

**Asset Class:** Canadian Equity

TSX TICKER:  
**FBE**

**FUND INFORMATION**

|                                 |  |
|---------------------------------|--|
| Inception Date                  | September 9, 2016                      |
| NAV per Unit                    | \$24.42                                |
| Number of Holdings              | 40                                     |
| Distribution Frequency          | Quarterly, if any                      |
| Trailing 12m Yield <sup>1</sup> | 1.46%                                  |
| CUSIP                           | 31861J101                              |
| Management Fee                  | 0.60%                                  |
| Benchmark                       | S&P/TSX Composite Index (Total Return) |

**CHARACTERISTICS**

|                     | Index  | Benchmark |
|---------------------|--------|-----------|
| Return (annualized) | 10.75% | 5.25%     |
| P/E Ratio           | 13.98  | 15.73     |
| P/B Ratio           | 1.99   | 1.82      |
| Std Dev             | 12.04  | 13.36     |
| Beta                | 0.79   | 1.00      |
| Sharpe Ratio        | 0.75   | 0.29      |
| Sortino Ratio       | 1.14   | 0.39      |
| Max Drawdown        | -37.49 | -43.35    |
| Up Capture          | 102.67 | 100.00    |
| Down Capture        | 69.55  | 100.00    |

Time period: 22/06/2000 to 31/05/2018

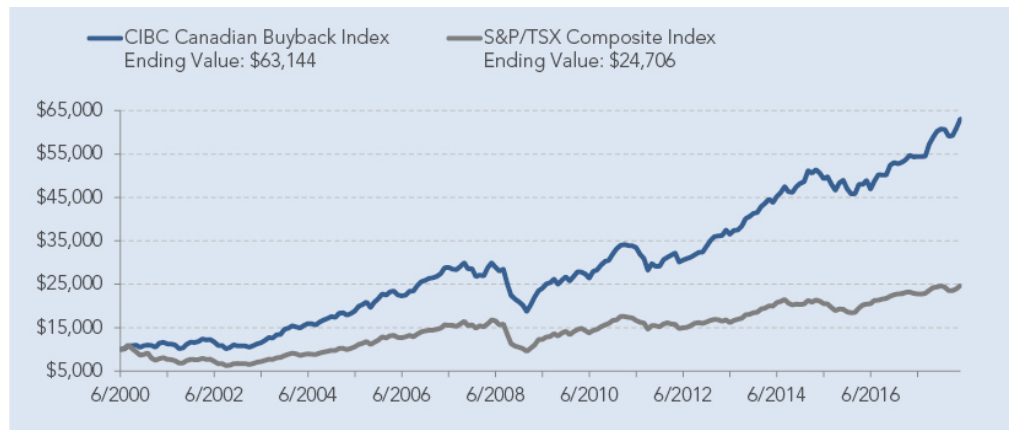
**EQUITY STYLE BOX**

|       |       |        |       |       |
|-------|-------|--------|-------|-------|
| 15    | 21    | 31     | Large |       |
| 8     | 15    | 11     |       | Mid   |
| 0     | 0     | 0      |       | Small |
| Value | Blend | Growth |       |       |

**FUND OVERVIEW**

First Asset Canadian Buyback Index ETF (the "Fund") provides investors with exposure to a portfolio of equity securities of quality companies with active share buyback programs that have significantly and consistently reduced their issued and outstanding share count. The Fund has been designed to replicate, to the extent possible, the performance of the CIBC Canadian Buyback Index (the "Index"), which uses a proprietary rules-based methodology to select constituent securities from those trading on the TSX that meet minimum market cap and average daily volume thresholds. Securities will be equally weighted and rebalanced quarterly.

**GROWTH OF \$10,000 <sup>2</sup>**



**TRAILING INDEX RETURNS (%)<sup>2</sup>**

|                             | 3y   | 5y    | 10y  |
|-----------------------------|------|-------|------|
| CIBC Canadian Buyback Index | 7.67 | 10.98 | 7.74 |
| Benchmark                   | 5.36 | 8.05  | 3.92 |

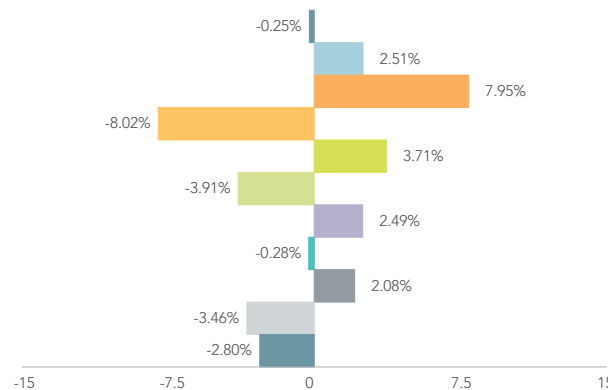
**FUND PERFORMANCE (%)**

|           | 1m   | 3m   | 6m   | YTD  | 1y    | SI    |
|-----------|------|------|------|------|-------|-------|
| FBE       | 3.41 | 6.56 | 4.53 | 3.50 | 15.09 | 13.82 |
| Benchmark | 3.12 | 4.83 | 1.45 | 0.25 | 7.75  | 9.05  |

