

The S&P/TSX Capped Utility TR Index was down -4.34% in January, underperforming the S&P/TSX Composite TR Index which was down -1.39%, over the month. The First Asset Active Utility & Infrastructure ETF (the "Fund") had a total return of -3.73% during the month.

For the month, the Fund's top three contributors to total return were: Parkland Fuel Corp. (PKI - TSX), contributing +26 bps; Boralex Inc., +6 bps; and, Nextera Energy Inc. (NEE -SPX) +3 bps. The Fund's bottom three performing holdings for the month were: Pembina Pipeline Corp. (PPL - TSX), (-42 bps); Enbridge Inc. (ENB - TSX), (-41 bps); and TransCanada Corp. (TRP - TSX) (-38 bps).

During the month, the Canadian 10-year government bond yield went up +24bps to finish at 2.289%.

Also during January, the Bank of Canada (BOC) raised its overnight lending rate by 25bps. The BOC cited strong economic performance in 2017 and a tightening labour markets as the reasons for the quarter point hike. The BOC also hinted a more cautious outlook given NAFTA uncertainties.

In the US, the Federal Reserve (Fed) left interest rates unchanged citing low inflation allows them to be more measured with rate hikes. This was the last policy decision for Fed Chair Yellen, who will be replaced by Jerome Powell.

In terms of economic data, Canadian Q4 GDP was in-line with expectations. Q4 GDP numbers in the US undershot expectations, but still ended the year on solid footing. Household spending was the most important contributor to overall growth, while private fixed investment also exhibited signs of strength.

With interest rates heading higher we have reduced our Fund weighting in Utilities and have increased our cash weighting in anticipation of volatility and potentially better buying opportunities in the near future.

#### Fund Performance

	1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	10 Year	SI <sup>1</sup>
First Asset Active Utility & Infrastructure ETF	-3.73%	-3.64%	-1.96%	-3.73%	4.37%	3.61%	7.56%	8.67%	6.21%
S&P/TSX Capped Utilities TR Index	4.34%	-4.96%	-1.87%	-4.34%	4.30%	4.11%	5.04%	5.35%	7.61%
S&P/TSX Composite TR Index	-1.39%	0.25%	6.85%	-1.39%	6.67%	5.90%	7.85%	5.01%	6.94%

Source: First Asset as at January 31, 2018

Inception date: February 17, 2005<sup>1</sup>

The S&P/TSX Composite Total Return Index is a capitalization-weighted index designed to measure market activity of stocks listed on the Toronto Stock Exchange. The Index is used as a benchmark to help you understand the Fund's performance relative to the general performance of the broader Canadian equity market.

The S&P/TSX Capped Utility Total Return Index is a capitalization-weighted index designed to measure market activity of the utility sector issuers listed on the Toronto Stock Exchange. The Index is used as a benchmark to help you understand the Fund's performance relative to the general performance of the Canadian utility sector.

1. The Fund was originally launched as a TSX-listed closed-end fund on February 17, 2005, and converted into an exchange traded fund on January 16, 2015. Performance shown is since inception of the closed-end fund. In connection with the conversion, and pursuant to unitholder approval, the annual management fee payable by the Fund to First Asset, as manager, was reduced to 0.65% (from 1.05%) of the NAV per unit and certain changes were made to the investment objectives, strategies and restrictions applicable to the Fund. Material among these changes is the ability for the Fund to invest up to 30% of its portfolio in securities of issuers listed on non-Canadian stock exchanges and the Fund will no longer be permitted to use leverage. Had these changes been in effect prior to this date the performance of the Fund could have been different. On June 12, 2006, pursuant to unitholder approval, the Fund's mandate was changed from that of an equally-weighted fund to that of an actively managed fund with a focus on the power, pipeline and supporting service and infrastructure trusts and the annual management fee payable by the Fund to First Asset, as manager, was increased to 0.75% (from 0.45%) of the NAV per unit. Had these changes been in effect prior to this date the performance of the Fund could have been different.



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Mr. Goswami manages the:

First Asset Active Canadian Dividend ETF  
First Asset Active Utility & Infrastructure ETF  
First Asset Canadian Dividend Opportunity Fund  
First Asset Utility Plus Fund

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### First Asset - Smart Solutions™

First Asset, a CI Financial Company, is a Canadian investment firm delivering a comprehensive suite of smart ETF solutions. Rooted in strong fundamentals, First Asset's smart solutions strive to deliver better risk-adjusted returns than the broad market while helping investors achieve their personal financial goals.

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