

CANADIAN UTILITIES & TELECOM INCOME FUND

Fact Sheet
March 31, 2017

Fund Data

Inception date:	December 17, 2010
Ticker:	UTE.UN
Units outstanding:	3,202,175
Total Net Asset Value ⁽¹⁾	\$34.50 mm
NAV Per Unit ⁽¹⁾ :	\$10.77
Total Market Capitalization	\$33.37 mm
Market price per unit	\$10.42
Management fee:	1.10% p.a.

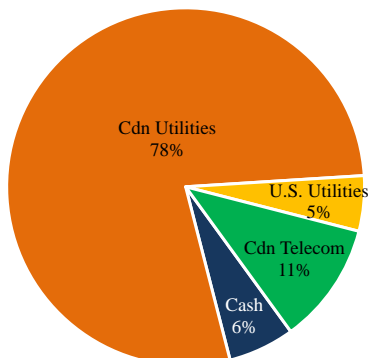
Distributions

Distribution:	7.0% of NAV p.a.
Most recent distribution ⁽²⁾ :	\$0.06125
Distribution frequency:	Monthly
Current yield ⁽³⁾ :	7.1%
Cumulative distributions:	\$5.33647

Top Ten Holdings

TransAlta Renewables Inc.	6.5%
Cash and Short-term Investments	5.6%
Atco Ltd.	5.4%
Just Energy Group Inc.	5.2%
Parkland Fuel Corporation	5.2%
Rogers Communications Inc. Class B	5.1%
Algonquin Power & Utilities Corp	5.0%
Capital Power Corporation	5.0%
Innergex Renewable Energy Inc.	4.9%
Canadian Utilities Limited	4.8%

Sector Allocation



Notes:
 (1) As at March 31, 2017
 (2) March distribution
 (3) Calculated as most recent distribution annualized divided by closing market price on March 31, 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 – March 2017

Global equity markets continued to move higher in the first quarter with the hope that the new administration will be able to boost growth with supply side fiscal policy tools and lower regulatory oversight. The S&P/TSX Composite Index rose 2.41% while the S&P 500 Index in the U.S. was up 6.06% and the MSCI EAFE Index was down 7.40%.

The total returns for the S&P/TSX Capped Utilities Index and the S&P/TSX Capped Telecom Services Index for the quarter were 7.26% and 6.89% respectively while the quarterly return of the S&P/TSX Oil and Gas Storage and Transportation Sub-Index was 0.30%. Stock within the Portfolio had varied returns with Brookfield Infrastructure Partners L.P. and Veresen Inc. leading the way with returns of 16.06% and 14.15% respectively. Meanwhile, Altagas Ltd. and Inter Pipeline Ltd. were the underperformers, down 7.62% and 4.08% respectively while held within the portfolio during the period.

Commentary cont'd on next page

Portfolio Manager Commentary – cont'd

Volatility remained fairly subdued through most of the quarter although the CBOE Volatility Index (VIX) did spike marginally higher than 15% towards the end of March as markets were skittish on the inability of Republicans to get the Affordable Care Act revoked.

With the performance in the Utilities sector generally positive, the Fund generally saw less opportunities in its covered-call writing strategy and, on average, the Fund was written on 2.4% during the quarter versus 5.2% in the previous quarter.

At the end of the quarter, the Fund's U.S. dollar exposure was approximately 100% hedged on its US dollar exposure.

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

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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