No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities.

PROSPECTUS

FIRST ASSET
EXCHANGE TRADED FUNDS

Continuous Offering April 10, 2017

First Asset CanBanc Income Class ETF
First Asset Core Canadian Equity Income Class ETF
First Asset MSCI Canada Quality Index Class ETF
First Asset Short Term Government Bond Index Class ETF

(collectively, the "**First Asset ETFs**")

First Asset Fund Corp. (the "**Company**") is a mutual fund corporation established under the laws of the Province of Ontario. The authorized capital of the Company includes an unlimited number of non-cumulative, redeemable, non-voting classes of shares (each a "**Corporate Class**"), issuable in an unlimited number of series, and one class of voting shares designated as "Class J Shares". Each Corporate Class is a separate investment fund having specific investment objectives and is specifically referable to a separate portfolio of investments. Each First Asset ETF will be a separate Corporate Class. Each First Asset ETF currently consists of a single series of exchange traded fund shares ("**Shares**").

First Asset Investment Management Inc. (the "**Manager**" or "**First Asset**"), a registered portfolio manager and investment fund manager, is the manager of the First Asset ETFs. The Manager will be responsible for providing or arranging for the provision of administrative services and management functions, including the day-to-day management of the First Asset ETFs. See "Organization and Management Details of the First Asset ETFs".

Investment Objectives

First Asset CanBanc Income Class ETF

The First Asset ETF's investment objectives are to provide Shareholders with (i) quarterly distributions; (ii) the opportunity for capital appreciation; and (iii) lower overall volatility of portfolio returns than would be experienced by owning a portfolio of common shares of the Bank of Montreal, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, The Bank of Nova Scotia and The Toronto-Dominion Bank directly.

First Asset Core Canadian Equity Income Class ETF

The First Asset ETF's investment objectives are to seek to provide Shareholders with (i) long term capital appreciation with an attractive risk-adjusted rate of return; and (ii) consistent dividend income gained through investing in equity securities of primarily large capitalization Canadian issuers.

First Asset MSCI Canada Quality Index Class ETF

The First Asset ETF's investment objective is to replicate, to the extent possible, the performance of the MSCI Canada Quality Index (CAD), net of expenses. The MSCI Canada Quality Index (CAD) is based on the MSCI Canada Index, its parent index, which includes large and mid-cap stocks of the Canadian equity market.

First Asset Short Term Government Bond Index Class ETF

The First Asset Short Term Government Bond Index Class ETF has been designed to replicate, to the extent possible, the performance of a Canadian short term government bond index, currently the FTSE TMX Canada Short Term Government Bond Index, net of expenses. Under normal market conditions, the First Asset ETF primarily invests in Canadian federal, provincial and municipal bonds issued domestically in Canada and denominated in Canadian dollars.

See "Investment Objectives" for further information.

Listing of Shares

Shares of each of the First Asset ETFs are currently listed on the Toronto Stock Exchange ("**TSX**"). Investors can buy or sell such Shares on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Shares. No fees are paid by investors to the Manager or any First Asset ETF in connection with the buying or selling of Shares on the TSX.

Additional Considerations

No underwriter or dealer has been involved in the preparation of the prospectus or has performed any review of the contents of the prospectus. The Canadian securities regulators have provided each of the First Asset ETFs with a decision exempting it from the requirement to include a certificate of an underwriter in this prospectus. The designated brokers and dealers are not underwriters of the First Asset ETFs in connection with the distribution of shares under this prospectus. The First Asset ETFs are mutual funds under the securities legislation of certain provinces and territories of Canada, but have been granted exemptive relief from certain provisions of Canadian securities legislation applicable to conventional mutual funds.

Provided that the Company qualifies as a "mutual fund corporation" within the meaning of the Tax Act, or the Shares of a First Asset ETF are listed on a "designated stock exchange" within the meaning of the Tax Act, the Shares of that First Asset ETF, if issued on the date hereof, would be on such date qualified investments under the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered disability savings plan, a deferred profit sharing plan, a registered education savings plan or a tax-free savings account.

For a discussion of the risks associated with an investment in Shares, see "Risk Factors".

During the period in which the Shares of a First Asset ETF are in continuous distribution, additional information about that First Asset ETF will be available in the most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance, any interim management report of fund performance filed after that annual management report of fund performance and the most recently filed ETF Summary Documents (as defined below) of that First Asset ETF. These documents will be incorporated by reference into this prospectus which means that they legally form part of this prospectus. For further details, see "Documents Incorporated by Reference".

You can get a copy of these documents at your request, and at no cost, by calling 416-642-1289 or 877-642-1289 (toll-free) or by e-mail at info@firstasset.com or from your dealer. These documents will also be available on the internet at www.firstasset.com. These documents and other information about each of the First Asset ETFs will also be available on the website of SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

First Asset Investment Management Inc.	**Toll Free:**	**877-642-1289**
2 Queen Street East, 12th Floor		
Toronto, Ontario M5C 3G7		**416-642-1289**

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GLOSSARY

Unless otherwise indicated, the references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time. The following terms have the following meaning:

"**Adminco**" means First Asset ETF Adminco Ltd.

"**Basket of Securities**" means, in relation to a First Asset ETF, a group of securities and/or assets determined by the Manager from time to time representing the constituents of the First Asset ETF;

"**Business Day**" means any day on which the TSX is open for trading;

"**Canadian securities legislation**" means the securities laws in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the securities regulatory authorities in such jurisdictions;

"**Cash Creation Fee**" means the fee payable in connection with cash-only payments for subscriptions of a PNS of the applicable First Asset ETF, representing, as applicable, brokerage expenses, commissions, transaction costs and other costs or expenses that the First Asset ETF incurs or expects to incur in purchasing securities on the market with such cash proceeds;

"**Cash Exchange Fee**" means the fee payable in connection with cash-only payments for exchange of a PNS of the applicable First Asset ETF, representing, as applicable, brokerage expenses, commissions, transaction costs and other costs or expenses that the First Asset ETF incurs or expects to incur in selling securities on the market to obtain the necessary cash for the exchange;

"**CDS**" means CDS Clearing and Depositary Services Inc.;

"**CDS Participant**" means a participant in CDS that holds Shares on behalf of beneficial owners of those Shares;

"**Class J Shares**" means the voting, non-participating Class J shares of the Company;

"**Company**" means First Asset Fund Corp;

"**Constituent Issuers**" means the issuers included in an Index of a First Asset ETF from time to time, if any, or where the Manager uses a representative "sampling" methodology, the issuers included in the representative sample of issuers intended to replicate the Index as determined from time to time by the Manager or Index Provider as the case may be;

"**Constituent Securities**" means the securities included in an Index of a First Asset ETF from time to time, if any, or where the Manager uses a representative "sampling" methodology, the securities included in the representative sample of issuers intended to replicate the Index as determined from time to time by the Manager or Index Provider as the case may be;

"**Corporate Class**" has the meaning ascribed to it on the face page hereof;

"**CRA**" means the Canada Revenue Agency;

"**Custodian**" means State Street Trust Company Canada, in its capacity as custodian of the First Asset ETFs pursuant to the Custodian Agreement;

"**Custodian Agreement**" means the master custodian agreement dated May 16, 2011 between the First Asset family of exchange traded funds, the Manager, in its capacity manager, and as applicable, trustee, of the First Asset family of exchange traded funds, and the Custodian, as acceded to by the First Asset ETFs, as may be further supplemented, amended or amended and restated from time to time;

"**Dealer**" means a registered dealer (that may or may not be a Designated Broker) that has entered into a Dealer Agreement on behalf of one or more First Asset ETFs, pursuant to which the Dealer may subscribe for Shares as described under "Purchases of Shares";

"**Dealer Agreement**" means an agreement among the Manager, on behalf of a First Asset ETF, the Company and a Dealer;

"**derivatives**" means an instrument, agreement or security, the market price, value or payment obligations of which is derived from, referenced to or based on an underlying interest;

"**Designated Broker**" means a registered dealer that has entered into a Designated Broker Agreement on behalf of one or more First Asset ETFs, pursuant to which the Designated Broker agrees to perform certain duties in relation to a First Asset ETF;

"**Designated Broker Agreement**" means an agreement among the Manager, on behalf of a First Asset ETF, the Company and a Designated Broker;

"**Developed Markets**" has the meaning ascribed to such term under the heading "Investment Strategies";

"**DFA Rules**" has the meaning ascribed to such term under the heading "Income Tax Considerations – Taxation of the First Asset ETFs";

"**Distribution Record Date**" means a date determined by the Manager as a record date for the determination of holders of Shares entitled to receive a distribution;

"**DPSP**" means a deferred profit sharing plan within the meaning of the Tax Act;

"**Escrow Agent**" means Computershare Trust Company of Canada;

"**Escrow Agreements**" means, collectively: (i) the escrow agreement dated August 18, 2010 among Adminco, the Escrow Agent and the Company in respect of the Class J Shares, as amended from time to time; and (ii) the escrow agreement dated August 18, 2010 among Adminco, the Escrow Agent, the independent directors of the Company and certain employees of the Manager, as amended from time to time, each in respect of the common shares of Adminco;

"**ETF**" means exchange traded fund;

"**ETF Summary Document**" means a summary document in respect of an exchange traded fund, which summarizes certain features of the exchange traded fund and which is publicly available at www.sedar.com and provided or made available to registered dealers for delivery to purchasers of securities of an exchange traded fund;

"**First Asset**" means First Asset Investment Management Inc., the Manager of the First Asset ETFs;

"**First Asset ETFs**" has the meaning ascribed thereto on the face page;

"**forward contracts**" means agreements between two parties to buy or sell an asset at a specified point of time in the future at a predetermined price;

"**futures contracts**" means standardized contracts entered into on domestic or foreign exchanges which call for the future delivery of specified quantities of various assets such as stocks, bonds, agricultural commodities, industrial commodities, currencies, financial instruments, energy products or metals at a specified time and place. The terms and conditions of futures contracts of a particular commodity are standardized and as such are not subject to any negotiation between the buyer and seller. The contractual obligations, depending upon whether one is a buyer or a seller, may be satisfied either by taking or making, as the case may be, physical delivery of an approved grade of commodity or by making an offsetting sale or purchase of an equivalent but opposite futures contract on the same exchange prior to the designated date of delivery. The difference between the price at which the futures contract is sold or purchased and the price paid for brokerage commissions, constitutes the profit or loss to the trader. In market terminology, a trader who purchases a futures contract is "long" in the market and a trader who sells a futures contract is "short" in the market. Before a trader closes out his or her long or short position by an offsetting sale or purchase, his or her outstanding contracts are known as "open trades" or "open positions". The aggregate amount of open long or short positions held by traders in a particular contract is referred to as the "open interest" in such contract;

"**GST/HST**" means taxes exigible under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder;

"**IFRS**" means the International Financial Reporting Standards;

"**Index**", with respect to a particular First Asset ETF, means a benchmark or index, provided by an Index Provider, or a replacement or alternative benchmark or index that applies substantially similar criteria to those currently used by the Index Provider for the benchmark or index, or a successor index that is substantially comprised of or would be substantially comprised of the same Constituent Securities or similar contracts or instruments, which is used by the First Asset ETF in relation to that First Asset ETF's investment objective;

"**Index ETFs**" means, collectively, First Asset MSCI Canada Quality Index Class ETF and First Asset Short Term Government Bond Index Class ETF and "**Index ETF**" means either one of them;

"**Index Provider**" with respect to a particular First Asset ETF, means the third party provider of the relevant Index, with which the Manager has entered into a Licensing Agreement to use the relevant Index and certain trademarks in connection with the operation of the First Asset ETF;

"**Index Rebalancing Date**" means each date on which an Index Provider rebalances an Index;

"**IRC**" means the independent review committee of a First Asset ETF established under NI 81-107;

