

**Asset Class:** Sector Equity

TSX TICKER:

**FLI**

**FUND INFORMATION**

Inception Date	August 22, 2013
Conversion Date	September 3, 2014
NAV per Unit	\$12.73
Number of Holdings	11
Distribution Frequency	Quarterly, if any
Trailing 12m Yield <sup>1</sup>	5.49%
CUSIP	31864W109
Management Fee	0.75%
Benchmark	S&P 500 TR Index
Morningstar Rating™	★★★★

**CHARACTERISTICS**

	Fund	Benchmark
P/E Ratio	14.08	22.04
P/B Ratio	1.27	3.07
Std Dev	13.95	9.72
Beta	0.95	1.00
Sharpe Ratio	0.97	0.42
Sortino Ratio	1.62	0.58
Max Drawdown	-17.62	-8.49
Up Capture	95.05	100.00
Down Capture	78.74	100.00
Dividend Yield	2.57	-
Gross Option Premium	3.25	-
Total Portfolio Income	5.82	-

Time period: 22/08/2013 to 29/09/2017  
Gross Option Premium represent those received on September 15, 2017

**EQUITY STYLE BOX**

29	30	0	Large
31	10	0	
0	0	0	Small
Value	Blend	Growth	

**FUND OVERVIEW**

This ETF provides investors with an ideal way to diversify their holdings within the Financials sector, while also providing an attractive opportunity to participate in the stock gains that life insurance companies are likely to experience in a rising interest rate environment. The manager seeks to minimize volatility and generate an attractive income stream through an actively managed covered call writing strategy. The 10 largest North American life insurance companies, measured by market capitalization, are chosen for inclusion in the ETF on an equally weighted basis and rebalanced annually. Distributions are paid quarterly and no more than 25% of the portfolio's securities will have call options written upon them at any given time.

**GROWTH OF \$10,000 <sup>2</sup>**



**FUND PERFORMANCE (%)**

	1m	3m	6m	YTD	1y	2y	3y	4y	SI
<b>FLI</b>	<b>3.72</b>	<b>1.98</b>	<b>2.28</b>	<b>4.82</b>	<b>23.64</b>	<b>14.33</b>	<b>12.09</b>	<b>14.28</b>	<b>13.64</b>
Benchmark	2.06	4.48	7.71	14.24	18.61	17.00	10.81	12.98	13.08

**TOP 10 HOLDINGS (%)**

AFLAC INC	10.93
UNUM GROUP	10.45
MANULIFE FINANCIAL CORP	10.28
PRINCIPAL FINANCIAL GROUP INC	10.18
LINCOLN NATIONAL CORP	10.07
TORCHMARK CORP	10.05
GREAT WEST LIFECO INC	9.96
SUN LIFE FINANCIAL INC	9.46
PRUDENTIAL FINANCIAL INC	9.38
METLIFE INC	8.84

<sup>1</sup>The Trailing 12 Month Yield is calculated on the Fund's actual distributions paid to investors over the past 12 months based on NAV. All distributions are paid in cash.  
<sup>2</sup>The indicated rates of return are the historical annual compounded total returns, including changes in unit value and do not take into account sales, redemption or optional charges or income taxes payable by a security holder that would have reduced returns. The Fund was originally launched as a TSX-listed closed-end fund on August 22, 2013, and converted into a TSX-listed exchange traded fund on September 3, 2014. Performance shown is since inception of the closed-end fund. The rate of return chart shown is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the Index or the Fund or returns on investment in the Fund.  
Use of benchmark: The S&P 500 Index tracks 500 large-cap U.S. stocks representing all major industries. This index is used as a benchmark to help you understand the Fund's performance relative to the general performance of the broader U.S. equity market.

