

For the month of January, the First Asset Canadian Dividend Opportunity Fund (the "Fund") had a total return of -1.46%. The Fund underperformed the S&P/TSX Composite TR Index, which was down -1.39%, over the month.

During the month the Canadian 10-year government bond yield went up +24bps to finish at 2.289%.

For the month, some of the top contributors to total return were: Pure Industrial REIT (AAR.U - TSX), contributing +32 bps; WPT Industrial REIT (WIR.U - TSX), + 5 bps; and, Pure Multi-Family REIT (RUF.U – TSX), +4 bps. Some of the laggards in the fund's holdings for the month were: TransCanada Corp. (TRP - TSX), (-16 bps); Pembina Pipeline Corp. (PPL – TSX) (-16bps), and Enbridge Inc. (ENB - TSX) (-13 bps).

During the month, the Bank of Canada (BOC) raised its overnight lending rate by 25bps. The BOC cited strong economic performance in 2017 and a tightening labour markets as the reasons for the quarter point hike. The BOC also hinted a more cautious outlook given NAFTA uncertainties.

In the US, the Federal Reserve (Fed) left interest rates unchanged citing low inflation allows them to be more measured with rate hikes. This was the last policy decision for Fed Chair Yellen, who will be replaced by Jerome Powell.

In terms of economic data, Canadian Q4 GDP was in-line with expectations. Q4 GDP numbers in the US undershot expectations, but still ended the year on solid footing. Household spending was the most important contributor to overall growth, while private fixed investment also exhibited signs of strength.

With interest rates heading higher we have reduced our Fund weighting in more interest sensitive sectors such as Utilities and Telcos, and have increased our cash weighting in anticipation of volatility and potentially better buying opportunities in the near future.

Fund Performance

	1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	SI ¹
First Asset Canadian Dividend Opportunity Fund A	-1.46%	-1.70%	2.24%	-1.46%	5.56%	2.18%	3.37%	6.51%
S&P/TSX Composite TR Index	-1.40%	0.26%	6.85%	-1.40%	6.67%	5.90%	7.85%	6.67%

Source: First Asset as at January 31, 2018

Inception date: April 19, 2010¹

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
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