

Asset Class: Sector Equity

TSX TICKER:

FLI

FUND INFORMATION

Inception Date	August 22, 2013
Conversion Date	September 3, 2014
NAV per Unit	\$12.62
Number of Holdings	20
Distribution Frequency	Quarterly, if any
Trailing 12m Yield ¹	5.32%
CUSIP	31864W109
Management Fee	0.75%
Benchmark	S&P 500 Index (Total Return)

CHARACTERISTICS

	Fund	Benchmark
P/E Ratio	9.50	20.60
P/B Ratio	1.18	3.09
Std Dev	13.44	9.82
Beta	0.88	1.00
Sharpe Ratio	0.90	0.43
Sortino Ratio	1.51	0.60
Max Drawdown	-17.62	-8.49
Up Capture	89.68	100.00
Down Capture	77.72	100.00
Dividend Yield	2.87	-
Gross Option Premium	4.95	-
Total Portfolio Income	7.82	-

Time period: 22/08/2013 to 30/04/2018
Gross Option Premium represent those received on April 20, 2018

EQUITY STYLE BOX

70	0	0	Large
19	10	0	
0	0	0	Mid
			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 ²



FUND PERFORMANCE (%)

	1m	3m	6m	YTD	1y	2y	3y	4y	SI
FLI	1.58	-3.18	-1.77	-4.18	2.56	16.20	10.15	10.99	12.26
Benchmark	0.38	-5.77	3.82	-0.38	13.27	15.58	10.57	11.17	12.82

TOP 10 HOLDINGS (%)

AFLAC INC	11.65
TORCHMARK CORP	10.52
SUN LIFE FINANCIAL INC	10.52
GREAT WEST LIFECO INC	10.43
METLIFE INC	10.06
UNUM GROUP	9.63
PRUDENTIAL FINANCIAL INC	9.63
MANULIFE FINANCIAL CORP	9.56
LINCOLN NATIONAL CORP	9.55
PRINCIPAL FINANCIAL GROUP INC	9.02

¹The 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.
²The 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 automatically converted into a TSX-listed exchange traded fund on September 3, 2014, with no change to its investment objectives or management fees. 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

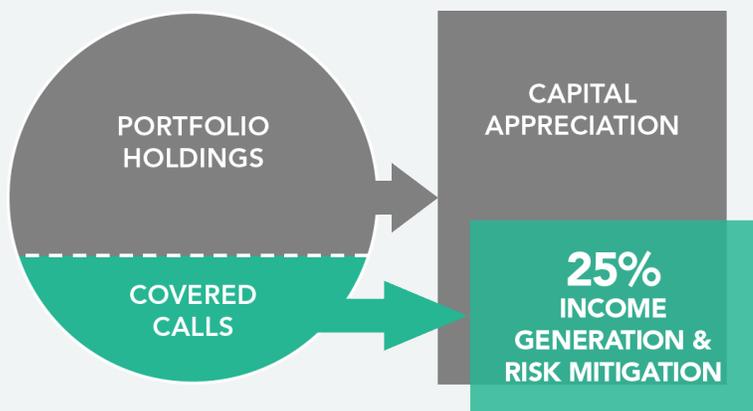
- Attractive income generation supported by an actively managed covered call writing strategy
- Lower volatility approach to North American financials exposure
- Life insurance companies are poised to benefit in a rising interest rate environment
- Ideal way to help offset interest rate risk on the fixed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