

Low Volatility U.S. Equity

INCOME FUND

Fact Sheet
March 31, 2019

Fund Data

Inception date:	March 13, 2013
Ticker:	LVU.UN
Units outstanding:	751,112 units
Total Net Asset Value ⁽¹⁾	\$3.72 mm
NAV Per Unit ⁽¹⁾ :	\$4.95
Total Market Capitalization	\$3.57 mm
Market price per unit	\$4.75
Management fee:	1.00% p.a.

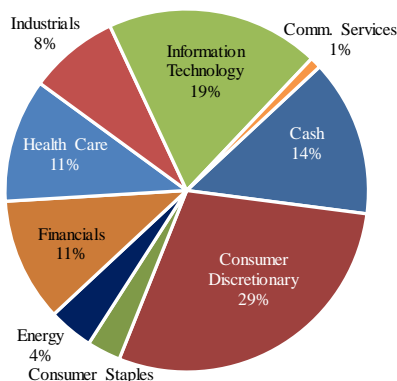
Distributions

Distribution:	5.0% of NAV p.a.
Most recent distribution ⁽²⁾ :	\$0.02292
Distribution frequency:	Monthly
Current yield ⁽³⁾ :	5.8%
Cumulative distributions:	\$3.7818

Top Ten Holdings

Cash	14.7%
The Walt Disney Company	9.1%
American Express Company	6.3%
Cisco Systems, Inc.	6.2%
Johnson & Johnson	6.0%
Starbucks Corp	5.3%
Nike Inc.	5.1%
Eli Lilly and Company	5.1%
McDonald's Corp	5.1%
The Home Depot Inc.	4.8%

Sector Allocation



Notes:
(1) As at March 29, 2019 3%
(2) March distribution
(3) Calculated as most recent distribution annualized divided by closing market price on March 29, 2019

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 – March 2019

After a dreadful fourth quarter of 2018, North American equity markets staged an impressive recovery in the first quarter of 2019 with the S&P/TSX Index advancing 13.3 percent while the S&P 500 Index rose 13.6 percent. As fears of a trade war between the United States and China subsided and central banks around the globe changed to a more accommodative stance on forward looking interest rates, risk assets rallied strongly. In Canada, all 11 sectors were positive for the quarter, with Health Care, the worst performing sector in Q4 leading the way, producing a 49.1 percent return, mostly due to strength in the Cannabis sector. The U.S. market also saw all 11 sectors generate positive performance, with the Information Technology sector leading the way, up 19.9 percent, while the defensive U.S. Health Care sector lagged, up 6.6 percent.

Commentary cont'd on next page

Portfolio Manager Commentary – cont'd

The S&P 100 Total Return Index, measured in CAD dollars, rose during the period ending March 29, 2019 at 3,419.76 vs. 3,085.48 on December 31, 2018. Stocks within the portfolio had varying returns led by Cisco Systems, which rose 25.6 percent, during the period. Meanwhile, Fox Corp. Class A shares, Inc. was the laggard during the period as it declined 12 percent while held within the portfolio.

As equity markets rallied, volatility declined, as measured by the Chicago Board Options Exchange Volatility Index. ("VIX") After starting the year above 25, the VIX declined for most of the period ending the quarter just under 14. The manager was opportunistic with the Strathbridge Selective Overwriting ("SSO") strategy and the Fund had on average 24.1 percent of portfolio written during the period vs. 21.5 percent on average during the previous quarter.

The Manager remained conservative during the period with the Fund's average cash position at 13.1 percent for the quarter vs. 10.6 percent during the previous quarter. The U.S. dollar exposure was actively hedged throughout the period and ended the quarter 50 percent hedged back into Canadian dollars.

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.



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
www.strathbridge.com