

Low Volatility U.S. Equity

INCOME FUND

Fact Sheet
September 30, 2017

Fund Data

Inception date:	March 13, 2013
Ticker:	LVU.UN
Units outstanding:	459,606 units
Total Net Asset Value ⁽¹⁾ :	\$4.88 mm
NAV Per Unit ⁽¹⁾ :	\$10.61
Total Market Capitalization	\$4.65 mm
Market price per unit	\$10.11
Management fee:	1.00% p.a.

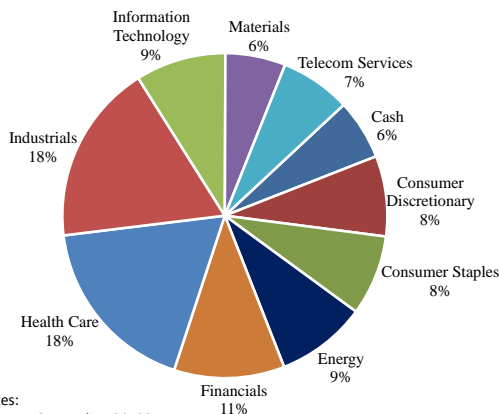
Distributions

Distribution:	5.0% of NAV p.a.
Most recent distribution ⁽²⁾ :	\$0.04794
Distribution frequency:	Monthly
Current yield ⁽³⁾ :	5.7%
Cumulative distributions:	\$2.99432

Top Ten Holdings

Cash	6.3%
Lockheed Martin Corporation	5.6%
United Parcel Services, Inc.	5.2%
Merck & Co., Inc.	4.3%
Berkshire Hathaway Inc.	4.2%
General Dynamics Corp	4.2%
American Express Company	4.2%
AbbVie Inc.	4.1%
Verizon Communications	3.9%
Duke Energy Corp	3.9%

Sector Allocation



Notes:
(1) As at September 30, 2017
(2) September distribution
(3) Calculated as most recent distribution annualized divided by closing market price on September 29, 2017

Fund Overview

The Fund is a closed-end investment trust that invests in U.S. equities selected from the S&P 100 Index, with a beta of less than 1.0 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 maximize risk adjusted returns for unitholders; and
- to pay unitholders monthly distributions in an amount targeted to be 5.0 percent per annum on the NAV per Unit

Rationale

The portfolio is expected to benefit from exposure to U.S. domiciled large capitalization multinational corporations, broad industry diversification relative to the TSX and exhibit lower portfolio volatility relative to the S&P 100. The Fund is appropriate for those investors looking for conservative exposure to U.S. equities while earning attractive distributions.

Portfolio Manager Commentary – September 2017

Global equity markets for the most part maintained or continued their strong first half rally through the third quarter of 2017. The MSCI Emerging Markets Index was again one of the strongest performing indices in the third quarter with a total return of 8.0%, while the S&P 500 Index in the U.S. was up 4.5%. Here in Canada, the S&P/TSX Composite Index bounced back, rising 4.1% after declining by 1.6% in the second quarter.

The Information Technology sector led all other sectors in the S&P 500 Index in the third quarter, with a total return of 8.6%. Meanwhile, the Consumer Staples was the worst performing sector, with a total return of -1.3% during the quarter.

Commentary cont'd on next page

Portfolio Manager Commentary – cont'd

The S&P 100 Total Return Index rose during the period ending September 29, 2017 to 2,203.06 vs. 2,103.35 on September 30, 2017. Stocks within the portfolio had varying returns led by The Boeing Company, which rose 29.3% during the period on the back of better than expected second quarter earnings along with boosting its guidance for the full year. Nike, Inc. was the laggard during the period as it declined 6.6% while held within the portfolio with most of the decline coming on August 18th, when its competitor Foot Locker shares plunged over 26% after missing revenue and earnings expectations.

Volatility remained subdued overall during the period with only a few days where it spiked towards 16. Due to our favourable view on the market as well as the low level of volatility, the call writing activity was limited over the period. The Fund on average had 3.4% of portfolio written during the period vs. 4.4% on average during the previous quarter.

Due to the Fund having an annual retraction privilege at the end of August, the Fund maintained an above average cash position of 9.8% during the period, but ended the quarter at 6.3% vs. 5.9% at the end of the previous quarter.

The U.S. dollar was mostly hedged back into Canadian dollars throughout the period and ended September with approximately 100% of the U.S. dollar exposure hedged, helping negate some of the negative impact of the 3.9% decline in the U.S. dollar vs. the Canadian dollar during the quarter.

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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