

# CANSO CREDIT INCOME FUND

## Fund Rationale & Objectives

The Canso Credit Income Fund is a closed-end fund which seeks to maximize total returns for unit holders on a tax-advantaged basis by investing in an actively managed and diversified portfolio of corporate bonds. Distributions are targeted to be a tax-advantaged distribution of \$0.50 per Unit per annum, representing an annual yield of 5.00%.

### *Experienced Management Team • Attractive Yields • Tax Efficient*

The Fund is managed by Canso Investment Counsel Ltd, a leading corporate bond and credit manager with over \$7 billion AUM. The Canso credit team combines independent credit expertise and corporate bond analysis with demonstrated security selection ability.

#### **SIGNIFICANT VALUE-ADDED BY INFORMED CREDIT SELECTION.**

- Canso emphasizes “bottom up” and “deep value” credit analysis
- Canso exploits market liquidity to the advantage of our investors
- Canso finds opportunities that others miss

#### Monthly Update for December 31, 2011

<b>Date of Inception:</b>	July 16, 2010	<b>Total Long Positions:</b>	426,992,835.76
<b>Issue Price:</b>	\$10.00 per Unit	<b>Total Short Positions:</b>	(235,601,238.76)
<b>Ticker Symbol (TSX):</b>	PBY.UN (Class A)	<b>Total Net Assets:</b>	\$191,391,597.03*
<b>Opening NAV (July 16, 2010):</b>	\$9.4321 (Class A) <sup>†</sup>	<b># of Holdings:</b>	76 Long, 13 Short
	\$9.7321 (Class F) <sup>†</sup>	<b>Average Term:</b>	7.16 Years*
<b>Distribution Frequency:</b>	Monthly	<b>Duration:</b>	0.80 Years*
<b>Latest Distribution: Oct 17, 2011</b>	\$0.04166 per unit	<b>Yield to Maturity:</b>	10.47*
<b>Next Distribution: Nov 15, 2011</b>	\$0.04166 per unit	<b>Current Yield</b>	8.50
<b>Cumulative Distributions Since Inception:</b>	\$0.6664	<b>Average Credit Quality:</b>	BBB+*
		<b>NAV per Unit:</b>	\$8.46 (Class A)* <sup>†</sup>
			\$8.80 (Class F)* <sup>†</sup>
		<b>Market Price (Class A):</b>	\$9.15*

\*As of Dec 30, 2011

<sup>†</sup>As per CIBC Mellon

TOP 10 HOLDINGS	% of Assets	Yield	Rating
Shaw Communications Inc 6.75% Nov 9, 2039	10.77%	6.405	BBB-
Rogers Communication Inc. 6.11% Aug 25, 2040	10.21%	5.533	BBB
GE Capital Canada 5.73% Oct 22, 2037	9.32%	5.117	AA
Hwy 407 Jr Secured 7.125% 26 Jul 2040	8.69%	4.456	A-
Lloyds TSB Bank PLC 10.125% December 16, 2021	8.25%	10.168	BBB-
Morgan Stanley 4.90% Feb 23, 2017	7.89%	6.814	A-
Ford Credit Canada Ltd. 7.5% Aug 18, 2015	7.37%	5.252	BB+
Commerzbank AG Sub-debt FRN Dec 15, 2016	5.66%	15.331	BBB-
Kimco North Trust III 5.18% Aug 16, 2013	5.55%	3.059	BBB+
Manufacturers Life Insurance FF 4.21% Nov 18, 2016/21	5.12%	4.088	A+

Refer to the Final Prospectus dated June 28, 2010 for more details on the Canso Credit Income Fund (“Fund”). Investors should read the Prospectus before making an investment decision. The Prospectus contains important detailed information about the securities being offered. This document is not an invitation to invest in the Fund nor does it constitute a public offering of sale. Applications for purchases in the Fund will only be considered on the terms of the Final Prospectus which may be obtained from your Investment Advisor. Each purchaser of units in the Fund may have statutory or contractual rights of action. The information in this document is subject to change without notice. Commissions, trailing commissions, management fees and expenses are all associated with Fund investments and will reduce returns commensurate with their amounts. The Fund’s values are not guaranteed, its value may frequently change and past performance may not be repeated.