"**License Agreement**", with respect to a particular First Asset ETF, means, collectively, the master licence agreement and any related product licence agreements between the Manager, on behalf of itself and the exchange traded funds party thereto, and the Index Provider, as may be amended from time to time, pursuant to which the Index Provider has agreed to license the Index and certain trademarks of such Index Provider to the Manager for use in connection with the First Asset ETF;

"**Management Agreement**" means the master management agreement dated September 18, 2015 between the Company and the Manager, as amended;

"**Management Fee**" has the meaning ascribed to such term under the heading "Fees and Expenses – Fees and Expenses Payable by the First Asset ETF";

"**Management Fee Rebate**", as described under "Fees and Expenses", means an amount equal to the difference between the Management Fee otherwise chargeable by the Manager and a reduced fee determined by the Manager, at its discretion, from time to time, and that is payable, at the discretion of the Manager, to the applicable holders of Shares who hold large investments in the First Asset ETF. Management Fee Rebates are reinvested in Shares of the applicable First Asset ETF;

"**Manager**" means First Asset, in its capacity as investment fund manager of the First Asset ETF;

"**NAV**" or "**net asset value**" means the applicable net asset value calculated at the Valuation Time on each Valuation Day;

"**NI 81-102**" means National Instrument 81-102 *Investment Funds*;

"**NI 81-107**" means National Instrument 81-107 *Independent Review Committee for Investment Funds*;

"**Non-Portfolio Income**" has the meaning ascribed to such term under the heading "Income Tax Considerations – Taxation of the First Asset ETFs";

"**Other ETFs**" has the meaning ascribed to such term under the heading "Investment Strategies – General Investment Strategies - Investment in other Investment Funds";

"**PACC**" has the meaning ascribed to such term under the heading "Distribution Policy – Distribution Reinvestment Plan";

"**Payment Date**" has the meaning ascribed to such term under the heading "Distribution Policy – Distribution Reinvestment Plan";

"**Permitted Merger**" has the meaning ascribed to such term under the heading "Securityholder Matters – Permitted Mergers";

"**Plan Agent**" means Computershare Trust Company of Canada, plan agent for the Reinvestment Plan;

"**Plan Participant**" has the meaning ascribed to such term under the heading "Distribution Policy – Distribution Reinvestment Plan";

"**Plan Shares**" has the meaning ascribed to such term under the heading "Distribution Policy – Distribution Reinvestment Plan";

"**PNS**" means, in relation to a First Asset ETF, the prescribed number of Shares of that First Asset ETF determined by the Manager from time to time for the purpose of subscription orders, redemptions or for other purposes;

"**Promoter**" means First Asset, in its capacity as promoter of the First Asset ETFs;

“**Proxy Voting Policy**” has the meaning ascribed to such term under the heading “Proxy Voting Disclosure for Portfolio Securities Held”;

“**RDSP**” means a registered disability savings plan within the meaning of the Tax Act;

“**Registrar and Transfer Agen**t” means Computershare Trust Company of Canada;

“**Registered Plan**” means a trust governed by an RRSP, RRIF, TFSA, RESP, RDSP or DPSP;

“**Reinvestment Plan**” means the dividend reinvestment plan for the First Asset ETFs, as described under the heading “Distribution Policy – Distribution Reinvestment Plan”;

“**RESP**” means a registered education savings plan within the meaning of the Tax Act;

“**RRIF**” means a registered retirement income fund within the meaning of the Tax Act;

“**RRSP**” means a registered retirement savings plan within the meaning of the Tax Act;

“**Sales Tax**” means all applicable provincial and federal sales, value added or goods and services taxes, including GST/HST;

“**securities regulatory authorities**” means the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian securities legislation in force in such jurisdictions;

“**Shares**” means the non-voting, exchange traded fund series of shares of a First Asset ETF and “**Share**” means any one of them;

“**Shareholder**” means the holder of a Share of a First Asset ETF;

“**Switch**” means a switch of Shares of one First Asset ETF to Shares of another First Asset ETF;

“**Switch Date**” means Wednesday of each week, or more frequently as may be determined by the Manager;

“**Switch NAV Price**” means the NAV per share of the relevant series of Shares of the relevant First Asset ETF on the applicable Switch Date.

“**SWP**” has the meaning ascribed to such term under the heading “Distribution Policy – Distribution Reinvestment Plan”;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

“**Tax Amendment**” means a proposed amendment to the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof;

“**TFSA**” means a tax-free savings account within the meaning of the Tax Act;

“**Trading Day**” means a day on which a session of the TSX is held;

“**TSX**” means the Toronto Stock Exchange;

“**Valuation Day**” means a day upon which a session of the TSX is held; and

“**Valuation Time**” means 4:00 p.m. (EST) on a Valuation Day.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Shares of the First Asset ETFs offered hereby and should be read together with the more detailed information, financial data and financial statements contained elsewhere in this prospectus or incorporated by reference in this prospectus. Capitalized terms not defined in this summary are defined in the Glossary.

Issuers:

First Asset CanBanc Income Class ETF
First Asset Core Canadian Equity Income Class ETF
First Asset MSCI Canada Quality Index Class ETF
First Asset Short Term Government Bond Index Class ETF

Offering:

First Asset Fund Corp. (the "**Company**"), is a mutual fund corporation established under the laws of the Province of Ontario. The authorized capital of the Company includes an unlimited number of non-cumulative, redeemable, non-voting classes of shares (each a "**Corporate Class**"), issuable in an unlimited number of series, and one class of voting shares designated as "**Class J Shares**". Each Corporate Class is a separate investment fund having specific investment objectives and is specifically referrable to a separate portfolio of investments. Each First Asset ETF is a separate Corporate Class. Each First Asset ETF currently consists of a series of exchange traded fund shares ("**Shares**"), which are being offered for sale on a continuous basis by this prospectus.

See "Overview of the Legal Structure of the First Asset ETFs".

Continuous Distribution:

The Shares will be offered for sale on a continuous basis by this prospectus and there is no maximum number of Shares that may be issued. The Shares shall be offered for sale at a price equal to their respective net asset value determined at the Valuation Time on the effective date of the subscription order. See "Plan of Distribution".

Shares of each of the First Asset ETFs are currently listed on the Toronto Stock Exchange ("**TSX**"). Investors can buy or sell such Shares on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Shares. No fees are paid by investors to the Manager or a First Asset ETF in connection with buying or selling of Shares of the First Asset ETF on the TSX.

The First Asset ETFs issue Shares directly to Designated Brokers and Dealers. From time-to-time and as may be agreed between the Manager and the Designated Brokers and Dealers, such Designated Brokers and Dealers may agree to deliver a Basket of Securities as payment for Shares. See "Purchases of Shares – Issuance of Shares".

Investment Objectives:

First Asset CanBanc Income Class ETF

The First Asset ETF's investment objectives are to provide Shareholders with (i) quarterly distributions; (ii) the opportunity for capital appreciation; and (iii) lower overall volatility of portfolio returns than would be experienced by owning a portfolio of common shares of the Bank of Montreal, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, The Bank of Nova Scotia and The Toronto-Dominion Bank (collectively, the "**Banks**") directly.

First Asset Core Canadian Equity Income Class ETF

The First Asset ETF's investment objectives are to seek to provide Shareholders with (i) long term capital appreciation with an attractive risk-adjusted rate of return; and (ii) consistent dividend income gained through investing in equity securities of primarily large capitalization Canadian issuers.

First Asset MSCI Canada Quality Index Class ETF

The First Asset ETF's investment objective is to replicate, to the extent possible, the performance of the MSCI Canada Quality Index (CAD), net of expenses. The MSCI Canada Quality Index (CAD) is based on the MSCI Canada Index, its parent index, which includes large and mid-cap stocks of the Canadian equity market.

First Asset Short Term Government Bond Index Class ETF

The First Asset Short Term Government Bond Index Class ETF has been designed to replicate, to the extent possible, the performance of a Canadian short term government bond index, currently the FTSE TMX Canada Short Term Government Bond Index, net of expenses. Under normal market conditions, the First Asset ETF primarily invests in Canadian federal, provincial and municipal bonds issued domestically in Canada and denominated in Canadian dollars.

See "Investment Objectives".

Investment Strategies:

First Asset CanBanc Income Class ETF

The First Asset CanBanc Income Class ETF invests in a portfolio consisting of common shares of the Banks.

Each month the First Asset ETF sells call options on approximately, and not more than, 25% of the common shares of each issuer held in its portfolio. Call options sold by the First Asset ETF may be either options traded on a North American stock exchange or "over-the-counter" options sold pursuant to an agreement with a counterparty with an approved credit rating as defined in NI 81-102, and the Manager of the First Asset ETF intends that such options will be sold at a strike price which is "at-the-money" (that is at or close to the current market price of the portfolio securities in respect of which the options are being sold).

The Manager does not rebalance the portfolio of the First Asset ETF.

The Manager generally closes out any outstanding options that are in the money prior to their expiry date to avoid having portfolio securities called away pursuant to the terms of the option, but may allow portfolio securities to be called, at its discretion. The Manager may also close out options in advance of year-end to reduce the likelihood that gains distributed by way of a special distribution in any year are reversed in a subsequent year.

The Manager may decide, in its discretion, not to sell call options in respect of the portfolio securities of the First Asset ETF in any month if it determines that conditions render it impracticable to do so.

The First Asset ETF may sell portfolio securities that are in a loss position to reduce the capital gain that would otherwise be payable by way of a special distribution in a particular year where the Manager determines that it is in the best interest of the First Asset ETF to do so.

First Asset Core Canadian Equity Income Class ETF

The First Asset Core Canadian Equity Income Class ETF uses a multi-factor portfolio optimization strategy to allocate its assets to gain exposure to equity securities of primarily large capitalization Canadian issuers in order to try to create a well-diversified portfolio with strong fundamentals, attractive levels of dividend income and a historical risk adjusted rate of return greater than a broad capitalization weighted Canadian equity fund. The First Asset ETF may invest directly in equity securities and/or indirectly in such securities through Other ETFs (as defined below), including those managed by First Asset.

The First Asset ETF will invest in a portfolio comprised of various securities and instruments which may include, but are not limited to, equity securities, futures contracts and exchange traded funds. If market conditions require, in order to preserve capital, the First Asset ETF may seek to invest a substantial portion of its assets in cash and cash equivalents.

First Asset MSCI Canada Quality Index Class ETF

The investment strategy of the First Asset MSCI Canada Quality Index Class ETF is to invest in and hold the Constituent Securities of the Index in substantially the same proportion as they are reflected in the Index. The First Asset ETF may use a sampling strategy to achieve its objectives, if such an approach is appropriate in the discretion of the Manager.

First Asset Short Term Government Bond Index Class ETF

The investment strategy of the First Asset Short Term Government Bond Index Class ETF is to invest in and hold the Constituent Securities of the Index in substantially the same proportion as they are reflected in the Index. The First Asset ETF may use a sampling strategy to achieve its objectives, if such an approach is appropriate in the discretion of the Manager.

General Investment Strategies

Investment in Other Investment Funds

In accordance with applicable securities legislation, including NI 81-102, and as an alternative to or in conjunction with investing in and holding securities directly, the First Asset ETFs may also invest in one or more other exchange traded funds (each, an "**Other ETF**"), including Other ETFs managed by the Manager, provided that no management fees or incentive fees are payable by a First Asset ETF that, to a reasonable person, would duplicate a fee payable by the Other ETF for the same service and provided further that a First Asset ETF will not invest in any Other ETFs that pay a higher management or incentive fee than that paid by that First Asset ETF. A First Asset ETF's allocation to investments in Other ETFs, if any, will vary from time to time depending on the relative size and liquidity of the Other ETFs, and the ability of the Manager to identify appropriate Other ETFs that are consistent with that First Asset ETF's investment objectives and strategies.

Use of Derivative Instruments

The Manager may, on behalf of a First Asset ETF, invest in or use derivative instruments, including futures contracts and forward contracts, provided that the use of such derivative instruments is in compliance with NI 81-102 or the appropriate regulatory exemptions have been obtained, and is consistent with the investment objective and strategy of the applicable First Asset ETF.

