



CI First Asset Active Utility & Infrastructure ETF (TSX:FAI) Manager Commentary April 2019

Portfolio Activity and Market Commentary

For the month ended April 30, 2019, CI First Asset Active Utility & Infrastructure ETF (the “Fund”) returned 0.8%, outperforming its benchmark, the S&P/TSX Capped Utilities Total Return Index, which was up 0.5% over the same period.

For the month, some of the top contributors to the Fund’s return were Fund holdings in TransCanada Corp. (TSX:TRP), up 30 basis points (bps); Enbridge Inc. (TSX:ENB), up 17 bps; and AltaGas Canada Inc. (TSX:ACI), up 16 bps. Some of the detractors from the Fund’s performance were Fund holdings in Boralex Inc. (TSX:BLX), -14 bps; Gibson Energy Inc. (TSX:GEI), -12 bps; and Capital Power Corp. (TSX:CPX), -12 bps.

During the month, the Canadian government 10-year bond yield was up 10 bps to 1.71%.

In April, we saw the continuation of weaker economic trends during the first quarter of the year. We continue to see downside risk in both global growth estimates and corporate results.

With close to 80% of companies that are constituents of the S&P 500 Total Return Index and a little under half of those listed on the Toronto Stock Exchange (TSX) having reported their first-quarter 2019 results, we continue to see positive growth trends, in aggregate, in top-line revenue and bottom-line earnings. The caveat is that growth rates are materially lower than what we have seen recently.

Market Outlook

We believe the majority of the market rally this year has been due to a dovish shift by central banks globally in monetary policy and outlook/commentary, and not due to fundamental factors.

We continue to believe energy infrastructure equities such as utilities and pipelines can perform well given the defensive nature of their businesses, which are underpinned by long-term contracts and regulated returns.

Sources: Bloomberg L.P. and First Asset Investment Management, as at April 30, 2019.



Performance (%)	1 mo.	3 mo.	6 mo.	Year-to-date	1 year	2 year	3 year	5 year	10 year	Since inception*
CI First Asset Active Utility & Infrastructure ETF	0.8	6.3	11.3	13.4	15.7	5.2	8.5	6.9	11.2	6.6
S&P/TSX Capped Utilities Total Return Index	0.5	9.8	18.3	16.7	16.3	5.4	8.9	7.5	9.9	7.8
S&P/TSX Composite Total Return Index	3.2	7.6	12.2	16.9	9.6	6.3	9.1	5.6	9.1	6.9

Sources: Morningstar Direct and First Asset, as at April 30, 2019.

* Since-inception date: February 17, 2005.

* The Fund was originally launched as a TSX-listed closed-end fund on February 17, 2005, and converted into an exchange-traded fund on January 16, 2015. Performance shown is since inception of the closed-end fund. In connection with the conversion, and pursuant to unitholder approval, the annual management fee payable by the Fund to First Asset Investment Management Inc. ("First Asset"), as manager, was reduced to 0.65% (from 1.05%) of the net asset value (NAV) per unit and certain changes were made to the investment objectives, strategies and restrictions applicable to the Fund. Material among these changes is the ability for the Fund to invest up to 30% of its portfolio in securities of issuers listed on non-Canadian stock exchanges and the Fund will no longer be permitted to use leverage. Had these changes been in effect prior to this date, the performance of the Fund could have been different. On June 12, 2006, pursuant to unitholder approval, the Fund's mandate was changed from that of an equally weighted fund to that of an actively managed fund with a focus on the power, pipeline and supporting service and infrastructure trusts and the annual management fee payable by the Fund to First Asset, as manager, was increased to 0.75% (from 0.45%) of the NAV per unit. Had these changes been in effect prior to this date the performance of the Fund could have been different.

The indicated rates of return 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 securityholder that would have reduced returns. Performance is calculated net of fees.

Use of Benchmark:

There are various important differences that may exist between the ETF and the stated index that may affect the performance of each. The objectives and strategies of the ETF result in holdings that do not necessarily reflect the constituents of, and their weights within, the comparable index. Indices are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in an index.

The S&P/TSX Capped Utilities Total Return Index is a capitalization-weighted index designed to measure market activity of utility sector issuers listed on the Toronto Stock Exchange (TSX). The index is used as a benchmark to help you understand the Fund's performance relative to the general performance of the Canadian utility sector.

The S&P/TSX Composite Total Return Index is a capitalization-weighted index designed to measure market activity of stocks listed on the TSX. 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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