



## Fund Data

Inception date:	February 17, 2004
Ticker (Preferred / Class A share):	WFS.PR.A / WFS
Units outstanding:	862,417 Units
Total Net Asset Value <sup>(1)</sup>	\$9.9 mm
NAV Per Preferred Share <sup>(1)</sup> :	\$10.00
NAV Per Class A Share <sup>(1)</sup> :	\$1.51
Total Market Capitalization	\$8.5 mm
Market price Per Preferred Share	\$8.96
Market price Per Class A Share	\$0.95
Management fee:	1.10% p.a.

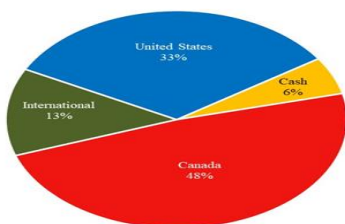
## Distributions (Class A & Preferred share)

Class A distribution:	See Note 2
Preferred distribution:	\$0.13125
Distribution frequency:	Quarterly
Current Preferred Yield <sup>(3)</sup> :	5.8%
Cumulative Class A distributions:	\$5.54
Cumulative Preferred distributions:	\$10.43

## Top Ten Holdings

JPMorgan Chase & Co	6.3%
Manulife Financial Corp	6.1%
Royal Bank of Canada	5.9%
Cash & Short Term	5.6%
National Bank of Canada	5.1%
Canadian Imperial Bank of Commerce	5.1%
Brookfield Corp	5.0%
Sun Life Financial Inc	4.9%
Mitsubishi UFJ Financial Group Inc	4.6%
Great-West Lifeco Inc	4.4%

## Sector Allocation<sup>(4)</sup>



### Notes:

- (1) As at December 31, 2023
- (2) Distributions on the Class A shares have been suspended in accordance with the Prospectus as the NAV per Unit is less than \$15.00
- (3) Calculated as most recent distribution annualized divided by market price on December 31, 2023
- (4) Calculated as percent of gross assets not including other liabilities

## Fund Overview

The Fund is a split share corporation which invests in common equity securities selected from the ten largest financial services companies by market capitalization in each of Canada, the United States and the Rest of the World. The Fund utilizes an active covered call writing strategy to enhance the income generated by the portfolio and to reduce volatility. In addition, the Fund may write cash covered put options in respect of securities in which it is permitted to invest.

## Objectives

The fund's investment objectives are:

- a) to provide holders of Preferred shares with fixed cumulative preferential quarterly cash distributions in the amount of \$0.13125 per Preferred share representing a yield on the issue price of the Preferred shares of 5.25% per annum;
- b) to provide holders of Class A shares with quarterly cash distributions targeted to be 8.0% per annum; and
- c) to return the issue price to holders of both Preferred Shares and Class A Shares at the time of redemption of such shares on the termination date.

## Rationale

The preferred shares are appropriate for an investor looking for a more secure investment than common equities with a high level of income. The Class A shares are appropriate for an investor seeking a highly leveraged play on the global financial services industry.

## Portfolio Manager Commentary – December 2023

As of December 29, 2023, the Net Asset Value ("NAV") of a combined unit (WFS.PR.A + WFS) was \$11.51 versus \$10.63 on September 29, 2023. Preferred shareholders received a distribution of \$0.13125 per share, while the distribution for the Class A share remains suspended in accordance with the terms of the prospectus as the NAV per unit was less than \$15.00.

The Fund's Preferred shares and Class A shares, listed on the Toronto Stock Exchange ("TSX") as WFS.PR.A and WFS, closed on December 29, 2023 at a price of \$8.96 per share and \$0.95 per share, respectively. When combined, this represents a 4.9 percent discount to the NAV per unit of the Fund.

During the fourth quarter, the Global Financials companies outperformed the broader markets with a total return of 12.7% in U.S. dollar terms and 9.9% in Canadian dollar terms. Stocks held within the portfolio had varying returns led by Brookfield Corporation and Blackrock, Inc., which had total returns of 25.4% and 23.3% in Canadian dollar terms. At the other end of the spectrum, Marsh and McLennan Companies, Inc. declined 0.7% in Canadian dollar terms while held in the Fund.

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## Portfolio Manager Commentary – cont'd

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The CBOE Volatility Index (VIX) declined from 17.5 on September 29, 2023 to 12.4 on December 29, 2023, as markets rallied strongly during the quarter. The manager remained selective with the option writing strategy as the Fund had no written call positions and 2.2% of the Fund written with puts during the period.

The Fund had an average cash position of 4.6% during the quarter vs. 8.3% during the third quarter due to the higher utilization of written puts. The U.S. dollar exposure was actively hedged throughout the period and ended the quarter approximately 50% hedged back into Canadian dollars.

## Manager

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- ✓ Mulvihill Capital Management Inc., experienced issuer with 4 listed closed-end funds, three exchange traded funds (“ETF”) and one mutual fund
- ✓ One of Canada’s most experienced option strategy managers, with over 27 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

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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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