

For the month of July, the First Asset Active Canadian Dividend ETF (the "Fund") had a total return of +1.57%. The Fund outperformed the S&P/TSX Composite Total Return Index ("TSX"), which was up +1.15%, over the month.

During the month the Canada 10-year government bond yield went up +14bps to finish at 2.31%.

For the month, some of the top contributors to the Fund's total return were: Canadian Pacific Railway Ltd. (CP - TSX), contributing +19 bps; Bank of Nova Scotia (BNS - TSX), +15 bps; and, Pembina Pipeline Corp. (PPL - TSX), +13 bps. Some of the laggards in the Fund's holdings for the month were: Crescent Point Energy Corp. (CPG - TSX), (-10 bps); Northland Power Inc. (NPI - TSX) (-8 bps), and Whitecap Resources Inc. (WCP - TSX) (-7 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 two additional 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	SI
First Asset Active Canadian Dividend ETF	1.57%	4.95%	4.11%	2.28%	6.91%	4.38%	3.36%
S&P/TSX Composite TR Index	1.15%	6.07%	4.58%	3.12%	11.74%	7.48%	4.30%

Source: First Asset as at July 31, 2018

Inception date: September 3, 2014

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

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First Asset - Smart Solutions™

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