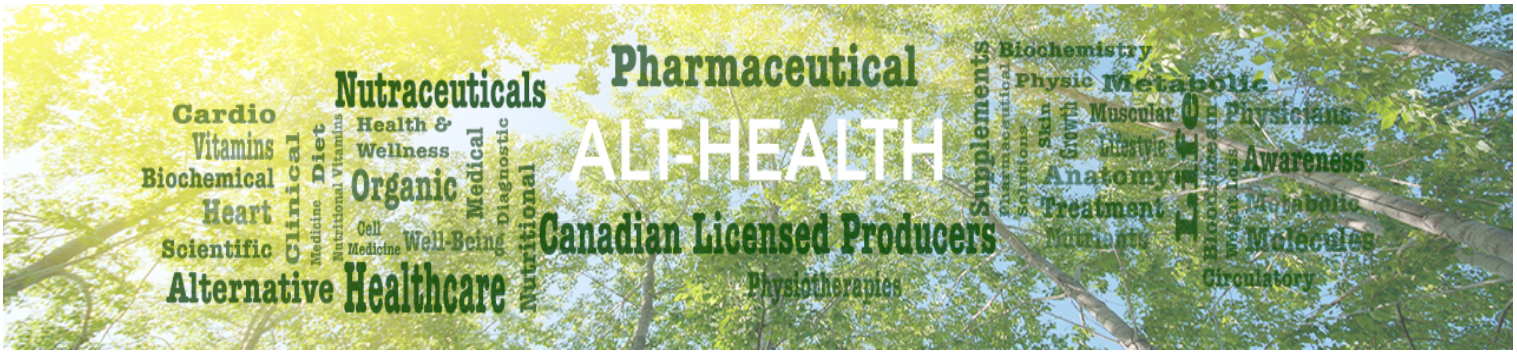


UIT Alternative Health Fund

Type of Fund: North American Equity Growth

Fund Details
Series A RAM 420
Series F RAM 421
Management Fee 1.00%

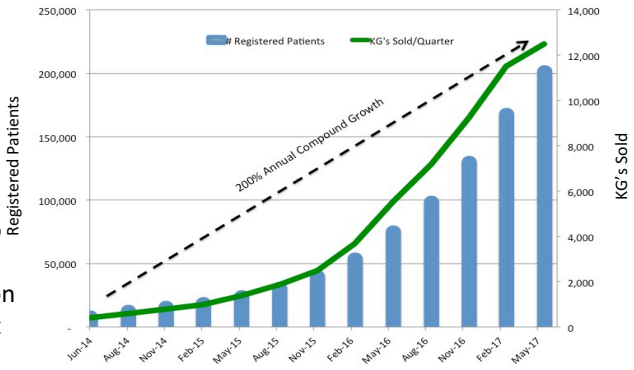
Date Started: March 2017
Series A & F units of UIT Funds, a mutual fund trust
Eligible Plans: Eligible as an investment for RRSP's, RRIF's, RESP's, RDSP's & TFSA's

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. Studies from medical journals like the Lancet, a well-known UK medical journal, show that alternative health treatments are increasing in adoption as people are dealing with nutritional issues. We believe that the federal government's plan to legalize the recreational cannabis market is a prime example of alternative health that represents a significant investment opportunity. As a result, we believe that Canadian Licensed Producers of medical cannabis are best positioned to benefit from these regulatory changes.

The UIT Alternative Health Fund Is Canada's first and only actively managed mutual fund that focuses in the cannabis sector. We believe that it's important to reduce risk by owning an actively managed portfolio that has the necessary liquidity and is able to take advantage of the changing dynamics in this early stage sector.

Canadian Medical Marijuana Patient Enrolment & Kgs Sold



Source: Health Canada

Key Drivers of Demand For Alternative Health:

- ✓ Healthcare coverage reductions leading people to seek alternatives
- ✓ Desire for preventative health and lifestyle choices
- ✓ Baby boomer generation desires quality active lifestyle
- ✓ Greater interest in a holistic approach to medicine
- ✓ Awareness of Cannabis as an alternative to traditional medicines

The month of November witnessed significant announcements involving two of Canada's leading cannabis LP's. First, Canopy Growth Corp (TSX:WEED) announced that Constellation Brands (NADAQ:STZ.B) had made a $245 million investment in Canopy representing a 9.9% equity interest in Canada's largest licensed producer. Our belief is that this strategic investment will focus on developing cannabis infused drinks for future roll out in Canada once edibles are legalized for Canadian consumption, while also positioning Constellation to be in position to distribute drinks internationally in federal jurisdictions that allow recreational cannabis. The transaction in our opinion is transformative for the industry as it illustrates the growth opportunity for Canadian producers and investors.

The second noteworthy announcement occurred mid month when Aurora Cannabis Inc. (TSX:ACB) announced a hostile takeover for Cannimed Therapeutics Inc. (TSX:CMED). Both companies are Canadian Licensed Producers and our belief is that Aurora sees significant value in Cannimed's international medical relationships and its domestic patient management strategy. The combined entity would be a leader in the nascent cannabis industry with a combined market capitalization of over $3 billion.

We believe that the cannabis industry is witnessing significant growth as the July 2018 opening of the recreational market approaches. Not all LP's will be able to grow profitably, generating revenue while also maintaining positive bottom line earnings. We believe that over the medium and longer term, those LP's that are growing profitably will provide investors with sound returns.