MULVIHILL PREMIUM YIELD

Q4 2021

11.3%
ANNUALIZED RETURN
(SINCE INCEPTION)

5.0%
TARGET YIELD

2021 HIGHLIGHTS

SURPASSED 2-YEARS SINCE INCEPTION

INCREASED QUARTERLY DISTRIBUTION BY 12%

GROWTH IN NAV NET OF DISTRIBUTIONS PAID

ROC DISTRIBUTIONS*

In 2021, The Mulvihill Premium Yield Fund "MPY" remained focused on its core objective of providing unitholders with a lower risk, tax-efficient alternative to achieve income in their portfolio. Since inception of the fund, MPY has returned 11.3% per annum, paid $1.015 in ROC* distributions, and achieved these results with approximately half the volatility of Canadian Dividend strategies.

MPY achieved several significant milestones in the past year, including surpassing 2-years since the fund was launched, raising the quarterly distribution by 12%, returning $0.515 via four quarterly distributions and providing additional capital appreciation from growth in the NAV. The fund NAV ended the year at $11.34 per unit (net of total distributions paid), up from $10.51 per unit on December 31, 2020.

Performance (as of 12/31/2021)

	3 Mo	1 Yr	2 Yr	Since Inception
Mulvhill Premium Yield Fund	2.2%	13.0%	11.9%	11.3%
Call Writing Benchmark**	6.2%	22.7%	8.6%	7.8%

Inception 12/01/2019
Total returns net of fees and expenses and annualized for periods longer than 1 year
2021 distributions are expected to be 100% ROC
**Call Writing Benchmark = 50% S&P/TSX60 Covered Call Index (2% OTM), 50% CBOE S&P 500 BuyWrite Index (CAD)

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MPY - 2021

Overall, as we reflect on the past year, the fund and strategy accomplished the main objectives we aim to provide investors.

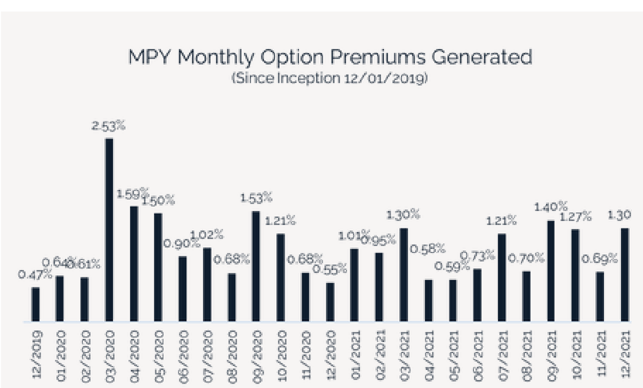
1. **Enhanced tax-efficient yield**
2. **Capital appreciation**
3. **Lower volatility / risk**

Enhanced Tax-efficient Yield:

Delivering tax-efficient income to unitholders is the primary objective of MPY. Our goal is to achieve a minimum of 50bps in option premiums per month (6% per year) to fund the targeted 5% distribution per annum.

Market volatility in 2021 was lower relative to the near record levels experienced in the previous year. However, volatility remained elevated enough for the fund to generate significant option premium in the portfolio for a second consecutive year. MPY generated, on average, 0.98% per month over the past 12 months, nearly double the 50bps objective.

MPY utilizes the options market to consistently generate monthly income in the portfolio



In aggregate, MPY unitholders received four quarterly distributions totaling $0.515 per unit in 2021. The income generated in the portfolio through our active option strategies more than covered the annual distribution. In the fourth quarter, the decision was made to raise the quarterly distribution 12% to $0.14 per unit, from $0.125 per unit, as a result of the elevated portfolio income and growth in the NAV since inception.

MPY unitholders benefit from the substantial capital loss pool embedded in the fund structure. In 2021, as was the case in 2020, the distribution is anticipated to be primarily return of capital (ROC) for tax purposes.

Performance:

The total return of MPY in the year was 13%, the second consecutive year the fund has achieved double digit returns. Breaking down the total return for the year, investors received 5.1% from distributions (assumes reinvestment) and an additional 7.9% in capital appreciation. Since inception, the cumulative total return to unitholders is 25.1%, 11.7% from distributions and 13.4% from capital appreciation, an attractive balance of growth and income.

We continue to believe the income component of the total return equation will become an increasingly important driver of returns for years to come.

MPY - 2021

	Return	Income	Risk		
	Total Return (SI annualized)	Yield (after-tax estimate*)	Sharpe Ratio	Std Dev (annualized)	Beta (to TSX)
Mulvihill Premium Yield Fund	**11.3%**	**5.0%**	**0.89**	**12.3%**	**0.60**
Covered Calls	7.6%	4.0%	0.43	17.5%	0.92
Stocks	14.5%	1.6%	0.78	18.2%	1.00
Dividend Stocks	11.0%	2.7%	0.50	22.2%	1.17
Real Estate (REIT's)	6.9%	2.2%	0.27	25.5%	1.27
Bonds	2.1%	0.8%	0.42	5.0%	0.11

Data from inception of MPY on 11/29/2019 to 12/31/2021

*MPY 100% ROC distributions, Equity investments taxed at dividend tax rate of 39%, Fixed Income investments taxed as interest income 53%

Mulvihill Premium Yield Fund (Class F), S&P/TSX Composite Index, Bloomberg Barclays Canada Aggregate Index, S&P/TSX Dividend Aristocrats Index, BMO Cdn Covered Call ETF, S&P/TSX REITS Index

MPY Target yield based on initial NAV of $10.00

Risk:

One of the main benefits of our strategy is monetizing high volatility through the options market to generate both income and reduce risk / volatility. Since inception, MPY has achieved its yield and growth objectives while significantly reducing portfolio volatility and drawdowns. The table above summarizes the Mulvihill Premium Yield Fund's performance, yield and risk metrics relative to a number of income based investment alternatives investors have in Canada including dividend growth, covered calls strategies, REITs, fixed income, and to the broader S&P/TSX Composite Index.

