



**MULVIHILL U.S. Health Care  
ENHANCED YIELD ETF**

TSX:XLVE



MULVIHILL U.S. Health Care  
ENHANCED YIELD ETF

7.0% YIELD\*

monthly  
distributions

## TSX:XLVE

Earn over 4x the  
yield of the S&P 500  
Health Care sector

- Exposure to Large-Cap U.S. Health Care stocks
- Option writing strategies generate additional portfolio income
- Modest leverage of 25% enhances the dividend yield of the underlying stocks and provides additional return potential
- US Dollar exposure hedged back to Canadian dollars

Johnson & Johnson

United  
Healthcare

MERCK

Pfizer

abbvie

GILEAD

## 4.3x the yield of the S&P500 Health Care Index

XLVE combines option strategies & leverage to  
enhance portfolio yield

Yield

7.0%

Dividends  
+  
option writing  
+  
leverage

XLVE\*

1.6%

S&P 500 Health Care Index

## XLVE Yield Enhancement Methodology



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Enhanced yield with upside participation

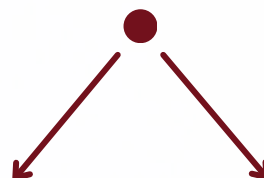
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●  
Traditional call writing strategies provide enhanced yield but often forgo full upside participation

●  
XLVE methodology maintains "full" exposure to underlying stocks while utilizing modest leverage to purchase additional shares for option writing strategies

### How it works

\$100  
investment



\$100

invest in shares of U.S.  
Health Care stocks



100% exposure  
provides upside  
participation

\$25

leverage initial  
investment by 25%



Purchase  
additional shares



Additional shares used  
for option writing  
strategies

25% written to  
generate income

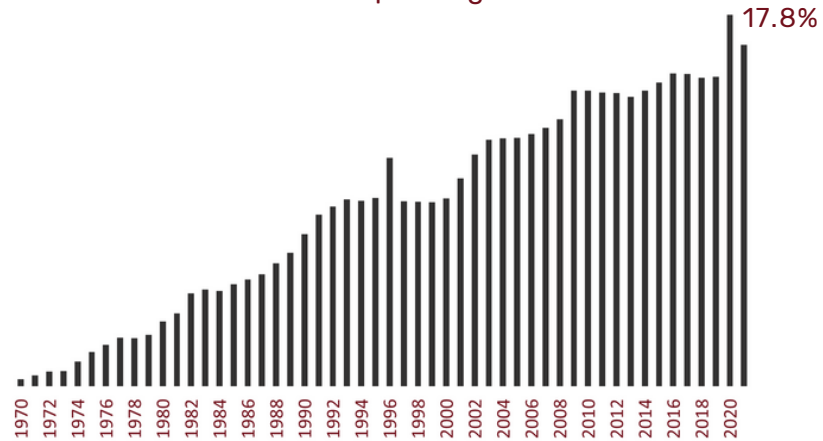
For illustrative purposes only

## Opportunity in U.S. Health Care stocks

### Long-term growth:

- Demographics, aging populations and increased spending on health care provide long-term secular growth opportunities
- U.S. spent 17% of GDP on Health Care in 2021, up from 6% in 1970

U.S. Health Care Spending as a % of GDP

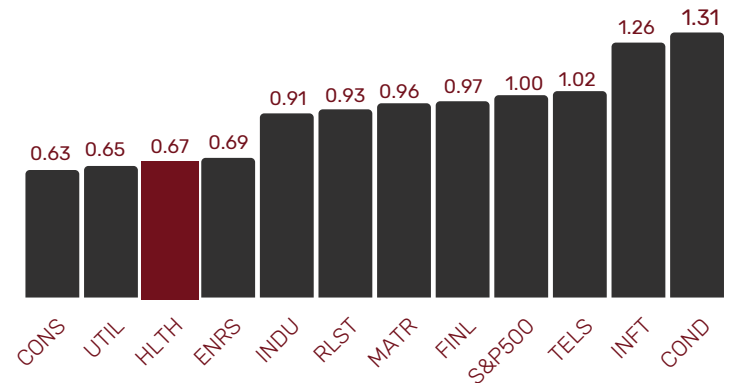


source: OECD

### Defensive sector:

- Low beta sector provides relative safety for investors during recessions
- stable earnings and dividend growth
- Health Care sector earnings have grown 10% per annum over the past 30 years

Beta (to SP500)

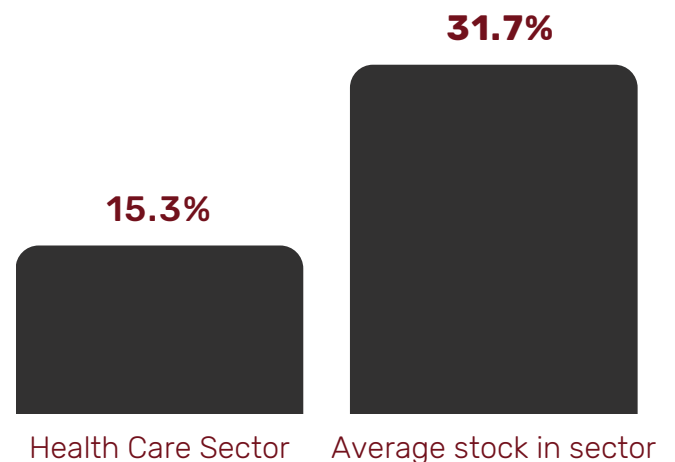


source: Bloomberg, Mulvihill Capital Inc.

### Suitable for option writing:

- Average stock is more volatile than the overall sector
- High volatility and low dividend yields results in higher option premiums
- Actively managed option strategies can exploit these differences

Implied Volatility (30 days)



source: Bloomberg, Mulvihill Capital Inc.

**Strong historical performance and significantly larger size make U.S. Health Care stocks more attractive relative to Canada**

	<b>S&amp;P500 Health Care</b>	<b>S&amp;P/TSX Health Care</b>
Cumulative return (SI)*	<b>4,215%</b>	-55%
Total Return (SI)*	<b>11.9%</b>	-2.4%
Beta	<b>0.67</b>	1.50
Market Cap	<b>5.1 Trillion</b>	17 Billion
Index weight	<b>14.7%</b>	0.4%

**S&P500 Health Care Index returned 4,215% since inception outperforming the S&P/TSX Health Care Index return of -55%**

	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>SI</b>
<b>S&amp;P500 Health Care Sector</b>	<b>3.2%</b>	<b>12.3%</b>	<b>10.7%</b>	<b>14.0%</b>	<b>11.9%</b>
S&P/TSX Health Care Sector	-51.6%	-34.6%	-26.6%	-20.5%	-2.4%

Annualized Total Return since 09/11/1989 to 01/31/2023  
source: Bloomberg, Mulvihill Capital Inc.

**Why invest in XLVE?**



**Exposure to U.S. Health Care stocks**

- Long-term secular tailwinds
- Stable earnings
- History of paying and growing dividends
- Low beta and correlation to market



**Modest leverage (25%)**

- Increases dividend yield
- Potential to increase return
- Reduces drag of option writing in up markets



**Enhanced Yield**

- Option premiums enhance underlying dividends
- Over 4x the yield of the S&P500 Health Care sector
- Monthly distributions



**Experienced Team**

- 25+ year track-record managing option-based strategies
- Investment team has combined 258 years Investment experience

## Disclosures

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