Securities Lending, Repurchase and Reverse Repurchase Transactions

A First Asset ETF may enter into securities lending transactions, repurchase and reverse purchase transactions in compliance with NI 81-102 to earn additional income for the First Asset ETF.

See “Investment Strategies”.

Special Considerations for Purchasers:

The provisions of the so-called “early warning” requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Shares of a First Asset ETF. In addition, each First Asset ETF is entitled to rely on exemptive relief from the securities regulatory authorities to permit a Shareholder of a First Asset ETF to acquire more than 20% of the Shares of that First Asset ETF through purchases on the TSX without regard to the takeover bid requirements of applicable Canadian securities legislation, provided that such Shareholder, and any person acting jointly or in concert with such Shareholder, undertakes to the Manager not to vote more than 20% of the Shares of the First Asset ETF at any meeting of holders.

Shares of each of the Index ETFs are, in the opinion of the Manager, index participation units within the meaning of NI 81-102. A mutual fund wishing to invest in Shares of an Index ETF should make its own assessment of its ability to do so after careful consideration of the relevant provisions of NI 81-102, including but not limited to whether the Shares of the Index ETF should be considered index participation units, as well as the control, concentration and certain of the “fund-of-funds” restrictions of NI 81-102. No purchase of Shares of an Index ETF should be made solely in reliance on the above statements.

See “Attributes of the Securities – Description of the Securities Distributed”.

Dividend/Distribution Policy:

The dividend policy of the Company is to pay cash dividends, if any, on the Shares of the First Asset ETFs (other than First Asset CanBanc Income Class ETF) at least annually and more frequently as determined by the Manager in its discretion and announced by press release from time-to-time. Initially cash dividends are expected to be paid monthly in the case of First Asset Short Term Government Bond Index Class ETF and quarterly in the case of First Asset CanBanc Income Class ETF, First Asset Core Canadian Equity Class ETF and First Asset MSCI Canada Quality Index Class ETF. The First Asset ETFs will not have fixed distribution amounts, but will set periodic distribution targets based on, among other things, the Manager’s assessment of anticipated cash flow and anticipated expenses of the First Asset ETF from time to time.

In respect of the First Asset CanBanc Income Class ETF, the use of call options may have the effect of limiting or reducing the total returns, particularly in a rising market since the premiums associated with writing covered call options may be outweighed by the cost of closing out outstanding options. However, the Manager believes that in a slightly rising, flat or downward trending market, a portfolio that is subject to covered call option writing will generally provide higher relative returns and lower volatility than one on which no options are written.

The amount of distributions may fluctuate and there can be no assurance that a First Asset ETF will make any distributions in any particular period.

The date of any distribution will be announced in advance by issuance of a press release. The Manager may, in its complete discretion, increase the frequency of these distributions and any such change will be announced by press release.

See “Dividend/Distribution Policy”.

The sources of income of the First Asset ETFs are expected to include taxable capital gains as well as dividends from taxable Canadian corporations and interest. To the extent the Company earns net income, after expenses and other deductions (including any available loss carryforwards to the extent deductible), from sources other than taxable capital gains and dividends from taxable Canadian corporations, including dividends from non-Canadian sources and interest income, the Company will generally be subject to income tax on such income and no refund of such tax will be available. Distributions could include a return of capital. A return of capital is not directly subject to tax but will reduce the adjusted cost base of the Shares.

See “Income Tax Considerations”.

Distribution Reinvestment Plan:

At any time, a Shareholder may elect to participate in the Reinvestment Plan by contacting the CDS Participant through which the Shareholder holds its Shares. Under the Reinvestment Plan, cash distributions (net of any required withholding tax) in respect of Shares of a First Asset ETF will be used to acquire additional Shares of the relevant series of the First Asset ETF in the market and will be credited to the account of the Shareholder through CDS.

See “Dividend/Distribution Policy – Dividend/Distribution Reinvestment Plan” for further details in this regard and for additional information relating to other aspects of the Reinvestment Plan including the pre-authorized cash contribution and systematic withdrawal provisions available to Shareholders.

Switches:

Shareholders may switch (a “**Switch**”) Shares of one First Asset ETF of the Company to Shares of another First Asset ETF of the Company through the facilities of CDS (as defined herein) by contacting their financial advisor, investment advisor or broker. Initially, Shares may be switched in any week on Wednesday (or if such Wednesday is not a Business Day, the next Business Day) (“**ETF Switch Date**”) of such week (or more or less frequently as may be determined by the Manager) by delivering written notice to the Registrar and Transfer Agent and surrendering such Shares through the facilities of CDS by 4:00 p.m. (Toronto time) at least one Business Day prior to the ETF Switch Date (“**Switch Notice Date**”). The Manager may in its discretion, change the frequency with which Shares may be switched at any time upon 30 days notice by way of press release. See “Exchange, Redemption and Switching of Shares – Switches”.

Under the current provisions of the Tax Act, a Switch of Shares from one First Asset ETF of the Company (“**switched Shares**”) to Shares of a different First Asset ETF of the Company will constitute a disposition of such switched Shares at fair market value for the purposes of the Tax Act. See “Income Tax Considerations – Taxation of Holders”.

Redemptions:

In addition to the ability to sell Shares on the TSX, Shareholders may redeem Shares for cash at a redemption price per Share equal to 95% of the closing price for such Share on the TSX on the effective day of the redemption. The First Asset ETFs will also offer additional redemption or exchange options which are available where a Dealer, Designated Broker, or Shareholder redeems or exchanges a PNS.

See "Exchange, Redemption and Switching of Shares".

Income Tax Considerations:

This summary of Canadian tax considerations for the First Asset ETFs and for Canadian resident shareholders is subject in its entirety to the qualifications, limitations and assumptions set out under the heading "Income Tax Considerations".

A holder of Shares who is resident in Canada for purposes of the Tax Act will be required to include in his or her income the amount of any dividends paid on such Shares, other than capital gains dividends, whether received in cash or reinvested in additional Shares. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation to an individual resident in Canada will generally apply to such dividends. Capital gains dividends will be paid by the Company to holders of Shares out of the net capital gains realized by the Company. The amount of a capital gains dividend will be treated as a capital gain in the hands of the holder of such Shares. If the Company pays a return of capital, such amount will generally not be taxable but will reduce the adjusted cost base of the holder's Shares. Where such reductions would result in the adjusted cost base becoming a negative amount, that amount will be treated as a capital gain realized by the holder of the shares and the adjusted cost base of the shares will be nil immediately thereafter.

Each investor should satisfy himself or herself as to the federal and provincial tax consequences of an investment in Shares by obtaining advice from his or her tax advisor.

See "Income Tax Considerations".

Eligibility for Investment:

Provided that the Company qualifies (or is deemed to qualify) as a "mutual fund corporation" within the meaning of the Tax Act, or the Shares are listed on a "designated stock exchange" within the meaning of the Tax Act, the Shares, if issued on the date hereof, would be on such date qualified investments under the Tax Act for a trust governed by a RRSP, RRIF, RDSP, DPSP, RESP or TFSA.

See "Income Tax Considerations – Taxation of Registered Plans".

Documents Incorporated by Reference:

During the period in which the First Asset ETFs are in continuous distribution, additional information about the First Asset ETFs will be available in the most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance and any interim management report of fund performance filed after that annual management report of fund performance, and the most recently filed ETF Summary Document. These documents will be incorporated by reference into this prospectus. Documents incorporated by reference into this prospectus legally form part of this prospectus just as if they were printed as part of this prospectus. These documents will be publicly available on the website of the First Asset ETFs at www.firstasset.com and may be obtained upon request, at no cost, by calling 416-642-1289 or toll-free 1-855-983-ETFs (855-983-3837) or by contacting your dealer. These documents and other information about the First Asset ETFs are also publicly available at www.sedar.com.

See “Documents Incorporated by Reference”.

Termination:

The First Asset ETFs do not have a fixed termination date but they may be terminated at the discretion of the Manager upon not less than 60 days notice to Shareholders. See “Termination of the First Asset ETFs”.

Risk Factors

An investment in Shares is subject to certain risk factors, including:

(a) No assurances on achieving investment objectives risk;

(b) Securities market risk;

(c) Specific issuer risk;

(d) Equity risk;

(e) Interest rate risk;

(f) Credit risk;

(g) Foreign investment risk;

(h) Currency exposure risk;

(i) Derivatives risk;

(j) Regulatory risk;

(k) Corresponding net asset value risk;

(l) Designated broker/dealer risk;

(m) Reliance on key personnel risk;

(n) Potential conflicts of interest risk;

(o) Fund corporation and multi-class/series structure risk;

(p) Fluctuations in NAV and market price of the Shares risk;

(q) Cease trading of securities risk;

(r) Exchange risk;

(s) Early closing risk;

(t) Concentration risk;

(u) Reliance on historical data risk;

(v) Illiquid securities risk;

(w) Tax risk;

(x) Securities lending, repurchase and reverse repurchase transaction risk;

(y) Fund of funds investment risk;

(z) Exchange traded funds risk; and

(aa) Absence of an active market for the Shares and lack of operating history risk.

In addition to the general risk factors, there are additional risk factors inherent in an investment in Shares of the Index ETFs, including:

(a) Passive investment risk;

(b) Replication or tracking risk;

(c) Calculation and termination of the Index risk;

(d) Rebalancing and adjustment risk; and

(e) Use of the Index risk.

See "Risk Factors – General Risk Factors" and "Risk Factors Specific to Index ETFs".

Organization and Management of the First Asset ETFs

The Manager and Portfolio Advisor:	Pursuant to the Management Agreement, First Asset Investment Management Inc., a registered portfolio manager and investment fund manager, is the manager and portfolio adviser of the First Asset ETFs. The Manager will be responsible for providing or arranging for the provision of administrative services and management functions, including investment advisory services and the day-to-day management of the First Asset ETFs. The principal office of the Manager is 2 Queen Street East, 12th Floor, Toronto, Ontario M5C 3G7. See "Organization and Management Details of the First Asset ETFs – Manager".
Custodian:	State Street Trust Company Canada is the custodian of the First Asset ETFs and is independent of the Manager. The Custodian provides custodial services to the First Asset ETFs. The Custodian is located in Toronto, Ontario. See "Organization and Management Details of the First Asset ETFs – Custodian".
Valuation Agent:	State Street Fund Services Toronto Inc. has been retained to provide accounting services in respect of the First Asset ETFs. State Street Fund Services Toronto Inc. is located in Toronto, Ontario. See "Organization and Management Details of the First Asset ETFs – Valuation Agent".
Auditors:	Ernst & Young LLP is responsible for auditing the annual financial statements of the First Asset ETFs. The auditors are independent with respect to the First Asset ETFs within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario. The head office of Ernst & Young LLP is located in Toronto, Ontario. See "Organization and Management Details of the First Asset ETFs – Auditors".
Registrar and Transfer	Computershare Trust Company of Canada, at its principal offices in Toronto,

Agent:	Ontario is the registrar and transfer agent for the Shares pursuant to a registrar and transfer agency agreement. Computershare Trust Company of Canada is independent of the Manager. See “Organization and Management Details of the First Asset ETFs – Transfer Agent and Registrar”.
Securities Lending Agent:	The Lending Agent, State Street Bank and Trust Company, acts as the lending agent for the First Asset ETFs pursuant to the Securities Lending Agreement. See “Organization and Management Details of the First Asset ETFs – Securities Lending Agent”.
Promoter:	First Asset is also the promoter of the First Asset ETFs. First Asset took the initiative in founding and organizing the First Asset ETFs and is, accordingly, the promoter of the First Asset ETFs within the meaning of securities legislation of certain provinces and territories of Canada. See “Organization and Management Details of the First Asset ETFs – Promoter”.

