



## Fund Data

Inception date:	February 17, 2004
Ticker (Preferred / Class A share):	WFS.PR.A / WFS
Units outstanding:	2,105,115 Units
Total Net Asset Value <sup>(1)</sup>	\$28.84 mm
NAV Per Preferred Shares <sup>(1)</sup> :	\$10.00
NAV Per Class A Shares <sup>(1)</sup> :	\$3.70
Total Market Capitalization	\$28.65 mm
Market price Per Preferred Shares	\$10.20
Market price Per Class A Shares	\$3.41
Management fee:	1.10% p.a.

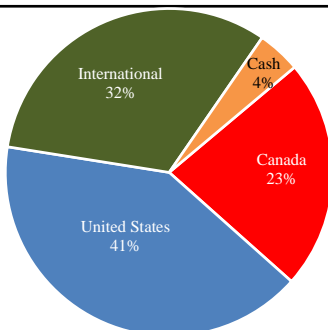
## Distributions (Class A share)

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

Banco Santander, S.A.	6.3%
Royal Bank of Canada	5.3%
JPMorgan Chase & Co	5.2%
China Life Insurance Co. LTD. ADR	5.1%
Canadian Imperial Bank of Commerce	5.1%
ING Group N.V.	5.0%
Prudential PLC	4.5%
The Progressive Corp	4.4%
Cash	4.2%
Berkshire Hathaway Inc.	4.2%

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



(Notes:

(1) As at March 31, 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 March 31, 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 – 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.

*Commentary cont'd on next page*

## Portfolio Manager Commentary – cont'd

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During the period, the MSCI World Financial Services Index advanced to 110.54 from 106.18. Stocks held within the portfolio had varying returns led by insurer China Life Insurance Co. Ltd. which was up 18.4%. This was offset by our holding in Northern Trust Corp. which declined 8.8% while held within 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 1.1% of the portfolio written vs. none at the end of the previous quarter.

The Fund ended the year with a cash position of 4.2%, unchanged from the previous quarter. The Fund ended the period with a geographic asset mix of 24% invested in Canada; 43% invested in the United States and 33% invested in the Rest of World.

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

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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.



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)