Since inception of MPY, the strategy has outperformed the S&P/TSX Dividend Aristocrats Index, one of the more popular choices among Canadian investors searching for equity yield, with approximately half the volatility. Relative to comparable covered call strategies (BMO Cdn Covered Call ETF), MPY has achieved over 1.5x the total return with 70% of the volatility.

MPY has captured 77% of the upside return of the S&P/TSX Composite Index, with approximately 2/3 of the volatility and higher tax-efficient yield. While we don't believe the broader market is the best benchmark for our type of strategy, we are encouraged by the level of participation MPY has realized in a strong market environment.

Among the income alternatives we highlight above, MPY provides the most attractive balance between performance and risk, delivering the highest Sharpe Ratio, or risk adjusted returns.

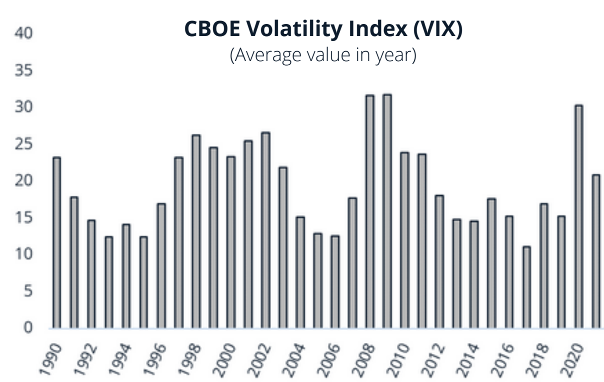
Asset Class Returns

Despite the continued pandemic induced turmoil, the performance of global equity markets in 2021 was impressive to say the least. The S&P 500 Index ushered in 68 new record highs in 2021, the second most ever, as it shook off the emergence of several new COVID-19 variants, surging inflation, near record valuations, and the U.S. Federal Reserve's ("FED") commitment to changing course on ultra-accommodative monetary policy. The total return for the S&P/TSX Composite Index for the year was 25.1% while the S&P 500 Index was up 28.7%, with both ending the year near all-time highs. The strong equity performance didn't translate into record gains globally however, as emerging market stocks ended the year down -2.5%, driven mainly by Chinese equities and the "tech crackdown" from the Chinese Communist Party.

Stocks	Q4 Return	2021 Return
S&P 500	11.0%	28.7%
S&P/TSX Composite	6.5%	25.1%
Emerging Markets	-1.4%	-2.5%
International Developed (EAFE)	2.7%	11.9%
Bonds		
US Aggregate	0.0%	-1.5%
US Treasuries	0.2%	-2.3%
US Corporate	0.2%	-1.0%
US High Yield	0.7%	5.3%
Commodities		
Gold	4.0%	-4.3%
Copper	9.4%	27.0%
Oil (WTI)	2.0%	61.6%

Performance was broadly strong with all eleven sectors in the S&P 500 Index recording double digit returns in the year, while ten of eleven sectors in the S&P/TSX Composite Index were positive for the year. After lagging significantly in 2020, Energy was the best performing group in both countries, up 48.9% in Canada and up 54.6% in the U.S., driven by rising oil prices and investors positioning towards cheaper and more cyclically oriented stocks. Utilities was the worst performing area in the US, but still generated a very respectable return of 17.7%, while Health Care was the worst in Canada, down -19.6%, on continued weakness in Cannabis stocks.

Central banks around the globe grappled with the idea inflation may not be as "transitory" as once believed, with both the Bank of Canada and the FED laying the foundation to raise interest rates in 2022. The US dollar was surprisingly resilient in a year that favoured a risk-on tone, with the US Dollar Index (DXY) advancing 6.4%. The Canadian dollar was one of the few currencies globally to rise relative to the greenback, gaining 0.75% in 2021. The Bloomberg Global Aggregate Index returned -4.7% for the year, as low yields, rising interest rates and surging inflation presented several headwinds for fixed income investors. Over the course of 2021, The Chicago Board Options Exchange Volatility Index ("VIX") traded in a wide range between 15 and 37. The average level of the VIX Index in the year was 21, down from the average value of 30 in 2020.



Source: Bloomberg, Mulvihill Capital Management Inc.

RETURNING TO OUR ROOTS

Over a decade ago, Mulvihill Capital Management became a subsidiary of Strathbridge Asset Management Inc., in an effort to separate two distinct business units of the firm, closed-end funds and private wealth. With significant changes occurring to the closed-end landscape over the past decade, we are pleased to announce our name change back to Mulvihill Capital Management Inc., effective January 1, 2022. This move corresponds with several exciting changes and new product offerings at the firm in 2022.

This change in no way impacts the current team of 7 investment professionals who have over 160 years of combined experience working together managing option related equity strategies. Please see attached link for more information on this exciting development.

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Disclosures

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