Summary of Fees and Expenses

The following table lists the fees and expenses payable by the First Asset ETFs, and the fees and expenses that Shareholders may have to pay if they invest in a First Asset ETF. Shareholders may have to pay some of these fees and expenses directly. Alternatively, a First Asset ETF may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in such First Asset ETF.

Fees and Expenses Payable by the First Asset ETFs

Type of Charge:	**Description**
Management Fee:	Each First Asset ETF will pay an annual management fee (the “**Management Fee**”) to the Manager equal to an annual percentage of the net asset value of that First Asset ETF, calculated daily and payable monthly in arrears, plus applicable taxes. The Management Fee of each First Asset ETF is as follows:

FIRST ASSET ETF	**Annual Management Fee**
First Asset CanBanc Income Class ETF	0.65%
First Asset Core Canadian Equity Income Class ETF	0.75%
First Asset MSCI Canada Quality Index Class ETF	0.60%
First Asset Short Term Government Bond Index Class ETF	0.25%

Management Fee Rebates: To achieve effective and competitive management fees, the Manager may reduce the fee borne by certain Shareholders who have signed an agreement with the Manager. The Manager will pay out the amount of the reduction in the form of a Management Fee Rebate directly to the eligible Shareholder. Management Fee Rebates are reinvested in Shares, unless otherwise requested. The decision to pay Management Fee Rebates will be in the Manager's discretion and will be dependent on a number of factors, including the size of the investment and a negotiated fee agreement between the Manager and the Shareholder.

The Manager reserves the right to discontinue or change Management Fee Rebates at any time.

See "Fees and Expenses".

Operating Expenses: In addition to the Management Fee, each of the First Asset ETFs will pay for all ordinary expenses incurred in connection with its operation and administration. Unless otherwise waived or reimbursed by the Manager, and subject to compliance with NI 81-102, it is expected that the expenses for each of the First Asset ETFs will include, as applicable, without limitation: all costs of portfolio transactions; audit fees; fees payable to third party service providers, including Index Providers if applicable; custodial expenses; valuation, accounting and record keeping costs; legal expenses; permitted prospectus preparation and filing expenses; costs associated with delivering documents to Shareholders; listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements; costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies; CDS fees; bank related fees and interest charges; extraordinary expenses; Shareholder reports and servicing costs; registrar and transfer agent fees; fees and expenses of the independent directors and the members of the IRC; expenses related to compliance with NI 81-107; fees and expenses relating to the voting of proxies by a third party; premiums for directors' and officers' insurance coverage for the independent directors and the members of the IRC; income taxes; Sales Taxes (including GST/HST); brokerage expenses and commissions; and withholding taxes. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Custodian, the independent directors and/or the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by the First Asset ETF.

Costs and expenses payable by the Manager, or an affiliate of the Manager, include the initial organization costs of each of the First Asset ETFs and the costs of the preparation and filing of the preliminary prospectus and initial prospectus.

See "Fees and Expenses".

Expenses of the Issue: Apart from the initial organizational costs of a First Asset ETF, all expenses related to the issuance of the Shares of the First Asset ETF shall be borne by the First Asset ETF unless otherwise waived or reimbursed by the Manager.

See "Fees and Expenses".

Fees and Expenses Payable Directly by Shareholders

Redemption Fee: The Manager may, at its discretion, charge exchanging or redeeming

Shareholders of a First Asset ETF a fee of up to 0.25% of the exchange, or redemption proceeds to offset certain transaction costs associated with the exchange or redemption of the First Asset ETF. The Manager will publish the current redemption fee, if any, on its website, www.firstasset.com.

See "Fees and Expenses" and "Exchange, Redemption and Switching of Shares".

Switch Fees: Shareholders may have to pay their financial advisor, investment advisor or broker a transfer fee based on the value of the Shares that are switched.

See "Fees and Expenses" and "Exchange, Redemption and Switching of Shares - Switches".

Annual Returns and Management Expense Ratio of First Asset CanBanc Income Class ETF

In respect of First Asset CanBanc Income Class ETF, the following chart provides the annual returns and the management expense ratio for the Shares for each year since its inception, prior to its conversion into an exchange traded fund from a closed-end fund.

Shares	2016	2015	2014	2013	2012	2011	2010
Annual Return (%)[1]	26.6	-4.7	10.8	16.2	11.9	1.9	8.6[4]
MER (%)[2]	0.81	1.30	1.32	1.32	1.31	1.35	6.48[5]
MER (%) excluding offering expenses[2]	0.81	1.30	1.32	1.32	1.31	1.30	0.94[5]
TER (%)[3]	0.12	0.05	0.01	0.00	0.01	0.00	0.11[5]

1. On September 24, 2015, the effective date of the conversion from a closed-end fund into an exchange traded fund, the annual management fee payable to the Manager in respect of the Shares (formerly the equity shares of Canbanc Income Corp.) was reduced to 0.65% (from 1.05%) of the NAV per Share.
2. Management expense ratio is based on total expenses (excluding commissions and other portfolio transactions costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The MER for the periods ending December 31, 2010 and 2011 include agents' fees and other offering expenses, which are one-time expenses and therefore are not annualized.
3. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
4. For the period from August 18, 2010 (first day of trading) to December 31, 2010.
5. For the period from June 28, 2010 (inception date) to December 31, 2010.

Annual Returns and Management Expense Ratio of First Asset Core Canadian Equity Income Class ETF

In respect of First Asset Core Canadian Equity Income Class ETF, the following chart provides the annual returns and the management expense ratio for the Shares for each year since its inception.

Shares	2016
Annual Return (%)	9.6[3]
MER (%)[1]	0.70[4]
TER (%)[2]	0.17[4]

1. Management expense ratio is based on total expenses (excluding commissions and other portfolio transactions costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
2. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
3. For the period from May 4, 2016 (commencement date of operations) to December 31, 2016.
4. For the period from April 1, 2016 (inception date) to December 31, 2016.

Annual Returns and Management Expense Ratio of First Asset MSCI Canada Quality Index Class ETF

In respect of First Asset MSCI Canada Quality Index Class ETF, the following chart provides the annual returns and the management expense ratio for the Shares for each year since its inception.

Shares	2016
Annual Return (%)	9.6[3]
MER (%)[1]	1.00[4]
TER (%)[2]	0.03[4]

1. Management expense ratio is based on total expenses (excluding commissions and other portfolio transactions costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

2. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

3. For the period from May 4, 2016 (commencement date of operations) to December 31, 2016.

4. For the period from April 1, 2016 (inception date) to December 31, 2016.

Annual Returns and Management Expense Ratio of First Asset Short Term Government Bond Index Class ETF

In respect of First Asset Short Term Government Bond Index ETF, the following chart provides the annual returns and the management expense ratio for the Shares for each year since its inception.

Shares	2016
Annual Return (%)	-0.30[3]
MER (%)[1]	0.34[4]
TER (%)[2]	0.03[4]

1. Management expense ratio is based on total expenses (excluding commissions and other portfolio transactions costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. First Asset waived some of the First Asset ETF's expenses. If it had not done so, the MER would have been higher.

2. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

3. For the period from February 24, 2016 (commencement date of operations) to December 31, 2016.

4. For the period from February 23, 2016 (inception date) to December 31, 2016.

OVERVIEW OF THE LEGAL STRUCTURE OF THE FIRST ASSET ETFS

First Asset Fund Corp. (the "**Company**"), is a mutual fund corporation amalgamated under the laws of the Province of Ontario. The authorized capital of the Company includes an unlimited number of non-cumulative, redeemable, non-voting classes of shares (each a "**Corporate Class**"), issuable in an unlimited number of series, and one class of voting shares designated as "**Class J Shares**". Each Corporate Class is a separate investment fund having specific investment objectives and is specifically referrable to a separate portfolio of investments. Each First Asset ETF of the Company is a separate Corporate Class. Each First Asset ETF currently consists of a series of exchange traded fund shares (the "**Shares**").

On May 3, 2016, First Asset Core Canadian Equity Income Class ETF (a class of shares of First Asset Core Fund Corp.), Can-Financials Income Corp., CanBanc 8 Income Corp. and First Asset Fund Corp. (the "**Amalgamating Corporations**") amalgamated to form the Company (the "**Amalgamation**"). As a result of the Amalgamation, First Asset Core Canadian Equity Income Class ETF, First Asset MSCI Canada Quality Index Class ETF, First Asset CanBanc Income Class ETF and First Asset Short Term Government Bond Index Class ETF each became a Corporate Class of the Company.

First Asset Investment Management Inc. (the "**Manager**" or "**First Asset**"), a registered portfolio manager and investment fund manager, is the manager of the First Asset ETFs. The Manager will be responsible for providing or arranging for the provision of administrative services and management functions, including the day-to-day management of the First Asset ETFs.

The head office of the Manager and the First Asset ETFs is 2 Queen Street East, 12th Floor, Toronto, Ontario M5C 3G7. The fiscal year end of the Company is December 31.

The following chart sets out the full legal name as well as the TSX ticker symbol for the First Asset ETFs:

FIRST ASSET ETF	**TSX Ticker Symbol (ETF Shares)**
First Asset CanBanc Income Class ETF	CIC
First Asset Core Canadian Equity Income Class ETF	CSY
First Asset MSCI Canada Quality Index Class ETF	FQC
First Asset Short Term Government Bond Index Class ETF	FGB

While each of the First Asset ETFs is an open end mutual fund under the securities legislation of certain provinces and territories of Canada, each First Asset ETF is entitled to rely on exemptive relief from certain provisions of Canadian securities legislation applicable to conventional mutual funds. See "Exemptions and Approvals".

INVESTMENT OBJECTIVES

First Asset CanBanc Income Class ETF

The First Asset ETF's investment objectives are to provide Shareholders with (i) quarterly distributions; (ii) the opportunity for capital appreciation; and (iii) lower overall volatility of portfolio returns than would be experienced by owning a portfolio of common shares of the Bank of Montreal, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, The Bank of Nova Scotia and The Toronto-Dominion Bank (collectively, the "**Banks**") directly.

First Asset Core Canadian Equity Income Class ETF

The First Asset ETF's investment objectives are to seek to provide Shareholders with (i) long term capital appreciation with an attractive risk-adjusted rate of return; and (ii) consistent dividend income gained through investing in equity securities of primarily large capitalization Canadian issuers.

First Asset MSCI Canada Quality Index Class ETF

The First Asset ETF's investment objective is to replicate, to the extent possible, the performance of the MSCI Canada Quality Index (CAD), net of expenses. The MSCI Canada Quality Index (CAD) is based on the MSCI Canada Index, its parent index, which includes large and mid-cap stocks of the Canadian equity market.

First Asset Short Term Government Bond Index Class ETF

The First Asset Short Term Government Bond Index Class ETF has been designed to replicate, to the extent possible, the performance of a Canadian short term government bond index, currently the FTSE TMX Canada Short Term Government Bond Index, net of expenses. Under normal market conditions, the First Asset ETF primarily invests in Canadian federal, provincial and municipal bonds issued domestically in Canada and denominated in Canadian dollars.

The investment objectives of a First Asset ETF may not be changed except with the approval of the Shareholders. See "Shareholder Matters" for additional descriptions of the process for calling a meeting of Shareholders and the requirements of Shareholder approval.

OVERVIEW OF THE SECTORS THAT THE FIRST ASSET ETFS INVEST IN

First Asset CanBanc Income Class ETF

The First Asset CanBanc Income Class ETF invests in a portfolio of common shares of the six largest Canadian banks: Bank of Montreal, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, The Bank of Nova Scotia and The Toronto-Dominion Bank.

First Asset Core Canadian Equity Income Class ETF

The First Asset Core Canadian Equity Income Class ETF will invest in equity securities of primarily large capitalization Canadian issuers, either directly or indirectly through Other ETFs in accordance with NI 81-102.

First Asset MSCI Canada Quality Index Class ETF

The First Asset MSCI Canada Quality Index Class ETF will invest in large and mid-cap stocks of the Canadian equity market.

