

The S&P/TSX Capped Utility TR Index was up +2.05% in May, ahead of the S&P/TSX Composite TR Index which was down -1.33%, over the month. The First Asset Active Utility & Infrastructure ETF (the "Fund") had a total return of +1.16% during the month. For the one-year period ending May 31st, the Fund returned +13.26% net of fees versus the S&P/TSX Capped Utility TR Index which was up 14.44%.

During the month the Canada 10-year government bond yield backed up 13bps to finish at 1.41%. On average, the Canadian Energy Infrastructure group is trading at a 276bp spread to 10-year bond yields, 125bps above the long term average of 151bps.

Kinder Morgan Canada (KML – TSX) completed its initial public offering and began trading on May 30th. The deal was initially priced higher than the \$17 offering price but pushback from investors on valuation and potential uncertainty over west coast pipeline expansion led to a re-pricing. There is considerable political uncertainty in British Columbia with speculation that the Liberals minority government is likely to be toppled by an NDP and Green Party coalition in the coming days. Both the NDP and Green parties have stated that they oppose Kinder Morgan's proposed expansion of the Trans Mountain Express pipeline.

For the month, the Fund's top three contributors to total return were: Veresen Inc. (VSN – TSX), contributing +58.5 bps; Algonquin Power & Utilities Corp. (AQN –TSX), +43.8 bps; and, Boralex Inc. (BLX - TSX) +43.8 bps. The Fund's bottom three performing holdings for the month were: Enercare Inc. (ECN - TSX), (-38.4 bps); Enbridge Inc. (ENB - TSX), (-33.3 bps); and Superior Plus Corp. (SPB - TSX) (-23.1 bps).

We continue to see the trend of Canadian energy infrastructure management teams pursue growth opportunities outside of Canada. Roughly half of cash flows and earnings on average in our portfolio come from outside of Canada.

Monthly Recap – May 2017

- On May 17th, Pembina (TSX: PPL) hosted its investor day in Toronto. Overall the message was positive with the company highlighting the strategic fit of the \$9.7B Veresen acquisition and a multi-year outlook for 8-10% growth in cash flows.
- On June 1st, TD Bank hosted a Power and Utility conference in Toronto. Broad topics of discussion included global renewable development opportunities, and transmission development in North America.
- On June 1st, President Trump announced the United States would withdraw from the 2015 Paris Climate Agreement, much to the dismay of many global partners. It is too early to determine the implications of this decision as some states have stated that will continue to aim to meet targets set out in the agreement.
- On June 8th, Enbridge (TSX: ENB) hosted a mid-year update where it highlighted its large back-log of projects underpinning the 10-12% guidance growth for dividends. Following the \$46B Spectra acquisition, Enbridge's business mix is more balanced between Natural Gas and Oil infrastructure, opening up opportunities to exploring further oil infrastructure expansion in areas such as the U.S. gulf coast.

The Fund's top ten holding at March 31st were Boralex, Algonquin Power, TransCanada, Fortis, Enbridge, Emera, Enercare, Northland Power, Parkland, Nextera. Combined, these holdings represent ~44% of the Fund.



Manash Goswami, CFA, CPA, CMA
Portfolio Manager
First Asset Investment Management Inc.

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
First Asset Energy & Resource Fund

Fund Performance

	1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	10 Year	SI ¹
First Asset Active Utility & Infrastructure ETF	1.16%	5.76%	11.40%	8.41%	13.26%	7.57%	10.38%	7.84%	6.87%
S&P/TSX Capped Utilities TR Index	2.05%	7.49%	12.80%	9.59%	14.44%	9.96%	7.45%	6.13%	8.35%
S&P/TSX Composite TR Index	-1.33%	0.43%	3.19%	1.50%	12.27%	4.73%	9.15%	3.88%	6.80%

Source: First Asset as at May 31, 2017

Inception date: February 17, 2005¹

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.

1 (877) 642-1289 | www.firstasset.com | info@firstasset.com



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.

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.

Commissions, trailing commissions, management fees and expenses all may be associated with investments in exchange traded funds. Please read the prospectus before investing. Exchange traded funds are not guaranteed, their values change frequently and past performance may not be repeated. The indicated rates of return of the Fund 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. Performance is calculated net of fees. The opinions contained in this document are solely those of the Portfolio Manager, First Asset Investment Management Inc., at the indicated date of the information and are subject to change without notice. Some of the statements contained in this document may be considered forward looking statements which provide current expectations or forecasts of future events. Such forward-looking statements reflect the Portfolio Manager's current expectations or forecasts of future events and are based on information currently available to the Portfolio Manager. Such forward looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors. These factors include, but are not limited to, general economic, political and market factors globally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events. First Asset and the Portfolio Manager do not undertake any obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as expressly required by law. This document includes information that has been obtained from third party sources. Although the Portfolio Manager believes that these independent sources are generally reliable, the accuracy and completeness of such information is not guaranteed and has not been independently verified. The Portfolio Manager assumes no responsibility for any losses or damages, whether direct or indirect, which arise from the use of this information and expressly disclaims liability for any errors or omissions in this information. The Fund is managed by First Asset Investment Management Inc., a subsidiary of First Asset Capital Corp. (FA Capital).™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.