

YOUR GUIDE TO

Winter 2021

ETF Investing

THIS IS INVESTING

Infrastructure Investing:
A Compelling Alternative

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Infrastructure Investing: A Compelling Alternative

Infrastructure investing was once the exclusive domain of pension plans and foundations, which have long understood the diversification benefits and investment opportunities provided by the asset class. Now, however, infrastructure investing is accessible to everyday investors through a range of innovative investment products, including active ETFs.



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Infrastructure has received increased attention recently as governments around the world look to repair crumbling infrastructure and jumpstart growth in the wake of the COVID-19 pandemic. Aging infrastructure, population growth, urbanization, strong data consumption and the demand for renewable power – just to name a few – have created a tremendous long-term growth opportunity. If you think you missed the boat on infrastructure investing, think again: The McKinsey Global Institute

has estimated that from now until 2030 the investment in global infrastructure projects required to support anticipated growth rates is about US\$3.3 trillion a year.¹

Infrastructure: A Unique Alternative

Infrastructure is generally considered an alternative asset because it doesn't fit into the category of traditional investments, like stocks, bonds and cash. It's less correlated to equities and bonds, and therefore infrastructure assets

can potentially provide strong diversification across multiple levels – by geography, type, industry and even by market-capitalization. For example, there's very little correlation between a basket of North American equities and a toll road in Europe, or a power plant in Singapore.

Infrastructure assets typically operate in monopoly-like environments – with high barriers to entry, strong pricing power and limited competition. They often provide access to predictable cash flows – especially appealing in today's environment as investors increasingly look for stable income. In today's low-yield environment, every basis point counts.

Speaking of renewable energy, it's hard to overlook the investment opportunities being created as companies around the globe transition away from fossil fuels to more sustainable, lower-carbon energy sources. Investing in a broad

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¹“Bridging global infrastructure gaps,” The McKinsey Global Institute, June 14, 2016. Commissions, management fees and expenses all may be associated with investments in Dynamic Active ETFs. Please read the prospectus before investing. Investments in ETFs are not guaranteed, their values change frequently and past performance may not be repeated. Certain Dynamic Active ETFs are managed by BlackRock Asset Management Canada Limited and invest in selected mutual funds managed by 1832 Asset Management L.P. Dynamic Funds® is a division of 1832 Asset Management L.P. ®Registered trademark of its owner, used under license. Views expressed regarding a particular investment, economy, industry or market sector should not be considered an indication of trading intent of any of the mutual funds managed by 1832 Asset Management L.P. These views are not to be relied upon as investment advice nor should they be considered a recommendation to buy or sell. These views are subject to change at any time based upon markets and other conditions, and we disclaim any responsibility to update such views. To the extent this document contains information or data obtained from third party sources, it is believed to be accurate and reliable as of the date of publication, but 1832 Asset Management L.P. does not guarantee its accuracy or reliability. Nothing in this document is or should be relied upon as a promise or representation as to the future.

infrastructure mandate can provide a great way to take part in the renewable power story.

Assessing the Risk-Reward Profile

By optimizing portfolio diversification and providing investors with the broadest set of investment opportunities, a global infrastructure mandate has the potential to increase investors' ability to achieve higher risk-adjusted portfolio returns over the long term. It's important to note that during times of market stress, diversification across non-correlated assets can position investors for exceptional growth during a market recovery.

A Word About Active ETFs

As more investors turn to ETFs to form a part of their investment plan, the demand for active management within the structure has increased. Actively managed ETFs can help meet this demand as they can potentially differentiate client portfolios by uncovering opportunities beyond the benchmark.

Looking for an actively managed, global infrastructure ETF strategy that seeks to deliver lower correlated returns? Consider **Dynamic Active Global Infrastructure ETF (DXN)**, which invests in

The Infrastructure Sector: A Quick Glance

The asset class includes **four key sub-sectors**:

- **Transport** – ports, airports, bridges, tunnels, parking
- **Utilities** – energy, distribution, power generation, water treatment
- **Communication** – towers, satellites, wireless and cable networks
- **Renewable energy** – solar and wind power, electric vehicles, batteries

a diversified portfolio of publicly traded companies from around the globe that own infrastructure assets directly.

Visit dynamic.ca/activeetf to view DXN and our entire roster of **Dynamic Active ETFs**.

Dynamic Active ETFs

<p>DXV Dynamic Active Investment Grade Floating Rate ETF</p>  <p>Diversification</p> <p>Offers a floating rate of income while investing primarily in Canadian investment grade corporate bonds. Helps diversify a fixed income portfolio and mitigate interest rate risk.</p>	<p>DXB Dynamic Active Tactical Bond ETF</p>  <p>Duration flexibility</p> <p>Tactical fixed income core portfolio that has the ability to increase or decrease duration based on the current interest rate environment.</p>	<p>DXP Dynamic Active Preferred Shares ETF</p>  <p>Complement</p> <p>Preferred shares provide a tax-efficient source of income and can help diversify a fixed income portfolio.</p>	<p>DXN Dynamic Active Global Infrastructure ETF</p>  <p>Diversification</p> <p>Enhanced portfolio diversification through access to global, publicly traded infrastructure assets, in high demand by pension funds and institutions.</p>
<p>DXO Dynamic Active Crossover Bond ETF</p>  <p>Attractive risk/return</p> <p>Seeks superior risk-adjusted returns while taking advantage of market dynamics from upgrades to investment grade (rising stars) and downgrades to high yield (fallen angels).</p>	<p>DXC Dynamic Active Canadian Dividend ETF</p>  <p>Core holding</p> <p>A core large-cap equity holding, DXC is a concentrated core dividend ETF with above-average downside protection.</p>	<p>DXU Dynamic Active U.S. Dividend ETF</p>  <p>Outcome not income</p> <p>A conservative, concentrated, U.S. Portfolio of high-quality stocks with low correlation to the benchmark and a focus on dividend growers.</p>	<p>DXW Dynamic Active International Dividend ETF</p>  <p>Diversification</p> <p>Focuses on dividend-paying equity securities of businesses outside North America that are trading below their intrinsic value.</p>
<p>DXG Dynamic Active Global Dividend ETF</p>  <p>Outcome not income</p> <p>A conservative, concentrated, Global Portfolio of high-quality stocks with low correlation to the benchmark and a focus on dividend growers.</p>	<p>DXF Dynamic Active Global Financial Services ETF</p>  <p>Financials 2.0</p> <p>A global (ex-Canada) portfolio that invests in both the financial sector and financial technology (fintech) companies. In addition, DXF has the ability to increase cash if valuations are too high.</p>	<p>DXZ Dynamic Active U.S. Mid-Cap ETF</p>  <p>Complement</p> <p>U.S. Mid-cap exposure provides a nice complement to a core U.S. equity holding.</p>	



Dynamic Active ETFs

Innovative solutions for active portfolios

Equity

- DXN** Dynamic Active Global Infrastructure ETF
- DXW** Dynamic Active International Dividend ETF
- DXP** Dynamic Active Preferred Shares ETF
- DXC** Dynamic Active Canadian Dividend ETF
- DXU** Dynamic Active U.S. Dividend ETF
- DXZ** Dynamic Active U.S. Mid-Cap ETF
- DXG** Dynamic Active Global Dividend ETF
- DXF** Dynamic Active Global Financial Services ETF

Fixed Income

- DXV** Dynamic Active Investment Grade Floating Rate ETF
- DXB** Dynamic Active Tactical Bond ETF
- DXO** Dynamic Active Crossover Bond ETF

Find opportunity beyond the benchmark
with our suite of actively managed ETFs.

See our performance in action.
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