First Asset Short Term Government Bond Index Class ETF

The First Asset Short Term Government Bond Index Class ETF primarily invests in Canadian federal, provincial and municipal bonds issued domestically in Canada.

Please see "Investment Objectives" above and "Investment Strategies" below for additional information on the sectors applicable to each First Asset ETF.

INVESTMENT STRATEGIES

First Asset CanBanc Income Class ETF

The First Asset CanBanc Income Class ETF invests in a portfolio consisting of common shares of the Banks.

Each month the First Asset ETF sells call options on approximately, and not more than, 25% of the common shares of each issuer held in its portfolio. Call options sold by the First Asset ETF may be either options traded on a North American stock exchange or "over-the-counter" options sold pursuant to an agreement with a counterparty with an approved credit rating as defined in NI 81-102, and the Manager of the First Asset ETF intends that such options will be sold at a strike price which is "at-the-money" (that is at or close to the current market price of the portfolio securities in respect of which the options are being sold).

The Manager does not rebalance the portfolio of the First Asset ETF.

The Manager intends to close out any outstanding options that are in the money prior to their expiry date to avoid having portfolio securities called away pursuant to the terms of the option, but may allow portfolio securities to be called, at its discretion. The Manager may also close out options in advance of year-end to reduce the likelihood that gains distributed by way of a special distribution in any year are reversed in a subsequent year. The Manager may decide, in its discretion, not to sell call options in any month if it determines that conditions render it impracticable to do so.

The First Asset ETF may sell portfolio securities that are in a loss position to reduce the capital gain that would otherwise be payable by way of a special distribution in a particular year where the Manager determines that it is in the best interest of the First Asset ETF to do so.

Covered Option Writing

The writing of call options by the First Asset ETF will involve the selling of call options in respect of approximately, and not more than, 25% of the common shares of each Bank held in the First Asset ETF's portfolio. Such call options may be either exchange-traded options or over-the-counter options. Because call options will be written only in respect of securities that are in the First Asset ETF's portfolio and because the investment criteria of the First Asset ETF prohibits the sale of securities subject to an outstanding option, the call options will be covered at all times.

The holder of a call option purchased from the First Asset ETF will have the option, exercisable during a specific time period or at expiry, to purchase the securities underlying the option from the First Asset ETF at the strike price per security. By selling call options, the First Asset ETF will receive option premiums, which are generally paid within one business day of the writing of the option. If at any time during the term of a call option or at expiry, the market price of the underlying securities is above the strike price, depending on the terms of the option the holder of the option may exercise the option and the First Asset ETF would be obligated to sell the securities to the holder at the strike price per security. The First Asset ETF generally repurchases call options which are in-the-money by paying the market value of the call option but, at the Manager's discretion, may allow First Asset ETF portfolio securities that are subject to the option to be called. If, however, the option is out-of-the-money at expiration of the call option, the holder of the option will likely not exercise the option and the option will expire. In each case, the First Asset ETF will retain the option premium. See "Call Option Pricing" below.

The amount of option premium depends upon, among other factors, the expected volatility of the price of the underlying security. The higher the volatility, the higher the option premium. In addition, the amount of the option premium will depend upon the difference between the strike price of the option and the market price of the underlying security at the time the option is written. The smaller the positive difference (or the larger the negative difference), the more likely it is that the option will become in-the-money during the term and, accordingly, the greater the option premium. See "Call Option Pricing" below. It is intended that the options sold by the First Asset ETF will be sold at a strike price that is "at-the-money" (that is, close to or at the current market price of the underlying security)

If a call option is written on a security (or a basket of securities) in the First Asset ETF's portfolio, the amounts that the First Asset ETF will be able to realize on the security (or basket of securities) during the term of the call option will be limited to the distributions received during such period plus an amount equal to the sum of the strike price and the premium received from writing the option. In essence, the First Asset ETF forgoes potential returns resulting from any price appreciation of the security underlying the option above the strike price because the security will be called away or the First Asset ETF will pay to close out the option by repurchasing the option at the then current market price of the option. The current market price of an in-the-money option may exceed the premium received when the at-the-market option was sold.

Call Option Pricing

Many investors and financial market professionals price call options based on the Black-Scholes Model. In practice, however, actual option premiums are determined in the marketplace and there can be no assurance that the values generated by the Black-Scholes Model can be attained in the market.

Under the Black-Scholes Model (modified to include dividends), the primary factors that affect the option premium received by the seller of a call option are the following:

(a) *The volatility of the price of the underlying security* – the volatility of the price of a security measures the tendency of the price of the security to vary during a specified period. The higher the price volatility, the more likely that the price of that security will fluctuate (either positively or negatively) and the greater the option premium. Price volatility is generally measured in percentage terms on an annualized basis, based on price changes during a period of time immediately prior to or "trailing" the date of calculation;

(b) *The difference between the strike price and the market price of the underlying security at the time the option is written* – the smaller the positive difference (or the larger the negative difference), the greater the option premium;

(c) *The term of the option* **–** the longer the term, the greater the call option premium;

(d) *The "risk-free" or benchmark interest rate in the market in which the option is issued* – the higher the risk-free interest rate, the greater the call option premium; and

(e) *The dividends expected to be paid on the underlying security during the relevant term* – the greater the dividends, the lower the call option premium.

First Asset Core Canadian Equity Income Class ETF

The First Asset Core Canadian Equity Income Class ETF uses a multi-factor portfolio optimization strategy to allocate its assets to gain exposure to equity securities of primarily large capitalization Canadian issuers in order to try to create a well-diversified portfolio with strong fundamentals, attractive levels of dividend income and a historical risk adjusted rate of return greater than a broad capitalization weighted Canadian equity fund. The First Asset ETF may invest directly in equity securities and/or indirectly in such securities through Other ETFs (as defined below), including those managed by First Asset.

The First Asset ETF will invest in a portfolio comprised of various securities and instruments which may include, but are not limited to, equity securities, futures contracts and exchange traded funds. If market conditions require, in order to preserve capital, the First Asset ETF may seek to invest a substantial portion of its assets in cash and cash equivalents.

First Asset MSCI Canada Quality Index Class ETF

The investment strategy of the First Asset MSCI Canada Quality Index Class ETF is to invest in and hold the Constituent Securities of the applicable Index in substantially the same proportion as they are reflected in such Index. The First Asset ETF may use a sampling strategy to achieve its objectives, if such an approach is appropriate in the discretion of the Manager.

The current Index for the First Asset MSCI Canada Quality Index Class ETF is the MSCI Canada Quality Index. The Index is based on the MSCI Canada Index, its parent index, which includes large and mid-cap stocks of the Canadian equity market. The Index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage. Further information about the Index, including a description of its methodology, is available from the Index Provider on its website at www.msci.com.

First Asset Short Term Government Bond Index Class ETF

The investment strategy of the First Asset Short Term Government Bond Index Class ETF is to invest in and hold the Constituent Securities of the applicable Index in substantially the same proportion as they are reflected in such Index. The First Asset ETF may use a sampling strategy to achieve its objectives, if such an approach is appropriate in the discretion of the Manager.

The current Index for the First Asset Short Term Government Bond Index Class ETF is the FTSE TMX Canada Short Term Government Bond Index. The Index is a market capitalization weighted index consisting of a broadly diversified range which may include any or all of Canadian federal, provincial and municipal bonds. The securities included in the Index consist primarily of semi-annual pay fixed rate bonds issued domestically in Canada and denominated in Canadian dollars, with an investment grade rating and an effective term to maturity of between one and five years. Returns for the Index are calculated daily and are weighted by market capitalization, so that the return on a bond influences the return on the Index in proportion to the bond's market value. The Index uses a rules based methodology, which changes over time to reflect market developments. The Index is rebalanced daily. Further information about the Index, including a description of its methodology, is available from the Index Provider on its website at http://www.ftse.com/products/ftsetmx.

Change in an Index

The Manager may, in its discretion and subject to obtaining any required Shareholder approval, change an Index tracked by a First Asset ETF to another widely-recognized index in order to provide Shareholders with substantially the same exposure to the asset class to which the First Asset ETF is currently exposed. If the Manager changes an Index, or any replacement index, the Manager will, at least 30 days prior to the effective date of such change, notify Shareholders of that First Asset ETF by way of a press release identifying the new Index, describing its constituent securities and specifying the reasons for the change in the Index.

Termination of an Index

The applicable Index Provider calculates, determines and maintains the relevant Index. In the event that an Index Provider ceases to calculate an Index or the applicable License Agreement is terminated, the Manager may terminate the applicable First Asset ETF on 60 day's notice, change the investment objective of the First Asset ETF or seek to replicate an alternative index (as described under "Change in the Index"), or make such other arrangements as the Manager considers appropriate and in the best interests of Shareholders of the applicable First Asset ETF in the circumstances. If an alternate index is selected, the investment objective of that First Asset ETF shall be to replicate, to the extent possible, the performance of such alternate index, net of expenses.

Use of the Indexes

The Manager and the applicable First Asset ETF are permitted to use the Indexes provided by the Index Providers and to use certain trademarks in connection with the operation of the First Asset ETFs pursuant to the License Agreements between the Manager and the Index Providers. The Manager and the applicable First Asset ETF do not accept responsibility for or guarantee the accuracy or completeness of the Index or any data included in any Index.

General Investment Strategies

Investment in Other Investment Funds

In accordance with applicable securities legislation, including NI 81-102, and as an alternative to or in conjunction with investing in and holding securities directly, the First Asset ETFs may also invest in one or more other exchange traded funds (each, an "**Other ETF**"), including Other ETFs managed by the Manager, provided that no management fees or incentive fees are payable by the First Asset ETF that, to a reasonable person, would duplicate a fee payable by the Other ETF for the same service and provided further that the First Asset ETF will not invest in any Other ETFs that pay a higher management or incentive fee than that paid by the First Asset ETF. A First Asset ETF's allocation to investments in Other ETFs, if any, will vary from time to time depending on the relative size and liquidity of the Other ETFs, and the ability of the Manager to identify appropriate Other ETFs that are consistent with the First Asset ETF's investment objectives and strategies.

Use of Derivative Instruments

The Manager may, on behalf of a First Asset ETF, invest in or use derivative instruments, including futures contracts and forward contracts, provided that the use of such derivative instruments is in compliance with NI 81-

102 or the appropriate regulatory exemptions have been obtained, and is consistent with the investment objective and strategy of the applicable First Asset ETF.

Securities Lending, Repurchase and Reverse Repurchase Transactions

A First Asset ETF may enter into securities lending transactions, repurchase and reverse purchase transactions in accordance with NI 81-102 to earn additional income for the First Asset ETF.

The Manager has entered into a written securities lending authorization agreement (a "**Securities Lending Agreement**") with its sub-custodian, State Street Bank and Trust Company (the "**Lending Agent**"), pursuant to which the Lending Agent, acting either directly or through certain of its affiliates, administers securities lending transactions for certain funds managed by the Manager, including the First Asset ETF. The Securities Lending Agreement complies with the applicable provisions of NI 81-102 and all securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act.

The Manager manages the risks associated with securities lending by a First Asset ETF by requiring the Lending Agent to, among other things: (a) enter into securities lending transactions with borrowers selected by the Lending Agent on a basis of certain creditworthiness standards applied by the Lending Agent; (b) maintain appropriate internal controls and procedures which include, as applicable, transaction and credit limits for borrowers; (c) establish daily the market value of both the securities loaned by the First Asset ETF under a securities lending transaction and the collateral held by the First Asset ETF; (d) if on any day the market value of the collateral held by the First Asset ETF is less than 102% of the market value of the borrowed securities, request that the borrower provide additional collateral to the First Asset ETF to make up the shortfall; and (e) ensure that the collateral to be delivered to the First Asset ETF is one or more of cash (if agreed to by the Manager and the Lending Agent), qualified securities or securities immediately convertible into, or exchangeable for, securities of the same issuer, class or type, and same term, if applicable, as the securities being loaned by the First Asset ETF.

