

For the month of July, the First Asset Canadian Dividend Opportunity Fund (the "Fund") had a total return of +1.17%. The Fund underperformed the S&P/TSX Composite Total Return Index, which was up +1.15%, over the month.

During the month the Canada 10-year government bond yield went up +14bps to finish at 2.310%.

For the month, some of the top contributors to the Fund's total return were: Canadian Pacific Railway Ltd. (CP - TSX), contributing +8 bps; Pembina Pipeline Corp. (PPL - TSX), +5 bps; and, TransCanada Corp. (TRP - TSX), +5 bps. Some of the laggards in the Fund's holdings for the month were: Boralex Inc. (BLX - TSX) (-7 bps), Hydro One Ltd. (H - TSX) (-5 bps), and Altagas Ltd. (ALA - TSX) (-5 bps).

During the month, the Bank of Canada ("BOC") raised overnight lending rate 25bp to 1.50% and quantified that further hikes would be data dependent. Although the economy is operating close to capacity, the BOC noted that wage inflation is lower than they would expect, indicating slack in the labour market. Presently, the market is pricing in another two 25bps hikes in December and March of next year.

Even with recent rate hikes interest rates remain low in both Canada and the US. Economic data is still positive but at the margin appears to be topping out suggesting lower growth ahead. In this environment, we believe defensive sectors such as real estate and utilities can perform well given the defensive nature of their businesses which are underpinned by long term contracts and regulated returns.

We have been underweight utilities for most of the year, but we have recently started taking up our weight.

#### Fund Performance

	1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	SI <sup>1</sup>
First Asset Canadian Dividend Opportunity Fund A	1.17%	4.33%	2.84%	1.33%	5.14%	1.72%	3.67%	6.47%
S&P/TSX Composite TR Index	1.15%	6.07%	4.58%	3.12%	11.75%	7.48%	8.81%	6.84%

Source: First Asset as at July 31, 2018

Inception date: April 19, 2010<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.

1. The Fund was originally launched as a TSX-listed closed-end fund on April 19, 2010, and converted into an open-end mutual fund on April 19, 2012. Performance shown is since inception of the closed-end fund. In connection with the automatic conversion certain changes were made to the investment objectives, strategies and restrictions applicable to the Fund in order to conform to NI 81-102. Material among these changes is that the Fund will no longer be permitted to use leverage and an increase in the servicing fee from 0.5% to 1.0% per annum. 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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