

For the month of September, the First Asset Canadian Dividend Opportunity Fund (the "Fund") had a total return of +2.03%. The Fund underperformed the S&P/TSX Composite TR Index, which was up +3.06%, over the month.

Year-to-date for the period ending September 30, 2017, the Fund has had a total return of +5.32%, outperforming the S&P/TSX Composite TR Index which was up +4.45%, by 87 basis points.

During the month the Canada 10-year government bond yield up 25bps to finish at 2.099%.

For the month, some of the top contributors to total return were: Dollarama Inc. (DOL -TSX), contributing +16.7 bps; Veresen Inc. (VSN - TSX), + 15 bps; and, CSX Corp. (CSX – S&P 500), +14 bps. Some of the laggards in the Fund's holdings for the month were: Tricon Capital Group Inc. (TCN - TSX), (-7.9 bps); Northland Power Inc. (NPI – TSX) (-6.2bps), and Pure Industrial REIT (AAR.UN - TSX) (-5.1 bps).

The Bank of Canada raised rates for the second time this year increasing the overnight rate a further 25bp. Market sentiment is for higher bond yields in anticipation of further tightening from the Bank of Canada. The Overnight Index Swap (OIS) market is pricing in further 25bp hikes in January and May.

There is some debate on whether the Bank of Canada should be raising rates with inflation (currently 1.3%) still well below the 2% target level. We would re-frame the question to ask if such simulative low levels of interest rates are required given the recovery in the broader economy and that central banks are currently not fighting deflation.

Post the last Federal Reserve System (the "Fed") meeting, markets were pricing in over 70% probability of a rate hike in December. The Fed also announced its plan to reduce its \$4.5T balance sheet starting in October at \$10B/month.

In Germany, Angela Merkel's won a fourth term as Chancellor. Recent volatility has dropped as markets have shrugged off the impacts of Hurricane Irma which ended up a little less powerful than expected and continued tension between the U.S. and North Korea.

Fund Performance

	1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	SI ¹
First Asset Canadian Dividend Opportunity Fund A	2.03%	1.14%	2.59%	5.39%	2.46%	1.22%	4.17%	6.77%
S&P/TSX Composite TR Index	3.06%	3.68%	1.99%	4.45%	9.19%	4.54%	8.06%	6.56%

Source: First Asset as at September 30, 2017

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.



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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
- First Asset Energy & Resource Fund

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