



# CANADIAN UTILITIES & TELECOM INCOME FUND

Fact Sheet  
March 31, 2021

## Fund Data

Inception date:	December 17, 2010
Ticker:	UTE.UN
Units outstanding:	1,250,277
Total Net Asset Value <sup>(1)</sup> :	\$12.46 mm
NAV Per Unit <sup>(1)</sup> :	\$9.97
Total Market Capitalization:	\$12.38 mm
Market price per unit:	\$9.90
Management fee:	1.10% p.a.

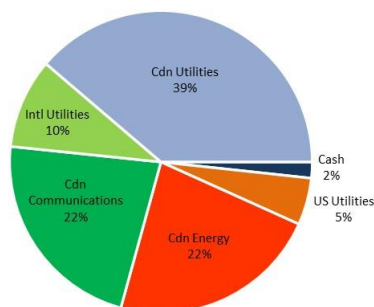
## Distributions

Distribution:	7.0% of NAV p.a.
Most recent distribution <sup>(2)</sup> :	\$0.06
Distribution frequency:	Monthly
Current yield <sup>(3)</sup> :	7.00%
Cumulative distributions:	\$8.04973

## Top Ten Holdings

AltaGas Ltd.	7.8%
Superior Plus Corp.	7.6%
Quebecor Inc.	7.4%
TransAlta Corp.	6.8%
Capital Power Corp.	6.4%
Pembina Pipeline Corp.	6.3%
Gibson Energy Inc.	6.3%
Keyera Corp.	6.2%
Brookfield Infrastructure Partners LP	6.2%
Cogeco Communications Inc.	5.9%

## Sector Allocation



### Notes:

(1) As at March 31, 2021

(2) March distribution

(3) Calculated as most recent distribution annualized divided by closing mid price on March 31, 2021

## 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 2021

As of March 31, 2021, the Net Asset Value ("NAV") of UTE.UN was at \$9.97 versus \$10.23 on December 31st 2020. Unitholders received regular distributions totaling \$0.17996 during the quarter. The unit's closing price on March 31st, 2021 was \$9.90 which represents a discount of 0.70% to its underlying NAV.

The first quarter of 2021 was marked by continued strength in North American equity markets which closed at or near all-time highs on expectations the rollout of vaccines around the world will lead to strong global GDP growth and corporate earnings in 2021. Central banks in the meantime remained committed to a policy of monetary easing in spite of stronger economic growth and inflation numbers while governments continued to pass significant stimulus packages despite substantial deficits.

The total returns for the S&P/TSX Capped Utilities Index and the S&P/TSX Capped Telecommunication Services Index for the quarter were 3.43% and 9.06% respectively and the return for the quarter of the S&P/TSX Oil and Gas Storage and Transportation Sub-Index was 16.17%. Stock within the Portfolio had varied results with Transalta Corp leading the way with a 23.56% return. Innergex Renewable Energy was the underperformer, down -21.45% while held within the portfolio during this period.

*Commentary cont'd on next page*

## Portfolio Manager Commentary – cont'd

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Volatility as measured by the CBOE Volatility Index (“VIX”) continued to decline in the first quarter with the exception of late January as the so-called “Reddit Rally” fueled fierce price jumps in stocks such as Gamestop and AMC before regulators stepped in to limit trading. The manager continued to be opportunistic with the Strathbridge Selective Overwriting (“SSO”) strategy as the Fund had on average 2.1% of portfolio written during the period vs. 6.0% on average during the previous quarter.

The Fund held an average cash position of 1.7% during the period vs. 2.0% during the previous quarter. The U.S. dollar exposure was actively hedged throughout the period and ended the third quarter 50% hedged back into Canadian dollars.

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## Manager

- ✓ Strathbridge Asset Management Inc., experienced issuer with 8 listed closed-end funds and one mutual fund
- ✓ One of Canada’s most experienced option strategy managers, with almost 25 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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