The Manager reviews its written policies and procedures at least annually to ensure that the risks associated with securities lending transactions are being properly managed. The Lending Agent reviews its written policies and procedures at least annually. The Lending Agent employs a risk management framework of counterparty limits and stringent collateral guidelines, including counterparty and program minimums and maximums for various security classes. Acceptable counterparties, counterparty limits and collateral guidelines are reviewed and amended as dictated by market conditions. At present, there are no simulations used to test the portfolios under stress conditions to measure risk in connection with the use of securities lending transactions.

INVESTMENT RESTRICTIONS

The First Asset ETFs are subject to certain investment restrictions and practices contained in securities legislation, including NI 81-102, which are designed in part to ensure that the investments of the First Asset ETFs are diversified and relatively liquid and to ensure its proper administration. The investment restrictions and practices applicable to the First Asset ETFs which are contained in securities legislation, including NI 81-102, may not be deviated from without the prior consent of the Canadian securities regulatory authorities having jurisdiction over the First Asset ETFs. Please see "Shareholder Matters – Matters Requiring Shareholders Approval".

Subject to the following, and the exemptive relief that has been obtained, the First Asset ETFs are managed in accordance with the investment restrictions and practices set out in the applicable securities legislation, including NI 81-102. See "Exemptions and Approvals".

Tax Related Investment Restrictions

The Company will not make an investment or conduct any activity that would result in the Company failing to qualify as a "mutual fund corporation" within the meaning of the Tax Act. In addition, the Company will not (i) make or hold any investment in property that would be "taxable Canadian property" (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof) if more than 10% of the Company's property consisted of such property; (ii) invest in or hold (a) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Company (or the partnership) would be required to include significant amounts in income pursuant to section 94.1 of the Tax Act, (b) an interest in a trust (or a partnership which holds such an interest) which would require the Company (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or (c) any interest in a non-resident trust other than an "exempt foreign trust" for the purposes of section 94 of the Tax Act (or a partnership which holds such an interest); (iii) invest in any security that would be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act; or (iv) invest in any security of an issuer that would be a "foreign affiliate" of the Company for purposes of the Tax Act.

In addition, the Company may not enter into any arrangement (including the acquisition of securities for its portfolio) where the result is a "dividend rental arrangement" for the purposes of the Tax Act, and the Company may not engage in securities lending that does not constitute a "securities lending arrangement" for purposes of the Tax Act.

FEES AND EXPENSES

Fees and Expenses Payable by the First Asset ETFs

Management Fee

Each First Asset ETF will pay an annual management fee (the "**Management Fee**") to the Manager equal to an annual percentage of the net asset value of that First Asset ETF, calculated daily and payable monthly in arrears, plus applicable taxes. The Management Fee compensates the Manager for services it provides to the First Asset ETF including, without limitation: investment advisory and portfolio management services, implementation of the First Asset ETF's investment strategies, negotiating contracts with certain third-party service providers, including, but not limited to, the Index Provider (if applicable), investment managers, custodians, registrars, transfer agents, auditors and printers; authorizing the payment of operating expenses incurred on behalf of the First Asset ETF; maintaining certain accounting and financial records; calculating the amount and determining the frequency of distributions by the First Asset ETF; ensuring that Shareholders are provided with financial statements and other reports as are required from time to time by applicable law; ensuring that the First Asset ETF complies with all other regulatory requirements including continuous disclosure obligations under applicable securities laws; administering purchases, redemptions and other transactions in Shares; and arranging for any payments required upon termination of the First Asset ETF. The Management Fee of each First Asset ETF is as follows:

FIRST ASSET ETF	Annual Management Fee
First Asset CanBanc Income Class ETF	0.65%
First Asset Core Canadian Equity Income Class ETF	0.75%
First Asset MSCI Canada Quality Income Class ETF	0.60%
First Asset Short Term Government Bond Index Class ETF	0.25%

To achieve effective and competitive management fees, the Manager may reduce the fee borne by certain Shareholders who have signed an agreement with the Manager. The Manager will pay out the amount of the reduction in the form of a Management Fee Rebate directly to the eligible Shareholder. Management Fee Rebates are reinvested in Shares, unless otherwise requested. The decision to pay Management Fee Rebates will be in the Manager's discretion and will be dependent on a number of factors, including the size of the investment and a negotiated fee agreement between the Manager and the Shareholder.

The Manager reserves the right to discontinue or change Management Fee Rebates at any time.

Operating Expenses

In addition to the Management Fee, each of the First Asset ETFs will pay for all ordinary expenses incurred in connection with its operation and administration. Unless otherwise waived or reimbursed by the Manager, and subject to compliance with NI 81-102, it is expected that the expenses for each of the First Asset ETFs will include, as applicable, without limitation: all costs of portfolio transactions; audit fees; fees payable to third party service providers, including Index Providers if applicable; custodial expenses; valuation, accounting and record keeping costs; legal expenses; permitted prospectus preparation and filing expenses; costs associated with delivering documents to Shareholders; listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements; costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies; CDS fees; bank related fees and interest charges; extraordinary expenses; Shareholder reports and servicing costs; registrar and transfer agent fees; fees and expenses of the independent directors and the members of the IRC; expenses related to compliance with NI 81-107; fees and expenses relating to the voting of proxies by a third party; premiums for directors' and officers' insurance coverage for the independent directors and the members of the IRC; income taxes; Sales Taxes (including GST/HST); brokerage expenses and commissions; and withholding taxes. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Custodian, the independent directors and/or the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by the First Asset ETF.

Costs and expenses payable by the Manager, or an affiliate of the Manager, the initial organization costs of each of the First Asset ETFs and the costs of the preparation and filing of the preliminary prospectus and initial prospectus.

Expenses of the Issue

Apart from the initial organizational cost of a First Asset ETF, all expenses related to the issuance of Shares of the First Asset ETF shall be borne by the First Asset ETF unless otherwise waived or reimbursed by the Manager.

Fees and Expenses Payable Directly by the Shareholders

Redemption Fees

The Manager may, at its discretion, charge exchanging or redeeming Shareholders of a First Asset ETF a fee of up to 0.25% of the exchange or redemption proceeds to offset certain transaction costs associated with the exchange, or redemption of Shares of the First Asset ETF. The Manager will publish the current redemption fee, if any, on its website, www.firstasset.com. The redemption fee will not be charged to a Shareholder in connection with selling of Shares on the TSX.

Switch Fees

Shareholders may have to pay their financial advisor, investment advisor or broker a transfer fee based on the value of the Shares that are switched.

ANNUAL RETURNS AND MANAGEMENT EXPENSE RATIO

Annual Returns and Management Expense Ratio of First Asset CanBanc Income Class ETF

In respect of First Asset CanBanc Income Class ETF, the following chart provides the annual returns and the management expense ratio for the Shares for each year since its inception, prior to its conversion into an exchange traded fund from a closed-end fund.

Shares	2016	2015	2014	2013	2012	2011	2010
Annual Return (%)[1]	26.6	-4.7	10.8	16.2	11.9	1.9	8.6[4]
MER (%)[2]	0.81	1.30	1.32	1.32	1.31	1.35	6.48[5]
MER (%) excluding offering expenses[2]	0.81	1.30	1.32	1.32	1.31	1.30	0.94[5]
TER (%)[3]	0.12	0.05	0.01	0.00	0.01	0.00	0.11[5]

1. On September 24, 2015, the effective date of the conversion from a closed-end fund into an exchange traded fund, the annual management fee payable to the Manager in respect of the Shares (formerly the equity shares of Canbanc Income Corp.) was reduced to 0.65% (from 1.05%) of the NAV per Share.

2. Management expense ratio is based on total expenses (excluding commissions and other portfolio transactions costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The MER for the periods ending December 31, 2010 and 2011 include agents' fees and other offering expenses, which are one-time expenses and therefore are not annualized.

3. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

4. For the period from August 18, 2010 (first day of trading) to December 31, 2010.

5. For the period from June 28, 2010 (inception date) to December 31, 2010.

Annual Returns and Management Expense Ratio of First Asset Core Canadian Equity Income Class ETF

In respect of First Asset Core Canadian Equity Income Class ETF, the following chart provides the annual returns and the management expense ratio for the Shares for each year since its inception.

Shares	**2016**
Annual Return (%)	9.6[3]
MER (%)[1]	0.70[4]
TER (%)[2]	0.17[4]

1. Management expense ratio is based on total expenses (excluding commissions and other portfolio transactions costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

2. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

3. For the period from May 4, 2016 (commencement date of operations) to December 31, 2016.

4. For the period from April 1, 2016 (inception date) to December 31, 2016.

Annual Returns and Management Expense Ratio of First Asset MSCI Canada Quality Index Class ETF

In respect of First Asset MSCI Canada Quality Index Class ETF, the following chart provides the annual returns and the management expense ratio for the Shares for each year since its inception.

Shares	**2016**
Annual Return (%)	9.6[3]
MER (%)[1]	1.00[4]
TER (%)[2]	0.03[4]

1. Management expense ratio is based on total expenses (excluding commissions and other portfolio transactions costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

2. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

3. For the period from May 4, 2016 (commencement date of operations) to December 31, 2016.

4. For the period from April 1, 2016 (inception date) to December 31, 2016.

Annual Returns and Management Expense Ratio of First Asset Short Term Government Bond Index Class ETF

In respect of First Asset Short Term Government Bond Index ETF, the following chart provides the annual returns and the management expense ratio for the Shares for each year since its inception.

Shares	**2016**
Annual Return (%)	-0.30[3]
MER (%)[1]	0.34[4]
TER (%)[2]	0.03[4]

1. Management expense ratio is based on total expenses (excluding commissions and other portfolio transactions costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. First Asset waived some of the First Asset ETF's expenses. If it had not done so, the MER would have been higher.

2. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

3. For the period from February 24, 2016 (commencement date of operations) to December 31, 2016.

4. For the period from February 23, 2016 (inception date) to December 31, 2016.

RISK FACTORS

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Shares of a First Asset ETF which prospective investors should consider before purchasing such Shares:

General Risk Factors

No Assurances on Achieving Investment Objective Risk

There is no assurance that a First Asset ETF will achieve its investment objectives. The funds available for distributions to Shareholders of a First Asset ETF will vary according to, among other things, the dividends and other distributions paid on the securities in the portfolio and the value of the securities comprising the portfolio of the First Asset ETF. As the dividends and other distributions received by a First Asset ETF may not be sufficient to meet its objectives in respect of the payment of distributions, the First Asset ETF may depend on the realization of capital gains to meet those objectives.

Securities Market Risk

The value of most securities, including a First Asset ETF's portfolio securities, changes with securities market conditions. These conditions are affected by general economic and market conditions.

Specific Issuer Risk

The value of securities will vary positively or negatively with developments within the specific companies or governments that issue such securities.

Equity Risk

Equities such as common shares give the holder part ownership in a company. The value of equity securities change with the fortunes of the company that issued them. General market conditions and the health of the economy as a whole can also affect equity prices. Equity related securities that provide indirect exposure to the equity securities of an issuer can also be affected by equity risk.

Interest Rate Risk

If a First Asset ETF invests in fixed-income or dividend-paying equity securities, the First Asset ETF's value may be influenced by changes in the general level of interest rates. If interest rates fall, the value of the First Asset ETF's shares will tend to rise. If interest rates rise, the value of the First Asset ETF's shares will tend to fall. Depending on a First Asset ETF's holdings, short-term interest rates can have a different influence on the First Asset ETF's value than long-term interest rates.

