

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 January 31, 2012

Date of Inception:	July 16, 2010	Total Long Positions:	435,179,039.66
Issue Price:	\$10.00 per Unit	Total Short Positions:	(236,102,679.89)
Ticker Symbol (TSX):	PBY.UN (Class A)	Total Net Assets:	\$199,076,359.77*
Opening NAV (July 16, 2010):	\$9.4321 (Class A)†	# of Holdings:	80 Long, 13 Short
	\$9.7321 (Class F)†	Average Term:	6.83 Years*
		Duration:	0.80 Years*
		Yield to Maturity:	9.46*
		Current Yield	8.30
Distribution Frequency:	Monthly	Average Credit Quality:	BBB+*
Latest Distribution: Jan 16, 2012	\$0.04166 per unit	NAV per Unit:	\$8.86 (Class A)* †
Next Distribution: Feb 15, 2012	\$0.04166 per unit		\$9.21 (Class F)* †
Cumulative Distributions Since Inception:	\$0.7081	Market Price (Class A):	\$9.45*

*As of Jan 31, 2012

†As per CIBC Mellon

TOP 10 HOLDINGS	% of Assets	Yield	Rating
Shaw Communications Inc 6.75% Nov 9, 2039	10.37%	6.431	BBB-
Rogers Communication Inc. 6.11% Aug 25, 2040	10.05%	5.39	BBB
GE Capital Canada 5.73% Oct 22, 2037	9.19%	4.968	AA
Lloyds TSB Bank PLC 10.125% December 16, 2016/2021	8.70%	9.657	BBB-
Hwy 407 Jr Secured 7.125% 26 Jul 2040	8.37%	4.298	A-
Morgan Stanley 4.90% Feb 23, 2017	8.02%	5.66	A-
Ford Credit Canada Ltd. 7.5% Aug 18, 2015	7.30%	4.423	BB+
Commerzbank AG Sub-debt FRN Dec 15, 2016	6.73%	10.64	BB+
Kimco North Trust III 5.18% Aug 16, 2013	5.36%	2.924	BBB+
Royal Bank of Scotland 5.37% May 12, 2016	5.25%	13.253	BB+

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.