

# FROM UTILITIES TO CANADIAN TRUSTS:

INVESTING SAFELY FOR HIGH  
YIELD AND GROWTH

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# BAD NEWS

- CREDIT CRUNCH WORSENS
- ZERO RISK TOLERANCE
- FINANCIAL SYSTEM WEAKENED
- DOLLAR DECLINES AND INFLATION
- POLITICAL RISKS
- NEED VISIBLE BOTTOM

# GOOD NEWS

- FEDS TO THE RESCUE
- 10 YEAR TREASURY YIELD DROPS
- VALUATIONS HAVE TUMBLED
- TAX ADVANTAGES THROUGH 2010
- MANY DIVIDENDS SAFE
- RETURN OF THE YIELD SEEKER

# STRATEGY

- BUY AND HOLD IS THE ONLY WAY
- BUY THE BUSINESS
- GROWTH AND INCOME: INSEPARABLE
- DIVERSIFY SECURITIES, SECTORS
- CONTROL DURATION
- HOLD CASH
- BUY ONLY VALUE

# CANADIAN TRUSTS

- STRESS TESTED
- 2011 NO DAY OF RECKONING: THE TRINIDAD STORY
- GOOD BUSINESSES SELLING CHEAP
- CANADIAN DOLLAR/ECON STRONG
- PREMIUM TAKEOVERS

# CONSERVATIVE PORTFOLIO

- HIGH YIELDS NO MATTER HOW TAXED
- GOOD BUSINESSES KEY
- ALTAGAS INCOME (ALA.UN, ATGFF)
- NORTHERN PROP (NPR.UN, NPRUF)
- ALGONQUIN PWR (APT.UN, AGQNF)

# GETTING AGGRESSIVE

- ENERGY TRUSTS: GAS VS OIL
- BUSINESS SUSTAINABILITY KEY
- ENERPLUS RES (ERF.UN, NYSE: ERF)
- PENNWEST (PWT.UN, NYSE: PWE)
- TRINIDAD DRILL (TDG.UN, TDGNF)

# UTILITIES: BE SELECTIVE

- BULL MARKET MEETS THE CAPITAL CHALLENGE
- REGULATION KEY TO GROWTH
- RISING VALUATION RISK
- DUK, UTL, AES PEF C
- VZ, WIN, CCT
- WTR, CWCO



# LP'S: STICK TO PIPES

- TAX-ADVANTAGED MARKET POPULAR AGAIN
- INFRASTRUCTURE PROVEN STEADY
- BIG DIVIDEND GROWTH SET
- EPD, NS, APU

# RESOURCES FOR BALANCE

- COUNTER-CYCLICAL
- DRIVEN BY GLOBAL GROWTH
- RESOURCE NATIONALISM
- MERGER MANIA
- GG, RTP, FCX

# WHAT TO AVOID

- LONG-TERM BONDS—NO YIELD ADVANTAGE, MORE RISK
- MOST FINANCIALS
- MOST US REITS
- FAILING NUMBERS
- INSURED BONDS
- THE HIGHEST YIELD

# FOR MORE

- UTILITY FORECASTER [www.utilityforecaster.com](http://www.utilityforecaster.com)
- CANADIAN EDGE [www.canadianedge.com](http://www.canadianedge.com)
- [www.vitalresourceinvestor.com](http://www.vitalresourceinvestor.com)
- [www.utilityandincome.com](http://www.utilityandincome.com)
- [www.mapleleafmemo.com](http://www.mapleleafmemo.com)