

Covered Call

Asset Class: Sector Equity

TSX TICKER:

FLI.A

FUND INFORMATION

Inception Date	September 3, 2014
NAV per Unit	\$12.80
Number of Holdings	10
Distribution Frequency	Quarterly, if any
Trailing 12m Yield ¹	4.62%
CUSIP	31864W117
Management Fee	1.50%
Benchmark	S&P 500 TR Index

CHARACTERISTICS

	Fund	Benchmark
P/E Ratio	12.86	21.41
P/B Ratio	1.27	3.01
Std Dev	15.54	10.45
Beta	1.00	1.00
Sharpe Ratio	0.80	0.41
Sortino Ratio	1.27	0.56
Max Drawdown	-17.62	-8.49
Up Capture	109.55	100.00
Down Capture	91.75	100.00
Dividend Yield	2.64	-
Gross Option Premium	2.89	-
Total Portfolio Income	5.53	-

Time period: 3/09/2014 to 30/06/2017

Gross Option Premium represent those received on June 16, 2017

EQUITY STYLE BOX

40	20	0	Large
41	0	0	
0	0	0	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	SI
FLI.A	1.64	0.08	2.25	2.25	31.06	9.14	10.67
Benchmark	0.62	3.09	9.34	9.34	17.90	10.72	12.71

TOP 10 HOLDINGS (%)

AFLAC INC	10.70
PRINCIPAL FINANCIAL GROUP	10.67
TORCHMARK CORP	9.99
PRUDENTIAL FINANCIAL INC	9.96
MANULIFE FINANCIAL CORP	9.92
UNUM GROUP	9.91
METLIFE INC	9.87
GREAT WESTLIFECO INC	9.76
LINCOLN NATIONAL CORP	9.60
SUN LIFE FINANCIAL INC	8.74

CALL OPTION POSITIONS

METLIFE INC	Jul 2017 @ \$55
SUN LIFE FINANCIAL INC	Jul 2017 @ \$46
GREAT-WEST LIFECO INC	Jul 2017 @ \$35
PRUDENTIAL FINANCIAL INC	Jul 2017 @ \$110
LINCOLN NATIONAL CORP	Jul 2017 @ \$70
UNUM GROUP	Jul 2017 @ \$48
AFLAC INC	Jul 2017 @ \$80
TORCHMARK CORP	Jul 2017 @ \$80
PRINCIPAL FINANCIAL GROUP INC	Jul 2017 @ \$70
MANULIFE FINANCIAL CORP	Jul 2017 @ \$24

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 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

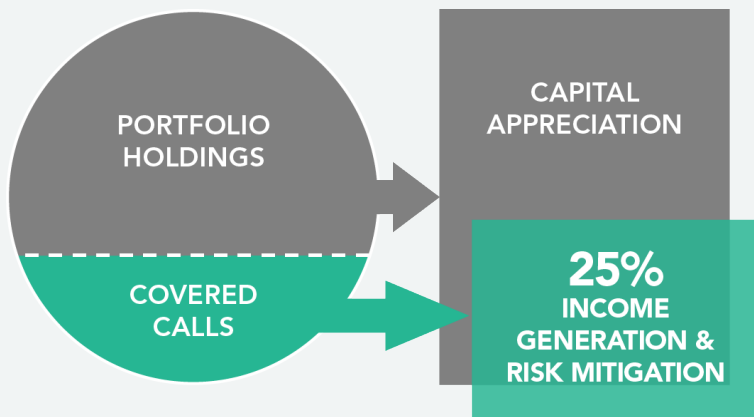
- Attractive income generation supported by an actively managed covered call writing strategy
- Lower volatility approach to North American financials exposure
- Life insurance companies are poised to benefit in a rising interest rate environment
- Ideal way to help offset interest rate risk on the fixed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