

### Fund Data

Inception date:	August 2, 2005
Ticker:	TCT.UN
Units outstanding:	1,004,670 Units
Total Net Asset Value <sup>(1)</sup>	\$8.79 mm
NAV Per Unit <sup>(1)</sup> :	\$8.75
Total Market Capitalization	\$8.54 mm
Market price per unit	\$8.50
Management fee:	1.10% p.a.

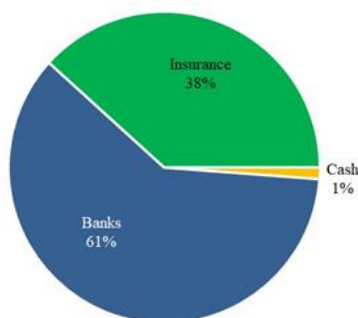
### Distributions

Distribution:	7.5% of NAV p.a.
Most recent distribution <sup>(2)</sup> :	\$0.15825
Distribution frequency:	Quarterly
Current yield <sup>(3)</sup> :	7.45%
Cumulative distributions:	\$12.81

### Top Ten Holdings

Manulife Financial	11.4%
Bank of Montreal	11.2%
Bank of Nova Scotia	11.0%
National Bank of Canada	11.0%
Canadian Imperial Bank of Canada	9.9%
iA Financial	9.4%
Sunlife Financial	9.2%
Royal Bank of Canada	8.8%
TD Bank	8.7%
Great West Lifeco	8.3%

### Sector Allocation



Notes:  
 (1) As at March 31, 2021  
 (2) March distribution  
 (3) Calculated as most recent distribution annualized divided by closing market price on March 31, 2021

### Fund Overview

The Fund is a closed-end 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:  
 a) to provide Unitholders of the Fund with a stream of quarterly cash distributions in an amount targeted to be 7.5 percent per annum on the NAV of the Fund; and  
 b) to return \$15.60 per unit to Unitholders upon termination of the Fund.

### Rationale

These securities represent the top ten financial service companies in Canada and provide diversified exposure to the sector. The Fund is appropriate for those investors looking for exposure to Canada's financial services sector while earning attractive distributions.

### Portfolio Manager Commentary – March 2021

As of March 31, 2021, the Net Asset Value (NAV) of TCT.UN increased to \$ 8.75 from the December 31, 2020 value of \$ 7.74. Unitholders received a distribution of \$ 0.15825 during the quarter in accordance with the distribution policy of 7.5% per annum of the NAV per unit. The unit's last trading price on March 31<sup>st</sup> was \$8.50. This represents a discount of 2.9% to its underlying NAV.

The S&P TSX Composite had a total return of 8.1% over the quarter closing at 18,701 on March 31<sup>st</sup>. Canadian Financials outperformed the broader Canadian market posting a total return of 13.8% over the same period. The return on an equal weighted basket of the ten portfolio stocks was 16.5%. The total fund return was 15.0%.

The Insurance companies in the portfolio outperformed the Bank holdings over the first quarter with an average return of 17.6% versus 15.8%. iA Financial topped the list with a return of 24.7%. Great West Lifeco trailed the pack with a return of 11.7%.

At the end of March, the indicated dividend yield on the stocks in the fund averaged 3.97% (equal weight). This was just shy of the bank holdings at 4.00% and in excess of the insurance holdings at 3.92%. The one-year dividends per share growth rate from calendar Q1 2020 to Q1 2021 was 4.09% on average for all the holdings.

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## Portfolio Manager Commentary – cont'd

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Volatility as measured by the CBOE Volatility Index (“VIX”) continued to decline in the first quarter with the exception of late January as the so-called “Reddit Rally” fueled fierce price jumps in stocks such as Gamestop and AMC before regulators stepped in to limit trading. With the Canadian financial share prices trending higher for most of the quarter and volatility relatively low, the fund chose to not write any options in this quarter in order to fully participate in the price moves. The fund had an average cash position of 2.1 % over the quarter, the same as it was for the 4<sup>th</sup> quarter of 2020.

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## Manager

- ✓ Strathbridge Asset Management Inc., experienced issuer with 8 listed closed-end funds and one mutual fund
- ✓ One of Canada’s most experienced option strategy managers, with almost 25 years of investment management experience in Canada
- ✓ Proprietary selective call writing strategy utilized to enhance income generated from the portfolio and reduce volatility

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## 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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