

Fund Overview

The First Asset Active Credit ETF (“FAO” or the “Fund”) is managed by Onex Credit, a \$10 billion credit platform. We actively invest in fixed income securities to maximize long-term, risk-adjusted total returns through cash distributions and long-term capital appreciation, in a manner consistent with preservation of capital and prudent risk management. The Fund invests in select credits we believe to have an attractive risk/reward profile based on our thorough bottoms-up and fundamental analysis of each company in which the Fund invests. We typically invest in businesses we know well, often after having followed them for months or even years, and, in many instances, we will invest in companies that one or more of our other credit strategies have invested in previously.

Potential fixed income investment opportunities for this Fund include:

- (i) Issuers with strong market positions and attractive, sustainable business models;
- (ii) Companies with quantifiable assets and/or predictable cash-flow characteristics; and
- (iii) Situations where markets have overreacted to actual or perceived risk.

In addition to active individual security selection, our strategy allows us to vary allocations opportunistically between senior secured loans and high-yield bonds, as market conditions change. Investments are based on fundamental credit and relative value analysis to maximize long-term, risk-adjusted total returns and enable us to manage the credit and duration profile of the Fund prudently.

Market and Strategy Update

The Fund was down 0.24% in the first quarter of 2018. After accounting for foreign exchange costs of hedging all investments against the Canadian dollar, FAO performed in-line with a comparable asset mix of the Credit Suisse Leveraged Loan and Credit Suisse High-Yield Indexes for the quarter.

The year began with substantial investor optimism, primarily driven by equity markets trading to all-time highs in January. Two months of increased market volatility followed this due to growing concerns about the potential negative impacts of trade wars and rising interest rates. As a result, leveraged loans outperformed high-yield bonds in the quarter as investors shifted their exposure from bonds to loans to reduce duration risk and benefit from rising interest rates.

During the first quarter, we continued to increase our loan exposure versus bonds, continuing the trend we began in the fourth quarter of 2017, as we still see more relative value in floating rate loans versus fixed rate bonds in the current rising interest rate environment. By quarter-end, 42% of the Fund’s portfolio was invested in loans compared to 32% in December. Given the Fund’s allocation to floating rate leveraged loans, and our ability to adjust such allocation as we see fit, we believe the portfolio is well-positioned to minimize duration risk should interest rates continue to rise in the near to intermediate term, as expected.

We believe volatility and rising rates will continue throughout the year, which marks a significant shift from what investors have seen in the capital markets over the past several years. As we move further into this changing investment climate, we are confident that our Onex Credit team’s decades of investing experience and deep familiarity with the broader markets will allow us to identify attractive investment opportunities in all parts of the cycle. Across Onex Credit’s investing strategies, we have in-depth knowledge of hundreds of credits, gained over many years of research and analysis. We believe the combination of this knowledge together with the Fund’s flexible strategy, which allows us to adjust exposure between floating and fixed rate investments, enable FAO to be well-positioned to deliver attractive, risk-adjusted credit returns even in uncertain environments.

Top 5 Profit and Loss Contributors in Q1 2018

<u>Strongest</u>	<u>Weakest</u>
Hexion Bond	SPDR ETF
KIK Custom Bond	iShares iBOXX High Yield Corporate Bond ETF
Idera, Inc. Loan	American Axle Bond
YRC Worldwide Loan	Burger King Bond
Herbalife Loan	Commscope Bond

This chart shows the top five strongest and weakest holdings contributing to the Fund’s performance for the first quarter of 2018. These holdings do not represent all of the securities held, purchased or sold during the respective periods. Past performance is not indicative of future results.
Source: Onex Credit Partners as at March 30, 2018

Fund Performance

	1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	SI
First Asset Active Credit ETF (Hedged to CAD)	-0.21%	-0.24%	-0.04%	-0.24%	2.65%	4.25%	-	4.72%
First Asset Active Credit ETF (USD)	-0.14%	0.08%	0.81%	0.08%	3.69%	4.48%		4.64%
Credit Suisse High Yield Index	-0.63%	-0.84%	-0.32%	-0.85%	3.68%	5.16%	-	5.66%
Credit Suisse Leveraged Loan Index	0.32%	1.59%	2.77%	1.58%	4.64%	4.33%	-	4.72%

Source: First Asset and Onex Credit Partners as at March 30, 2018

Inception date: Jan 16, 2015

Firm Update

Onex Credit now manages approximately \$10 billion in assets under management. In line with the growth of our platform, we continue to augment our investment team with new talent and the investment team has grown to include 23 people, with an average of nearly 20 years of experience.

We look forward to all that lies ahead in the upcoming year.

Thank you for your continued support,
Onex Credit Partners, LLC.

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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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