## KEY REASONS TO INVEST

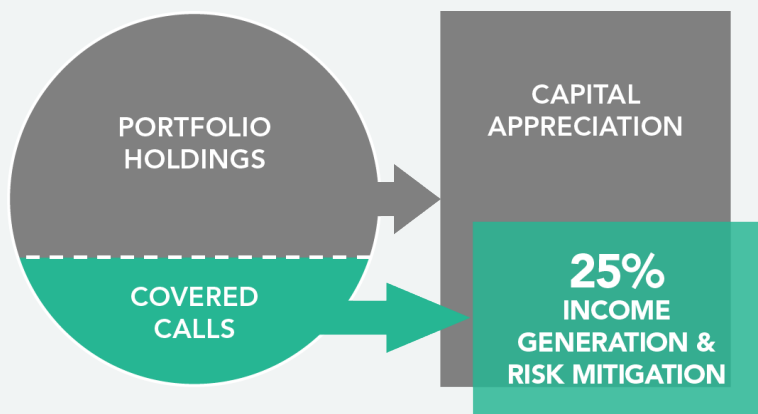
- Attractive income generation supported by an actively managed covered call writing strategy
- Lower volatility approach to North American financials exposure
- Life insurance companies are poised to benefit in a rising interest rate environment
- Ideal way to help offset interest rate risk on the fixed income side of portfolios

## CALL OPTION STRATEGY

A covered call option strategy is implemented by selling a call option contract while owning shares of the underlying stock. This is generally considered to be a conservative strategy because it decreases the risk of stock ownership while providing additional income over and above the dividend income from the underlying stocks.

The manager will write call options on approximately, and not exceeding, 25% of the holdings in the portfolio in order to seek to earn attractive tax effective income and lower the overall volatility of returns.

## PORTFOLIO STRUCTURE



### Capital Appreciation

The portfolio is fully invested in equity securities, meaning capital appreciation remains the dominant driver of total returns.

### Income Generation & Risk Mitigation

The portfolio generates additional income by selling call options on up to 25% of each holding, giving the buyers the right to purchase the underlying stocks at predetermined prices prior to a predetermined maturity date. The portfolio is, in essence, trading away some capital gain potential if stocks rally strongly in order to provide unitholders with current income.

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First Asset - **Smart Solutions™**

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Commissions, management fees and expenses all may be associated with an investment in this Fund. This Fund is not guaranteed, its value changes frequently and past performance may not be repeated. The indicated rates of return are the historical annual compounded total returns, including changes in unit value and do not take into account sales, redemption or optional charges or income taxes payable by a security holder that would have reduced returns. Please read the Fund's prospectus before investing. This communication is intended for informational purposes only and is not, and should not be construed as, investment and/or tax advice to any individual. Particular investments and/or trading strategies should be evaluated relative to each individual's circumstances. Individuals should seek the advice of professionals, as appropriate, regarding any particular investment. First Asset U.S. & Canada Lifeco Income ETF is managed by First Asset Investment Management Inc., a subsidiary of First Asset Capital Corp. (FA Capital). TM First Asset and its logo are trademarks of FA Capital, a wholly owned subsidiary of CI Financial Corp. which is listed on the Toronto Stock Exchange under the symbol "CIX". ©CI FINANCIAL is a registered trademark of CI Investment Inc., used under license.

The 4 Star Ratings for the (FLI) are as at September 30, 2017, and are subject to change monthly. CIFSC category, Star Ratings, annual compounded performance and number of peer funds in each period are as follows: 's CIFSC category is the Financial Services Equity category. Information shown is for the Common Units (FLI), 1 year: n/a stars, 23.6%, (60 funds); 3 years: 4 stars, 12.1%, (44 funds); 5 years: n/a stars, n/a% (n/a funds); 10 years: n/a stars, n/a%, (n/a funds). The Morningstar Risk Adjusted Rating (MRARs), commonly referred to as the Star Ratings, are an objective, quantitative measure of a fund's historical risk-adjusted performance relative to other funds in its CIFSC category. Morningstar calculates Star Ratings for funds with at least 3 years of performance and within CIFSC categories with a sufficient number of peer funds. To determine a fund's Star Rating, the fund and its category peers are ranked by their MRARs. If a fund scores in the top 10% of its category, it receives five stars (High); if it falls in the next 22.5% , it receives four stars (Above Average); the next 35% earns a fund three stars (Neutral or Average); those in the next 22.5% received two stars (Below Average); and the lowest 10% received one star (Low). The overall rating is a weighted combination of the 3, 5 and 10 year ratings, as applicable. MRARs are recalculated monthly by Morningstar. For greater detail on the calculation of the Star Ratings, you may visit Morningstar's website ([www.morningstar.ca](http://www.morningstar.ca)). Categories are assigned by Canadian Investment Funds Standards Committee (CIFSC) based on an evaluation of a fund's holdings. A fund's category may change at any time. Funds within the same category may differ in terms of investment philosophy, investment process, as well as overall composition. © Morningstar Inc. All Rights Reserved. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.