Credit Risk

Credit risk is dependent upon a company's financial strength and reflects the possibility that a borrower, or the counterparty to a derivatives contract, is unable or unwilling to repay the loan or obligation, either on time or at all. Companies and governments that borrow money, and the debt securities they issue, are rated by specialized rating agencies. Securities that have a low credit rating have high credit risk. Credit rating downgrades and defaults (failure to make interest or principal payment) may potentially reduce a First Asset ETF's income and share price. A deterioration of an issuer's financial strength may also affect the issuer's ability to make dividend payments

Foreign Investment Risk

A First Asset ETF may be exposed to investments in non-Canadian and non-United States issuers which may involve unique risks compared to investing in securities of Canadian or United States issuers, including, among others, greater market volatility than Canadian or United States securities and less complete financial information than for Canadian or United States issuers. In addition, adverse political, economic or social developments could undermine the value of a First Asset ETF's investments or prevent that First Asset ETF from realizing the full value of its investments. Finally, the value of the currency of the country in which a First Asset ETF has invested could decline relative to the value of the Canadian dollar.

Currency Exposure Risk

A First Asset ETF may not be fully currency hedged, or currency hedged at all, and accordingly no assurance can be given that a First Asset ETF's portfolio will not be adversely impacted by changes in foreign exchange rates or other factors. The use of hedges, if used, involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could result in losses greater than if the hedging had not been used. Hedging arrangements may have the effect of limiting or reducing the total returns to a First Asset ETF if the Manager expectations concerning future events or market conditions prove to be incorrect. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Derivatives Risk

The use of derivatives does not guarantee that there will not be a loss or that there will be a gain. The following are some examples of the risks associated with the use of derivatives by a First Asset ETF:

- in the case of over-the-counter options and forward contracts, there is no guarantee that a market will exist for these investments when the First Asset ETF wants to close out its position; in the case of exchange traded options and futures contracts, there may be a risk of a lack of liquidity when the First Asset ETF wants to close out its position;
- futures exchanges may impose daily trading limits on certain derivatives, which could prevent the First Asset ETF from closing out its position;
- if the other party to the derivative, in the case of over-the-counter transactions, is unable to fulfil its obligations, the First Asset ETF could experience a loss or fail to realize a gain;
- if the First Asset ETF has an open position in an options, futures or forward contract with a dealer who goes bankrupt, the First Asset ETF could experience a loss and, for an open futures contract, a loss of margin deposits with that dealer; and
- if a derivative is based on a market index and trading is halted on a substantial number of securities in the index, or if there is a change in the composition of the index, it could have an adverse effect on the derivative.

Regulatory Risk

Legal and regulatory changes may occur that may adversely affect a First Asset ETF and which could make it more difficult, if not impossible, for the First Asset ETF to operate or to achieve its investment objectives. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on a First Asset ETF and what can be done, if anything, to try and limit such impact.

There can be no assurance that Canadian and foreign income tax, securities, and other applicable laws or the interpretation and application of such laws by courts or government authorities will not be changed in a manner which adversely affects a First Asset ETF, its Shareholders or distributions received by the First Asset ETF or by its Shareholders.

Corresponding Net Asset Value Risk

Similar to other exchange traded funds, the closing trading price of the Shares of a First Asset ETF may be different from the NAV of those Shares. As a result, dealers may be able to acquire or redeem a PNS of a First Asset ETF at a discount or a premium to the closing trading price per Share of the First Asset ETF. Such price differences may be due, in large part, to supply and demand factors in the secondary trading market for Shares of the First Asset ETF being similar, but not identical, to the same forces influencing the price of the underlying securities of the First Asset ETF at any point in time. As the Designated Broker and Dealers may subscribe for or redeem a PNS of a First Asset ETF at the applicable NAV per Share of the First Asset ETF, the Manager expects that large discounts or premiums to the NAV per Share of the First Asset ETF will not be sustained.

Designated Broker/Dealer Risk

As a First Asset ETF will only issue Shares directly to Designated Brokers and Dealers, in the event that a purchasing Designated Broker or Dealer is unable to meet its settlement obligations, the resulting costs and losses incurred will be borne by the First Asset ETF.

Reliance on Key Personnel Risk

Shareholders will be dependent on the abilities of the Manager to effectively manage a First Asset ETF in a manner consistent with its investment objectives, investment strategies and investment restrictions. Implementation of a First Asset ETF's investment strategies will be dependent on the Manager. There is no certainty that the individuals who are principally responsible for providing administration and portfolio management services to a First Asset ETF will continue to be employed by the Manager.

Potential Conflicts of Interest Risk

The Manager and its directors and officers and their affiliates and associates may engage in the promotion, management or investment management of other accounts, funds or trusts which invest primarily in the assets held by a First Asset ETF. Although officers, directors and professional staff of the Manager will devote as much time to the First Asset ETF as is deemed appropriate to perform their duties, the staff of the Manager may have conflicts in allocating their time and services among the First Asset ETF and the other funds and assets managed by the Manager.

Fund Corporation and Multi-Class/Series Structure Risk

Each First Asset ETF is a separate share class of the Company and each class may be available in more than one series. Each class and series has its own fees and expenses which are tracked separately. Those fees and expenses will be deducted in calculating the net asset value of that class or series, thereby reducing the net asset value of the relevant class or series. If one class or series is unable to pay its expenses or liabilities, the Company is legally responsible to pay those expenses and as a result, the net asset value of the other classes or series may also be reduced.

A mutual fund corporation is effectively permitted to flow through certain income to investors in the form of dividends. These are capital gains and dividends from taxable Canadian corporations. However, a mutual fund corporation cannot flow through other income including interest, trust income and foreign dividends. If this type of income, calculated for the Company as a whole, is greater than the expenses or other deductions from taxable income available to the Company, the Company would generally become taxable. The Manager will track the income and expenses of each class or series of shares of the Company separately, so that if the Company becomes taxable, the Manager would usually allocate the tax to those classes or series whose taxable income exceeded expenses.

If the Company has taxable net income, this could be disadvantageous for two types of investors: (a) investors in a Registered Plan and (b) investors with a lower marginal tax rate than the Company. Investors in Registered Plans do not immediately pay income tax on income received, therefore income that a fund is permitted to flow through to a Registered Plan will not be subject to any immediate income tax. If the Company cannot distribute the income, investors in a Registered Plan will indirectly bear the income tax incurred by the Company. The corporate tax rate applicable to mutual fund corporations is higher than some personal income tax rates, depending on the Province or Territory in which the investor resides and depending on the investor's marginal tax rate. As such, if the income is taxed inside the Company rather than distributed to the investor (and the investor pays the tax), the investor may indirectly bear a higher rate of tax on that income.

Fluctuations in NAV and Market Price of the Shares Risk

Shares of a First Asset ETF may trade in the market at a premium or discount to their NAV and there can be no assurance that Shares of a First Asset ETF will trade at a price equal to their NAV. Whether Shareholders of a First Asset ETF will realize gains or losses upon a sale of Shares of that First Asset ETF will depend not upon the NAV of the Shares but entirely upon whether the market price of the Shares at the time of sale is above or below the Shareholder's purchase price for the Shares. The market price of the Shares of a First Asset ETF will be determined by factors in addition to NAV such as relative supply of and demand for the Shares of the First Asset ETF in the market, general market and economic conditions, and other factors.

Cease Trading of Securities Risk

If the securities of an issuer included in the portfolio of a First Asset ETF are cease-traded by order of the relevant securities regulatory authority or are halted from trading by the relevant stock exchange, the First Asset ETF may halt trading in its securities. Accordingly, securities of a First Asset ETF bear the risk of cease trading orders against all issuers whose securities are included in its portfolio, not just one. If portfolio securities of a First Asset ETF are cease-traded by order of a securities regulatory authority, if normal trading of such securities is suspended on the relevant exchange, or if for any reason it is likely there will be no closing bid price for such securities, the First Asset ETF may suspend the right to redeem securities for cash, subject to any required prior regulatory approval. If the right to redeem securities for cash is suspended, the First Asset ETF may return redemption requests to securityholders who have submitted them. If securities are cease-traded, they may not be delivered on an exchange of a PNS for a Basket of Securities until such time as the cease-trade order is lifted.

Exchange Risk

In the event that the TSX closes early or unexpectedly on a day that it is normally open for trading, Shareholders of a First Asset ETF will be unable to purchase or sell Shares of the First Asset ETF on the TSX until it reopens and there is a possibility that, at the same time and for the same reason, the exchange and redemption of Shares of the First Asset ETF may be suspended until the TSX reopens.

Early Closing Risk

Unanticipated early closings of a stock exchange on which securities held by a First Asset ETF are listed may result in the First Asset ETF being unable to sell or buy securities on that day. If the TSX closes early on a day when a First Asset ETF needs to execute a high volume of securities trades late in the trading day, the First Asset ETF may incur substantial trading losses.

Concentration Risk

A First Asset ETF from time to time may be concentrated to a significant degree in securities of issuers or underlying funds focused in a single industry or sector. If a First Asset ETF concentrates its investments in an industry or sector, the First Asset ETF faces more risks than if it were diversified broadly over numerous industries or sectors. Such industry-based risks, any of which may adversely affect the issuers in which a First Asset ETF invests, may include, but are not limited to, the following: general economic conditions or cyclical market patterns that could negatively affect supply and demand in a particular industry; competition for resources, adverse labour relations, political or world events; obsolescence of technologies; and increased competition or new product introductions that may affect the profitability or viability of companies in an industry. In addition, at times, such industry or sector may be out of favor and underperform other industries or the market as a whole.

Reliance on Historical Data Risk

Past trends may not be repeated in the future. The accuracy of the historical data used by the Manager for research and development, which is often provided by third parties, cannot be guaranteed by the Manager. The Manager only seeks to obtain such data from companies that it believes to be highly reliable and of high reputation.

Illiquid Securities Risk

There is no assurance that an adequate market will exist for the securities in the portfolio. The Manager may be unable to acquire or dispose of securities in quantities or at prices which are acceptable to the Manager, if the market for such securities is illiquid.

Tax Risk

If the Company ceases to qualify as a “mutual fund corporation” under the Tax Act, the income tax considerations described under the heading “Income Tax Considerations” would be materially and adversely different in certain respects.

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency respecting the treatment of mutual fund corporations will not be changed in a manner that adversely affects a First Asset ETF or its Shareholders. For example, changes to tax legislation or the administration thereof could affect the taxation of a First Asset ETF or the securities in its portfolio.

In determining their income for tax purposes, the First Asset ETFs treat gains or losses on the disposition of securities in their portfolio as capital gains and losses. In determining its income for tax purposes, the First Asset CanBanc Income Class ETF treats option premiums received on the writing of covered call options and any gains or losses on closing out such options as capital gains and capital losses in accordance with the CRA's published administrative policies. Generally, the Company will include gains and deduct losses on income account in connection with investments made through certain derivatives, including certain short sales of securities, except where such derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage and subject to the DFA Rules discussed under "Income Tax Considerations – Taxation of the First Asset ETFs" or the short sale is a short sale of "Canadian securities" for purposes of the Tax Act, and will recognize such gains or losses for tax purposes at the time they are realized by the Company. The Company also intends to take the position that gains or losses in respect of foreign currency hedges entered into in respect of amounts invested in its portfolios will constitute capital gains and capital losses if the portfolio securities are capital property and there is sufficient linkage. Certain proposed amendments to the Tax Act, if enacted as proposed, should clarify that the DFA Rules generally should not apply to such foreign currency hedges. Capital gains or losses in respect of foreign currency hedges will be taken into account in determining the Company's net capital gains and any special distributions of Capital Gains Dividends as described under "Income Tax Considerations". The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If some or all of these foregoing dispositions or transactions of the Company or any First Asset ETF are determined not to be on capital account (whether because of the DFA Rules or otherwise), after-tax returns to Shareholders could be reduced, the Company may be subject to non-refundable income tax in respect of income from such transactions, and the Company may be subject to penalty taxes in respect of excessive capital gains dividend elections. Any such redetermination by the CRA may result in the Company being liable for unremitted withholding taxes on prior distributions made to Shareholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the net asset value of, or trading prices of, the Shares.

