	4.7%
CME Group Inc.	4.7%
Berkshire Hathaway Inc.	4.5%
UBS Group AG	4.5%
Brookfield Asset Management Inc.	4.5%
Ameriprise Financial, Inc.	4.5%
The PNC Financial Services Group	4.5%
Mitsubishi UFJ Financial Group, Inc.	4.3%

## Sector Allocation<sup>(4)</sup>



(Notes:

(1) As at December 29, 2017

(2) Distributions on the Class A shares have been suspended in accordance with the Prospectus as the NAV per Unit is less than \$15.00

(3) Calculated as most recent distribution annualized divided by closing market price on December 29, 2017

(4) Calculated as percent of gross assets not including other liabilities

## Fund Overview

The Fund is a split share corporation which invests in common equity securities selected from the ten largest financial services companies by market capitalization in each of Canada, the United States and the Rest of the World. The Fund 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 holders of Preferred shares with fixed cumulative preferential quarterly cash distributions in the amount of \$0.13125 per Preferred share representing a yield on the issue price of the Preferred shares of 5.25% per annum;
- to provide holders of Class A shares with regular quarterly cash distributions targeted to be 8.0% per annum; and
- to return the issue price to holders of both Preferred Shares and Class A Shares at the time of redemption of such shares on the termination date.

## Rationale

While the global financial services market has experienced one of the worst financial crises in history, the investment manager believes the global financial services sectors are 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 highly leveraged play on the global financial services industry.

## Portfolio Manager Commentary – December 2017

Global equity markets rallied strongly in the fourth quarter of 2017, with many indices closing the year at or near new all-time highs. The Dow Jones Industrial Average was one of the strongest performing indices in the fourth quarter with a total return of 11.0%, while the NASDAQ Composite Index in the U.S. was up 7.3%. Here in Canada, the S&P/TSX Composite Index which had lagged most other indices in the first three quarters of 2017, generated a total return of 4.4% in the fourth quarter.

During the period, the MSCI World Financial Services Index advanced to \$127.26 from \$120.88. Stocks held within the portfolio had varying returns led by Blackrock, Inc. which was up 15.8%. This was offset by our holding in Intercontinental Exchange, Inc. which declined 5.4%, while held within the Fund.

*Commentary cont'd on next page*

## Portfolio Manager Commentary – cont'd

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Volatility levels, as measure by the Chicago Board Options Exchange Volatility Index (“VIX”) remained at the lower end of its historical range, touch new all-time lows in late November, which adds to the challenge of overwriting. However, this low level of volatility and the manager’s favourable view on the market provided an opportunity to purchase calls options on select names while limiting the call writing activity over the period. The Fund on average had 3.6% of portfolio written during the period vs. 3.3% on average during the previous quarter.

The Fund ended the quarter with a cash position of 3.4% vs. 2.9% the previous quarter.

The U.S. dollar was mostly hedged back into Canadian dollars throughout the period and ended December with approximately 100% of the U.S. dollar exposure hedged.

## Manager

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- ✓ 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

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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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