

# CANADIAN UTILITIES & TELECOM INCOME FUND

Fact Sheet  
September 30, 2018

## Fund Data

Inception date:	December 17, 2010
Ticker:	UTE.UN
Units outstanding:	1,691,008
Total Net Asset Value <sup>(1)</sup>	\$15.76 mm
NAV Per Unit <sup>(1)</sup> :	\$9.32
Total Market Capitalization	\$15.05 mm
Market price per unit	\$8.90
Management fee:	1.10% p.a.

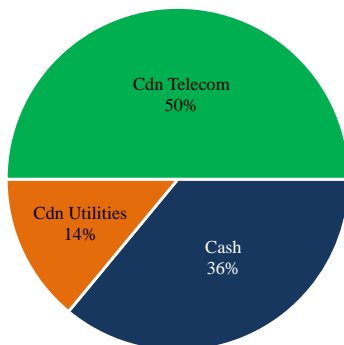
## Distributions

Distribution:	7.0% of NAV p.a.
Most recent distribution <sup>(2)</sup> :	\$0.05507
Distribution frequency:	Monthly
Current yield <sup>(3)</sup> :	7.4%
Cumulative distributions:	\$6.37371

## Top Ten Holdings

Cash	36.7%
Parkland Fuel Corporation	7.4%
TELUS Corporation	6.9%
Rogers Communications, Inc.	6.9%
Algonquin Power & Utilities Corp.	6.1%
Superior Plus Corp.	5.8%
Capital Power Corporation	5.3%
TransAlta Renewables Inc.	4.9%
Enbridge Inc.	4.7%
Keyera Corp.	4.4%

## Sector Allocation



## 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 – September 2018

North American markets were mixed in the 3rd quarter, with the Canadian S&P/TSX Index declining 0.6% and the U.S. S&P 500 Index gaining 7.7%. In the Canadian market, 6 of 11 sectors were positive for the quarter, with Health Care leading the way up 31.1% due to strength in the Cannabis sector. The U.S. market saw 8 of 11 sectors with positive performance, also led by Health Care up 14.1%, while the Real Estate, Energy and Materials sectors lagged the broader market with negative returns.

The total returns for the S&P/TSX Capped Utilities Index and the S&P/TSX Capped Telecom Services Index for the quarter were -0.26% and 3.47% respectively and the return for the quarter of the S&P/TSX Oil and Gas Storage and Transportation Sub-Index was -6.97%. Stocks within the Portfolio had varied results with Enercare Inc leading the way with a 61.34% return after being acquired by Brookfield Infrastructure Partners. Meanwhile, Enbridge Inc and Northland Power Inc. were the underperformers, down 10.04% and 7.93% respectively while held within the portfolio during this period.

*Commentary cont'd on next page*

Notes:  
 (1) As at September 28, 2018  
 (2) September distribution  
 (3) Calculated as most recent distribution annualized divided by closing market price on September 28, 2018

## Portfolio Manager Commentary – cont'd

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Equity volatility, as measured by the Chicago Board Options Exchange Volatility Index (“VIX”), remained low and traded in a narrow range between 10 and 16 for most of the quarter. The Fund opportunistically wrote call options during the period as the Fund on average had 9.1% of portfolio written during the period vs. 8.7% on average during the previous quarter.

The Fund held an average cash position of 9.2% during the period vs. 5.8% during the previous quarter. The U.S. dollar exposure was actively hedged throughout the period and ended the third quarter 75% hedged back into Canadian dollars.

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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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