**SECTOR ALLOCATIONS(%)**

|                        |      |
|------------------------|------|
| Financials             | 33.5 |
| Industrials            | 12.2 |
| Consumer Staples       | 12.0 |
| Energy                 | 11.2 |
| Information Technology | 7.9  |
| Materials              | 7.7  |
| Consumer Discretionary | 7.4  |
| Telecom Services       | 4.9  |
| Healthcare             | 3.3  |
| Utilities              | 0.0  |
| Real Estate            | 0.0  |

**RELATIVE TO BENCHMARK**



<sup>1</sup>The 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.  
<sup>2</sup>The 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. Returns of an Index do not represent the Fund's returns. An investor cannot invest directly in an Index. All performance data for all indices assumes the reinvestment of all distributions. CIBC index performance data results prior to September 8, 2016 are hypothetical, but are calculated using the same methodology that has been in use by the index provider since the Index was first published. Information regarding the CIBC index, including the applicable index methodology, is available at <https://www.solactive.com/?s=CIBC>. As a result of the risks and limitations inherent in hypothetical performance data, hypothetical results may differ from actual Index performance.  
 Use of benchmark: The S&P/TSX Composite Index is a capitalization-weighted index designed to measure market activity of stocks listed on the Toronto Stock Exchange. This index is used as a benchmark to help you understand the Fund's performance relative to the general performance of broader Canadian equity market.

## TOP 10 HOLDINGS (%)

|                              |      |
|------------------------------|------|
| VALEANT PHARMACEUTICALS INTL | 3.33 |
| IMPERIAL OIL LTD             | 2.93 |
| CENOVUS ENERGY INC           | 2.88 |
| SUNCOR ENERGY INC            | 2.74 |
| CANADIAN NATIONAL RAILWAY CO | 2.69 |
| MAGNA INTL INC               | 2.68 |
| METHANEX CORP                | 2.68 |
| BLACKBERRY LIMITED           | 2.67 |
| CONSTELLATION SOFTWARE INC   | 2.67 |
| SAPUTO INC                   | 2.66 |

## KEY REASONS TO INVEST

- Lower historical share price volatility relative to the S&P/TSX Composite Equal Weight Index with better risk-adjusted returns than the broader Canadian equity market.
- Buybacks represent a sizable share of corporate payouts. Focusing solely on high dividend paying companies overlooks a large opportunity set.
- Buybacks are the most tax-efficient form of corporate payout, as they result in capital gains as opposed to more heavily taxed dividend income.

## CIBC CAPITAL MARKETS



CIBC Capital Markets is a leading provider of quantitative index strategies in Canada and the United States with solutions offered across multiple asset classes (equities, commodities, FX and rates). CIBC's index clients include retail investors, asset managers, pension plans and insurance companies. CIBC's index family provides factor, trend, curve, hedging and thematic based investing. CIBC indices facilitate exposure to various asset classes in a systematic, transparent and cost-efficient manner.

## INDEX DESIGN & STRUCTURE

In order for stocks to be included in the Canadian buyback portfolio, companies must demonstrate both sufficient activity and frequency in reducing their shares outstanding. Stocks listed on the TSX are ranked based on both of these screens every month, ensuring that the top 40 stocks with the highest composite scores are selected for inclusion. The model employs a turnover control mechanism to minimize trading, with a 3-4 year investment horizon.

### Model Structure

|                             |
|-----------------------------|
| Buyback Activity            |
| Share Count Reduction Ratio |
| Buyback Consistency         |
| Reduction Consistency Ratio |

### Factor Definitions

**Share Count Reduction Ratio:** (common shares outstanding today - value 24 months ago) / value 24 months ago.

**Reduction Consistency Ratio:** number of months, in last 24 months, shares outstanding have fallen MINUS number of months shares outstanding increased, expressed as a percentage (%) of all months.

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### First Asset - Smart Solutions™

First Asset, a CI Financial Company, is a Canadian investment firm delivering a comprehensive suite of smart ETF solutions. Rooted in strong fundamentals, First Asset's smart solutions strive to deliver better risk-adjusted returns than the broad market while helping investors achieve their personal financial goals.

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