

Fund Data

Inception date:	October 30, 1996
Ticker (Preferred / Class A share):	PIC.PR.A / PIC.A
Units outstanding:	13,444,291 Units
Total Net Asset Value ⁽¹⁾	\$303.1 mm
NAV Per Class A Shares ⁽¹⁾ :	\$7.54
NAV Per Preferred Shares ⁽¹⁾ :	\$15.00
Total Market Capitalization	\$298.5 mm
Market price Per Class A Shares	\$6.80
Market price Per Preferred Shares	\$15.40
Management fee:	0.90% p.a.

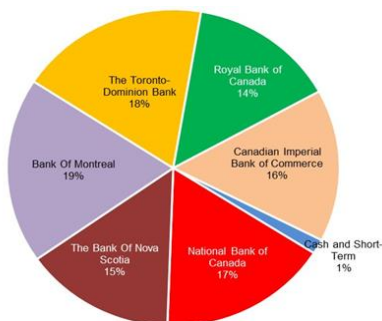
Distributions (Class A & Preferred Share)

Class A distribution:	\$0.81276 p.a.
Preferred distribution:	\$0.8625 p.a.
Most recent Class A distribution: ⁽²⁾	\$0.20319
Most recent Preferred distribution: ⁽²⁾	\$0.215625
Distribution frequency:	Quarterly
Current Class A yield ⁽³⁾ :	12.0%
Current Preferred yield ⁽³⁾ :	5.6%
Cumulative Class A distributions:	\$26.65
Cumulative Preferred distributions:	\$21.77

Top Holdings

Bank of Montreal	18.9%
The Toronto-Dominion Bank	18.5%
National Bank of Canada	16.6%
Canadian Imperial Bank of Commerce	15.5%
Bank of Nova Scotia	14.7%
Royal Bank of Canada	14.3%
Cash & S-T Investments	1.5%

Sector Allocation



Notes:

(1) As at October 31, 2021

(2) October distribution

(3) Calculated as most recent distribution annualized divided by closing market price on October 31, 2021

Fund Overview

The Fund is a split share corporation designed to provide investors with exposure to six Canadian banks. The Fund 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 provide Preferred shareholders with cumulative preferential quarterly cash distributions of \$0.215625 per share, representing an annual yield of 5.75% on the original issue price of the Preferred shares; and
- to provide Class A shareholders with quarterly cash distributions of \$0.20319 per share; and
- to return the original issue price to holders of both preferred share and Class A shares upon windup of the Fund.

Rationale

The six Canadian banks have a history of strong earnings growth, which has resulted in increases in their dividend rates and share price appreciation. The preferred shares are appropriate for an investor looking for a more secure investment than common equities with an attractive distribution. The class A shares are appropriate for an investor seeking a leveraged play on the six banks included in the portfolio while earning attractive distributions.

Portfolio Manager Commentary – October 2021

As of October 29, 2021, the Net Asset Value ("NAV") of the Fund was \$22.54 per unit compared to \$21.73 per unit on July 30, 2021. The Fund's two share classes are listed on the Toronto Stock Exchange as PIC.A and PIC.PR.A. They closed on October 29, 2021 at \$6.80 and \$15.40 respectively which, when combined, represent a 1.5% discount to the NAV per unit. Distributions totaling \$0.20319 per share were paid to the Class A shareholders and \$0.215625 per share were paid to the Preferred shareholders during the quarter.

Equity markets continued to rally during the fiscal fourth quarter ending October 31, 2021, as economies continued to open up with vaccination rates around the world increasing significantly. The S&P/TSX Composite Index rose 4.4% during the period to bring the year-to-date total return to 23.4%.

The Canadian banks also rose during the quarter with a total return of 6.2%, outperforming the broader market. The performance of the six banks within the portfolio varied with the Bank of Montreal ("BMO") leading the way with a total return of 9.6% while the Royal Bank of Canada ("RY") lagged with a total return for the quarter of 2.9%.

Commentary cont'd on next page

Portfolio Manager Commentary – cont'd

With elevated capital levels for the group, banks are likely to resume dividend increases and share buybacks now that the Office of the Superintendent of Financial Institutions (“OSFI”) has lifted the COVID-induced capital distribution restrictions.

Volatility levels for the Canadian banks continued to decline as equity markets and the bank shares rallied strongly. As a result, there was no call writing activity over the period as the manager felt there was greater upside in the share prices of the banks compared to the premium generated from call writing. This was the third quarter in a row the Fund had no call writing activity.

Manager

- ✓ Strathbridge Asset Management Inc., experienced issuer with 4 listed closed-end funds and one mutual fund
- ✓ One of Canada’s most experienced option strategy managers, with over 25 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