



UIT Alternative Health Fund

Type of Fund: North American Equity Growth

Date Started: March 2017

Series A and F units of UIT Funds, a mutual fund trust

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

FundServ

A Class: RAM 420

F Class: RAM 421

Why Invest in this Fund?

We believe there is an investment opportunity in the alternative health area at a time when traditional healthcare has been challenged by government cost constraints and insurance limitations and more people are adopting new treatments and health regimens outside the traditional medical market to enhance health and wellness. In addition, we believe that Canada’s federal government will legalize the recreational marijuana market as it has consistently indicated. As a result, we believe that the current Canadian Licensed Producers of medical marijuana are best positioned to benefit from this change. With this in mind, we see great opportunity in publicly traded Canadian cannabis companies and related equities.

We believe that key drivers of demand for alternative health companies include:

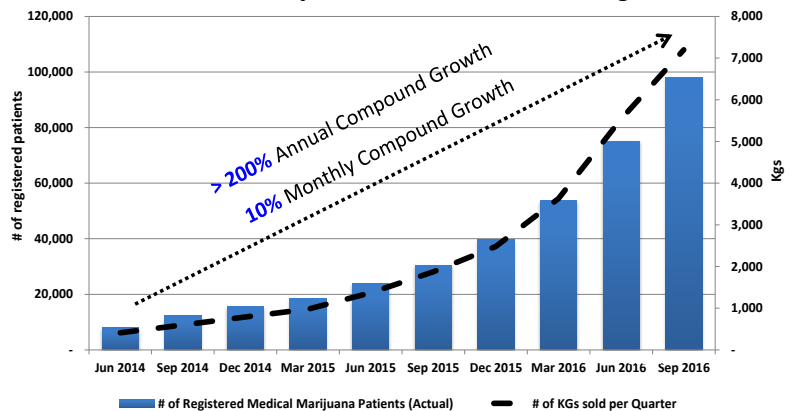
- Increased healthcare costs, leading people to seek cost efficient alternatives
- Government programs promoting preventative health related initiatives and lifestyle choices
- Growth in the baby boomer generation that desires a quality active lifestyle into advanced years
- Greater interest in a holistic approach to health that promotes prevention, nutrition, and natural remedies

An area that is benefiting from the Alternative Health trend is medical marijuana, a sector we believe is on the cusp of significant growth. Currently there is a growing awareness among both patients and doctors of the possible benefits of medical marijuana to treat many ailments.

Health Canada estimates the medical marijuana market in Canada can grow from 40,000 patients in 2014 to 450,000 patients by 2024.

As at September of 2016, there were already approximately 100,000 registered patients holding marijuana prescriptions. Canada’s marijuana patient base is growing at a significant rate as physicians become more comfortable with the efficacy of cannabis based medicinal powers, reduced stigma attached to the use of cannabis, and the better forms of medication delivery that are present today.

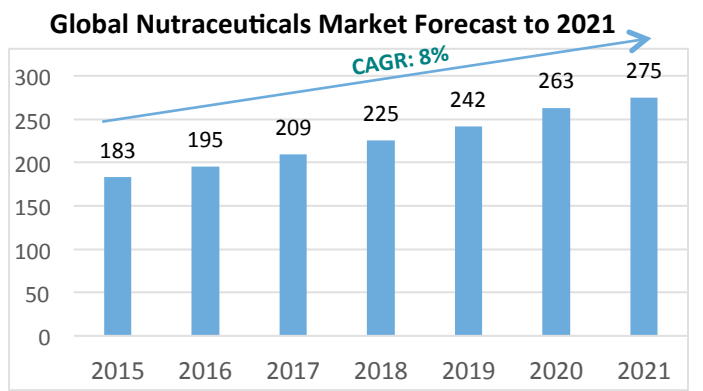
Canadian Medical Marijuana Patient Enrolment & Kgs Sold



Source: Stats Canada, Canaccord Genuity



Studies from The Lancet, a well-known UK medical Journal show that alternative health treatments are increasing in adoption as more people around the world are dealing with nutritional issues rather than starvation. Poor nutrition is now recognized as a major risk factor for chronic diseases. Most traditional health systems are ill-equipped to deal with this trend. Increasingly, patients are being encouraged to take part in their own treatments.



Source: Transparency Market Research, RNCOS

An area that is benefiting from these trends is the Nutraceutical industry, categorized as food or parts of food that provide medical or health benefits including the prevention and/or treatment of a disease. Nutraceuticals have advantages over various medicines because recent research suggests they can avoid some side effects and are natural dietary supplements.

Investment Objective

The objective of the UIT Alternative Health Fund is to achieve growth by investing primarily in equity securities of companies engaged in nutrition, nutraceuticals and new forms of medicines and pharmaceutical solutions.

The Fund will invest in a modified capitalization weighted portfolio of 15 to 25 companies that are listed on North American exchanges that have a business strategy focused on new and alternative health and wellness related themes that are growing in acceptance and importance in North America. This includes pharmaceutical companies; nutritional vitamins and supplement companies, health and wellness service providers; businesses engaged in providing diet and weight loss programs; alternative healthcare service providers; Canadian licensed producers of marijuana and related service providers; as well as companies involved in the processing, marketing and distribution of organic food and beverage products.

To be included in the portfolio, the securities must have:

- (i) a minimum market capitalization of \$150 million at the time of investment
- (ii) an average daily trading value in excess of \$1,000,000
- (iii) a minimum share price of at least \$1.00

The fund is designed for an investor who views an investment in the cannabis sector 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 high risk
- ▶ Own, or plan to own, other types of investments to diversify their portfolio
- ▶ Want exposure to the Canadian and U.S. equity markets

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.