

Fund Data

Inception date:	February 24, 2015
Class A Ticker:	USF.UN
Class A Units outstanding :	998,532 units
Class U Units outstanding:	70,200 units
Total Net Asset Value ⁽¹⁾ :	\$7.99 mm
NAV Per Class A Unit ⁽¹⁾ :	\$7.30
NAV per Class U unit ⁽¹⁾ :	US\$7.45
Class A Market Capitalization ⁽¹⁾ :	\$7.15 mm
Market price per Class A unit:	\$7.16
Market price per Class U unit:	Unlisted
Management fee:	1.25% p.a.

Distributions

Class A Distribution:	\$0.50 p.a.
Class U Distribution:	US\$0.50 p.a.
Most recent distribution ⁽²⁾ Class A:	\$0.125
Most recent distribution ⁽²⁾ Class U:	US\$0.125
Distribution frequency:	Quarterly
Current yield ⁽³⁾ :	7.0%
Cumulative distributions Class A:	\$2.05
Cumulative distributions Class U:	US\$2.05

Top Ten Holdings

Cash	15.8%
Aon PLC	7.4%
Marsh & McLennan Companies, Inc.	7.1%
American Express Company	6.9%
Berkshire Hathaway Inc. Cl B	6.4%
Bank of America Corporation	5.7%
Morgan Stanley	5.2%
Simon Property Group Inc.	5.2%
JPMorgan Chase & Co.	5.1%
Iron Mountain Inc.	4.9%

Fund Overview

The Fund is a closed-end investment trust that invests in an actively managed portfolio of U.S. financial issuers and U.S. publicly listed alternative asset management issuers.

Objectives

The fund's investment objectives are to:

- provide stable quarterly cash distributions of C\$0.125 per unit to Class A holders and US \$0.125 per unit to Class U holders; and
- maximize total returns through capital appreciation and distributions.

Rationale

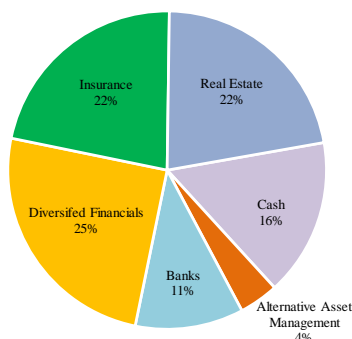
The U.S. financial sector is one of the largest and most diversified sectors in the U.S. market consisting of multiple financial oriented sub-sectors including banks, diversified financials, insurance companies and real estate investment trusts. These companies provide broad exposure to the U.S. financial services industry through loans and mortgages, insurance and investment products and commercial real estate. The Manager believes that U.S. financial services companies are well positioned to benefit from the improving U.S. economy.

Portfolio Manager Commentary – March 2019

North American markets were dreadful in the 4th quarter of 2019, with the S&P/TSX Index declining 10.1% while the S&P 500 Index declined 13.5%, weighed down by the implications of tighter global monetary policy, trades wars, soaring valuations along with heightened geopolitical risks. In Canada, 8 of 11 sectors were negative for the quarter, with Health Care leading the way down, producing a negative 35.3% return, mostly due to weakness in the Cannabis sector. The U.S. market saw 10 of 11 sectors generate negative performance, with Energy leading all declines down 23.8%, while the defensive Utilities sector was the lone sector with a positive return in the quarter, up 1.4%.

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Sector Allocation



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

Portfolio Manager Commentary – cont'd

During the period the total return for the S&P 500 Financials Index was negative 8.5%, the S&P 500 Real Estate Sector Index was positive 1.3%, while the S&P Listed Private Equity Index was negative 13.1% (all in CAD\$). Stocks within the portfolio had varying returns led by the CME Group, which rose 12.0% during the period. At the other end of the spectrum, KKR & Co. Inc. declined 27% while held in the Fund.

Equity volatility, as measured by the Chicago Board Options Exchange Volatility Index ("VIX"), started the quarter around 12 and accelerated into year-end, closing above 25. The rise in volatility created more opportunities to utilize the Strathbridge Selective Overwriting ("SSO") strategy. The Fund had on average 21.6% of portfolio written during the period vs. 8.1% on average during the previous quarter.

The Manager became more cautious during the period and increased the Fund's average cash position to 21.4% for the quarter vs. 6.3% during the previous quarter. The U.S. dollar exposure was actively hedged throughout the period and ended the year 50% 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.



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