

Fund Data

Inception date:	December 2, 2005
Ticker (Preferred / Capital Unit):	TXT.PR.A / TXT.UN
Units outstanding:	1,146,869 Units
Total Net Asset Value ⁽¹⁾	\$19.56 mm
NAV Per Preferred Shares ⁽¹⁾ :	\$12.50
NAV Per Capital Unit ⁽¹⁾ :	\$4.55
Total Market Capitalization	\$19.43 mm
Market price Per Pref Shares	\$13.14
Market price Per Capital Unit	\$3.80
Management fee:	1.10% p.a.

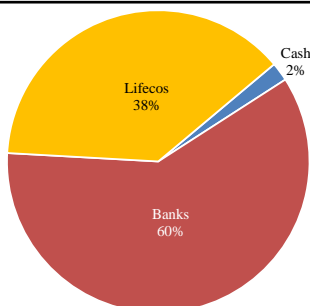
Distributions (Capital Unit)

Distribution:	7.5% of NAV p.a.
Most recent distribution ⁽²⁾ :	\$0.07556
Distribution frequency:	Quarterly
Current yield ⁽³⁾ :	8.0%
Cumulative distributions:	\$5.19151

Top Ten Holdings

Sun Life Financial Inc.	13.6%
The Toronto-Dominion Bank	13.5%
National Bank of Canada	11.8%
Royal Bank of Canada	10.1%
The Bank of Nova Scotia	9.9%
Manulife Financial Corporation	8.8%
Canadian Imperial Bank of Commerce	8.5%
Great-West Lifeco Inc.	8.1%
Industrial Alliance Insurance and Financial Services Inc.	7.7%
Bank of Montreal	6.3%

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 split share investment trust designed to provide unitholders with exposure to the six largest Canadian banks and four largest Canadian life insurance companies 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:

- Capital Units – (i) to provide holders of Capital Units, upon redemption, with the benefit of any capital appreciation in the market price of the securities in the Fund's portfolio; and (ii) to pay quarterly distributions to holders of Capital Units in an amount targeted to be 7.5% per annum of the NAV per Capital Unit; and
- Preferred Securities – (i) to pay holders of Preferred Securities fixed quarterly cash interest payments equal to 6.25% per annum on the \$12.50 principal amount of a Preferred Security; and (ii) to repay the principal amount of \$12.50 per Preferred Security on the maturity date.

Rationale

These securities represent the top ten financial service companies in Canada and provide diversified exposure to the sector. The Preferred Securities are appropriate for an investor looking for a more secure investment than common equities with a high level of income. The Capital Units are appropriate for an investor seeking a leveraged play on the ten financial service companies included in the portfolio while earning tax-efficient distributions.

Portfolio Manager Commentary – September 2017

The S&P TSX Composite had a total return of 3.7% during the quarter closing at its high of 15,635. The index closed at a low of 14,952 on August 21st. Canadian Financials outperformed the broader Canadian market as the S&P/TSX Capped Financials Index posted a total return of 4.5% over the quarter. The return on an equal weighted basket of the ten portfolio stocks was 4.9%. The total return for the Fund was 3.9%. Class A share returned 11.1% while the preferred share returned 1.6%.

The S&P/TSX Life and Health Insurance Index outperformed the S&P Diversified Bank Index Total Return Index over the past quarter with a return of 5.8% versus 4.6%. The standout performers in the portfolio were the National Bank of Canada on the upside with a return of 11.2% while the Bank of Montreal was at the lower end of the spectrum, essentially flat for the period.

Commentary cont'd on next page

Portfolio Manager Commentary – cont'd

Annual dividend growth rates averaged 6.9% for the portfolio holdings for four quarters ending calendar Q3. The bank holdings annual dividend growth averaged 5.9% lagging the insurance companies at 8.6%. The five-year average rate of dividend increase was 6.8% for the portfolio holdings on a weighted average basis. This figure is up marginally from the Q2 five year dividend growth rate of 5.7%.

The 30 Day historical volatility in the S&P/TSX Capped Financials ETF (XFN) hit a low of 5.9% in early August climbing to a high of 36.9% at the end of September. The Fund had an average cash position of 2.5% over the quarter. Average covered call writing strategies decreased to 3.5% from 6.1% from the second quarter. The overwritten position reached a high of 9.0%. There were no put option transactions executed in the Fund in the third 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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