

# CANADIAN UTILITIES & TELECOM INCOME FUND

Fact Sheet  
December 31, 2017

## Fund Data

Inception date:	December 17, 2010
Ticker:	UTE.UN
Units outstanding:	1,819,867
Total Net Asset Value <sup>(1)</sup>	\$18.11 mm
NAV Per Unit <sup>(1)</sup> :	\$9.95
Total Market Capitalization	\$18.93 mm
Market price per unit	\$10.40
Management fee:	1.10% p.a.

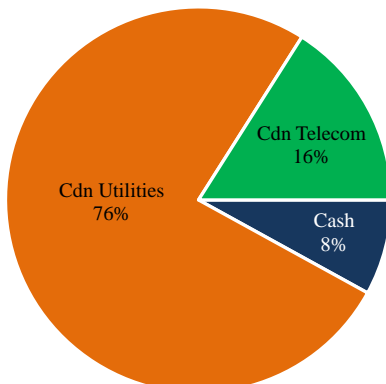
## Distributions

Distribution:	7.0% of NAV p.a.
Most recent distribution <sup>(2)</sup> :	\$0.05863
Distribution frequency:	Monthly
Current yield <sup>(3)</sup> :	6.8%
Cumulative distributions:	\$5.88803

## Top Ten Holdings

Cash	7.7%
Algonquin Power & Utilities Corp.	6.5%
Parkland Fuel Corporation	6.3%
BCE Inc.	6.3%
Pembina Pipeline Corporation	6.0%
Brookfield Renewable Energy Partners L.P.	6.0%
Brookfield Infrastructure Partners L.P.	5.9%
Emera Incorporated	5.5%
Inter Pipeline Ltd.	5.4%
TELUS Corporation	5.3%

## Sector Allocation



Notes:  
 (1) As at December 29, 2017  
 (2) December distribution  
 (3) Calculated as most recent distribution annualized divided by closing market price on December 29, 2017

## Fund Overview

The Fund is a closed-end investment trust designed to provide unitholders with exposure to equity securities of large capitalization (over \$1 billion) utility and, to a lesser degree, telecommunications issuers listed on the Toronto Stock Exchange ("TSX").

## Objectives

The fund's investment objectives are:

- to pay holders of its units monthly distributions in an amount targeted to be 7.0 percent per annum on the net asset value ("NAV") of the Fund; and
- to preserve and enhance the Fund's NAV while reducing portfolio volatility.

## Rationale

These sectors typically demonstrate predictable cash flows, high and growing dividends and are generally viewed as defensive investments. The Fund is appropriate for those investors looking for exposure to the Canadian utility and telecommunications sectors while earning attractive distributions with lower volatility.

## Portfolio Manager Commentary – December 2017

Global equity markets continued to move higher in the fourth quarter on the back of a global synchronized recovery and the passage of the U.S. Tax Cuts and Jobs Act. The S&P/TSX Composite Index increased 4.43% while the S&P 500 Index in the U.S. was up 6.64% and the MSCI EAFE Index up 4.30%.

The total returns for the S&P/TSX Capped Utilities Index and the S&P/TSX Capped Telecom Services Index for the quarter were 2.62% and 4.02% respectively and the return for the quarter of the S&P/TSX Oil and Gas Storage and Transportation Sub-Index was -1.28%. Stocks within the Portfolio had varied results with Public Service Enterprise GP leading the way with 14.33% return. Meanwhile, Verizon Communications Inc. and AT&T Inc. were the underperformers, down -6.9% and -6.2% respectively while held within the portfolio during this period.

*Commentary cont'd on next page*

## Portfolio Manager Commentary – cont'd

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Volatility remained low through most of the quarter and hit an all-time low towards the end of November as stocks rallied and investor sentiment was on the rise.

Given the extreme low levels of volatility, the Fund saw less opportunities in its covered-call writing strategy and, on average, the Fund was written on 2.6% during the quarter versus 2.2% in the previous quarter.

The U.S. dollar was mostly hedged back into Canadian dollars throughout the period and ended the year with approximately 100% of the U.S. dollar exposure hedged. The U.S. Dollar increased 0.3% vs. the Canadian dollar during the quarter.

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## Manager

- ✓ Strathbridge Asset Management Inc., experienced issuer with 10 listed closed-end funds
- ✓ One of Canada's most experienced option strategy managers, with over 20 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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