



UIT Energy Producers

FUND DETAIL:

FundServ Code: RAM140

Type of Fund: North American Equity Growth

Date Started: Series A: September 16, 2016

Series A shares of UIT Fund Corporation, a mutual fund corporation

Eligible Plans: Eligible as an investment for RRSPs, RRIFs, DPSPs, RESPs, RDSPs and TFSAs

It is the belief of the Portfolio Advisor that for the past two years, energy stocks have suffered, as the price of oil sank to a low of US\$27 a barrel in February of this year. At that price, most Canadian producers can't cover their operating costs, let alone fund the effort to replace their reserves.

World oil prices have been low since 2014 and are now rising due to the following factors:

- Current oil prices are unsustainable as they do not attract enough capital to the sector to maintain production
- OPEC does not have the spare capacity to offset further production declines in other regions
- Prices are likely to overshoot on the upside as they did on the downside once the effects of 2 years of massive capital spending cuts begins to show up as production declines
- North American oil companies have become much more efficient as the price of oil has declined and are positioned to outperform in a rising oil price environment
- Oil demand has been solid throughout the price decline and shows no sign of rolling over

However since there's been so little investment in the sector for two years, the Portfolio Advisor believes there's a high possibility of demand exceeding output especially as the US economy continues its trajectory. That presents a sound prospect for investment.



Investment Objective:

The objective of the UIT Energy Producers Class is to achieve growth and to preserve capital by investing primarily in securities of North American oil producers. The fund will invest in an approximately equally weighted portfolio of 20 to 25 companies that are listed on North American exchanges and engaged primarily in oil exploration, development and production. As a result, the fund is designed to ensure that its portfolio is well diversified and to reduce the fund's concentration in any one security. The Portfolio Advisor will select securities it believes have the potential to outperform the S&P Global Energy Index or any successor index.

Indicative Portfolio:

The following chart and table illustrate the composition of the fund's portfolio in respect of the corporate name, exchange and security allocation on an indicative basis if the Portfolio had existed on August 31, 2015 (the "Indicative Portfolio")

NAME	LISTING	WEIGHT	NAME	LISTING	WEIGHT
APACHE CORP	NYSE	5.00%	MURPHY OIL CORP	NYSE	5.00%
CONCHO RESOURCES INC	NYSE	5.00%	NEWFIELD EXPLORATION CO	NYSE	5.00%
CONTINENTAL RESOURCES INC	NYSE	5.00%	OCCIDENTAL PETROLEUM CORP	NYSE	5.00%
CRESCENT POINT ENERGY CORP	TSX	5.00%	PARSLEY ENERGY INC	NYSE	5.00%
CREW ENERGY INC	TSX	5.00%	PIONEER NATURAL RESOURCES CO	NYSE	5.00%
DEVON ENERGY CORP	NYSE	5.00%	RAGING RIVER EXPLORATION INC	TSX	5.00%
DIAMONDBACK ENERGY INC	NYSE	5.00%	RANGE RESOURCES CORP	NYSE	5.00%
ENERGEN CORP	NYSE	5.00%	SEVEN GENERATIONS ENERGY LTD	TSX	5.00%
HESS CORP	NYSE	5.00%	WHITECAP RESOURCES INC	TSX	5.00%
MARATHON OIL CORP	NYSE	5.00%	WHITING PETROLEUM CORP	NYSE	5.00%

The information set out above is provided for illustrative purposes only. The portfolio may or may not include securities of issuers considered in compiling the foregoing analysis. The composition of the Portfolio may vary based on the Portfolio Manager's assessment of market conditions and the availability of suitable securities and may differ from the Indicative Portfolio whose information is described above based on the Portfolio Managers assessment at the time of investment.



The fund is designed for an investor who views an investment in North American energy as a timely investment and who has a relatively short investment horizon of 18 to 24 months. This is because within 18 to 24 months, depending on the outlook of the Portfolio Advisor, the manager, Redwood Asset Management Inc., may propose a re-organization or transfer of assets of the fund to another fund managed by Redwood and advised by the Portfolio Advisor or a change to the fundamental investment objectives of the fund, subject to applicable law.

This fund is suitable for investors who:

- ▶ Have a tolerance for medium to high risk, with the expectation of higher volatility versus North American equity indices
- ▶ Own, or plan to own, other types of investments to diversify their portfolio
- ▶ Want exposure to both Canadian and U.S. based energy producers that are focused on oil production
- ▶ Believe that crude oil prices will rise

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rate of return is the historical annual compounded total return including changes in share value and reinvestment of all dividends or distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.