The Company intends to invest in U.S. securities. Most foreign countries (including the U.S.) preserve their right under domestic tax laws and applicable income tax conventions (such as the *Canada-United States Tax Convention* (1980) (as amended)) (any such convention, a "**Treaty**") to impose tax on dividends paid or credited to, or gains realized by, persons who are not resident in the applicable foreign country. While the Company intends to make its investments in such a manner as to mitigate the amount of foreign taxes incurred under foreign tax laws and subject to any applicable Treaty, investments in selected foreign securities may subject the Company to foreign taxes on dividends paid or credited to the Company or any gains realized on the disposition of such securities. Any foreign taxes incurred by the Company will generally reduce the value of the Company and/or amounts payable to Shareholders.

Changes in the interpretation and administration of the 5% federal goods and services tax ("**GST**") and federal harmonized sales tax (of up to 15%) applicable in Ontario, Nova Scotia, New Brunswick, Newfoundland and Labrador and Prince Edward Island ("**HST**") may result in a First Asset ETF being required to pay increased amounts of GST or HST.

Securities Lending, Repurchase and Reverse Repurchase Transaction Risk

Each First Asset ETF is authorized to enter into securities lending, repurchase and reverse repurchase transactions in accordance with NI 81-102**.** In a securities lending transaction, a First Asset ETF lends its portfolio securities through an authorized agent to another party (often called a "**counterparty**") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the First Asset ETF sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, a First Asset ETF buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase transactions entered into by a First Asset ETF:

- when entering into securities lending, repurchase and reverse repurchase transactions, the First Asset ETF is subject to the credit risk that the counterparty may default under the agreement and the First Asset ETF would be forced to make a claim in order to recover its investment;
- when recovering its investment on default, the First Asset ETF could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the First Asset ETF; and
- similarly, the First Asset ETF could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the First Asset ETF to the counterparty.

A First Asset ETF may engage in securities lending from time to time. When engaging in securities lending, the First Asset ETF will receive collateral in excess of the value of the securities loaned, and although such collateral is marked to market, the First Asset ETF may be exposed to the risk of loss should a borrower default on its obligations to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

Fund of Funds Investment Risk

A First Asset ETF may invest in other investment funds as part of its investment strategy. If a First Asset ETF invests in such underlying funds, its investment performance largely depends on the investment performance of the underlying funds in which it invests. Additionally, if an underlying fund suspends redemptions, the First Asset ETF may be unable to accurately value part of its investment portfolio and may be unable to redeem its Shares. To the extent a First Asset ETF invests in an Other ETF that seeks to replicate the performance of an index, the risk factors described under the headings "*Exchange Traded Funds Risk*", "*Passive Investment Risk*", "*Replication of Tracking Risk*", "*Calculation and Termination of the Index Risk*", "*Rebalancing and Adjustment Risk*" and "*Use of Index Risk*" will apply to such investments.

Exchange Traded Funds Risk

A First Asset ETF may invest in exchange traded funds that seek to provide returns similar to the performance of a particular market index or industry sector index. Any such exchange traded fund may not achieve the same return as its benchmark market or industry sector index due to differences in the actual weightings of securities held in the fund versus the weightings in the relevant index and due to the operating and administrative expenses of the fund.

In addition, any such fund may not attempt to take defensive positions in declining markets. Accordingly, the adverse financial condition of an issuer represented in the portfolio of such fund will not necessarily result in the fund ceasing to hold the issuer's securities, unless such securities are removed from the portfolio through the application of the fund's investment methodology.

Absence of an Active Market for the Shares and Lack of Operating History Risk

The First Asset ETFs have limited operating history as exchange traded funds. Although the Shares of a First Asset ETF may be listed on the TSX, there can be no assurance that an active public market for the Shares of the First Asset ETF will develop or be sustained.

Risk Factors Specific to the Index ETFs

Passive Investment Risk

In selecting securities for an Index ETF, the Manager will not "actively manage" the Index ETF by undertaking any fundamental analysis of the securities it invests in for the Index ETF nor will the Manager buy or sell securities for the Index ETF based on the Manager's market, financial or economic analysis.

Because of the Manager's investment strategy, the Manager may not attempt to take defensive positions in declining markets. Accordingly, the adverse financial condition of an issuer represented in a portfolio will not necessarily result in an Index ETF ceasing to hold the issuer's securities, unless such securities are removed from the portfolio through the application of the Index ETF's investment methodology.

Replication or Tracking Risk

An investment in an Index ETF should be made with an understanding that the Index ETF will not replicate exactly the performance of the applicable Index. The total return generated by the securities held by an Index ETF will be reduced by the Management Fee payable to the Manager and transaction costs (including transaction costs incurred in adjusting the actual balance of the securities held by the Index ETF) as well as taxes and other expenses borne by the Index ETF whereas such transaction costs, taxes and expenses are not included in the calculation of the returns of the Index.

Also, deviations in the tracking of the Index by an Index ETF could occur for a variety of reasons, including if the Index ETF uses a sampling methodology. Deviations may also occur if the Index ETF tenders securities under a successful takeover bid for less than all securities of a Constituent Issuer and the Constituent Issuer is not taken out of the Index. In each such case, the Index ETF would be required to buy replacement securities for more than the takeover bid proceeds. It is also possible that, for a period of time, the Index ETF may not fully replicate the performance of the Index due to extraordinary circumstances.

Adjustments to the Basket of Securities necessitated by the rebalancing of or adjustment to the Index could affect the underlying market for Constituent Securities of the Index, which in turn would be reflected in the value of the Index. Similarly, subscriptions for Shares by Designated Brokers and Dealers may impact the market for Constituent Securities of the Index, as the Designated Broker or Dealer seeks to buy or borrow such securities to constitute Baskets of Securities to deliver to the Index ETF as payment for the Shares to be issued.

Calculation and Termination of the Index Risk

The Indexes are maintained and calculated by the applicable Index Provider. Trading in the Shares of an Index ETF, may be suspended for a period of time if, for whatever reason, the calculation of the applicable Index is delayed.

In the event an Index ceases to be calculated or is discontinued, the Manager may terminate the applicable Index ETF, change the investment objective of the Index ETF, employ its strategy in respect of an alternative index or make such other arrangement as the Manager considers appropriate and in the best interests of Shareholders in the circumstances.

Rebalancing and Adjustment Risk

Adjustments to Baskets of Securities held by an Index ETF to reflect rebalancing of and adjustments to the Index will depend on the ability of the Manager and the Designated Brokers to perform their respective obligations under the Designated Broker Agreement(s). If a Designated Broker fails to perform, the Index ETF would be required to sell or purchase, as the case may be, Constituent Securities in the market. If this happens, the Index ETF would incur additional transaction costs and security mis-weights that would cause the performance of the Index ETF to deviate more significantly from the performance of the Index than would otherwise be expected.

Use of the Index Risk

The Manager and the Index ETFs are permitted to use the applicable Index pursuant to the License Agreements described below under “Material Contracts”. The Manager and the Index ETF do not accept responsibility for or guarantee the accuracy and/or completeness of the Index or any data included in the Index.

DIVIDEND/DISTRIBUTION POLICY

The dividend policy of the Company is to pay cash dividends, if any, on the Shares of the First Asset ETFs (other than First Asset CanBanc Income Class ETF) at least annually and more frequently as determined by the Manager in its discretion and announced by press release from time-to-time. Initially cash dividends are expected to be paid monthly in the case of First Asset Short Term Government Bond Index Class ETF and quarterly in the case of First Asset CanBanc Income Class ETF, First Asset Core Canadian Equity Class ETF and First Asset MSCI Canada Quality Index Class ETF. The First Asset ETFs will not have fixed distribution amounts, but will set periodic distribution targets based on, among other things, the Manager's assessment of anticipated cash flow and anticipated expenses of the First Asset ETF from time to time.

In respect of the First Asset CanBanc Income Class ETF, the use of call options may have the effect of limiting or reducing the total returns, particularly in a rising market since the premiums associated with writing covered call options may be outweighed by the cost of closing out outstanding options. However, the Manager believes that in a slightly rising, flat or downward trending market, a portfolio that is subject to covered call option writing will generally provide higher relative returns and lower volatility than one on which no options are written.

The amount of distributions may fluctuate and there can be no assurance that a First Asset ETF will make any distributions in any particular period. The date of any distribution will be announced in advance by issuance of a press release. The Manager may, in its complete discretion, increase the frequency of these distributions and any such change will be announced by press release.

The sources of income of the First Asset ETFs are expected to include taxable capital gains as well as dividends from taxable Canadian corporations. However, to the extent that the Company earns net income, after expenses and other deductions (including any available loss carryforwards to the extent deductible), from other sources, including dividends from non-Canadian sources and interest income, the Company will generally be subject to income tax on such income and no refund of such tax will be available. Distributions could include a return of capital. A return of capital is not directly subject to tax but will reduce the adjusted cost base of the Shares. See "Income Tax Considerations".

Given the investment and distribution policies of the Company and taking into account the deduction of expenses, any applicable loss carryforwards and taxable dividends on shares of taxable Canadian corporations, the Manager does not expect that the Company will be subject to appreciable amounts of non-refundable Canadian income tax.

Year-End Distributions

If, in any taxation year, after the regular distributions, the Company would otherwise be liable for tax on net realized capital gains, or refundable tax in respect of dividends received from taxable Canadian corporations, the Company intends to pay, by the last day of that year, a special capital gains dividend and/or an ordinary dividend in order to ensure that the Company will not be liable for income tax on such amounts under the Tax Act (after taking into account all available deductions, credits and refunds) or to recover refundable tax not otherwise recoverable upon payment of regular cash distributions. Such distributions may be paid in the form of Shares of the relevant First Asset ETF and/or cash. Any such distributions payable in Shares of the relevant First Asset ETF will increase the aggregate adjusted cost base of a Shareholder's Shares of that First Asset ETF. Immediately following payment of such a special distribution in Shares, the number of Shares of that First Asset ETF outstanding will be automatically consolidated such that the number of Shares of that First Asset ETF outstanding after such distribution will be equal to the number of Shares of that First Asset ETF outstanding immediately prior to such distribution, except where there are non-resident Shareholders to the extent tax is required to be withheld in respect of the distribution. See "Income Tax Considerations".

Distribution Reinvestment Plan

At any time, Shareholders may elect to participate in the Manager's distribution reinvestment plan (the "**Reinvestment Plan**") by contacting the CDS Participant through which the Shareholder holds its Shares. Under the Reinvestment Plan, cash distributions (net of any required withholding tax) will be used to acquire additional Shares of the same series of the First Asset ETF (the "**Plan Shares**") from the market and will be credited to the account of the Shareholder (the "**Plan Participant**") through CDS.

Any eligible Shareholder may enrol in the Reinvestment Plan by notifying the CDS Participant through which the Shareholder holds its Shares of such Shareholder's intention to participate in the Reinvestment Plan. Under the Reinvestment Plan, cash distributions will be used to acquire Plan Shares in the market and will be credited to the account of the Plan Participant through CDS. The CDS Participant must, on behalf of such Plan Participant, elect on line via CDSX no later than 5:00 p.m. (Toronto time) on each applicable Distribution Record Date in respect of the next expected distribution in which the Shareholder wishes to participate. These elections are received directly by the Plan Agent via CDSX. If this election via CDSX is not received by the Plan Agent by the applicable deadline, the Shareholder will not participate in the Reinvestment Plan for that distribution.

The tax treatment to Shareholders of reinvested distributions is discussed under the heading "Income Tax Considerations".

Pre-Authorized Cash Contribution

Plan Participants will also be able to make Pre-authorized Cash Contributions ("**PACC**") on the last business day of a month, calendar quarter (March, June, September and December) or calendar year recurring basis ("**Payment Date**") which will be invested in Plan Shares acquired in the market by the Plan Agent. A Plan Participant that wishes to make a PACC must notify the CDS Participant through which such Shareholder holds its Shares for instructions and then submit to such CDS Participant a completed PACC enrolment form along with a personal "Void" cheque. The CDS Participant must, on behalf of the Plan Participant, complete the CDS portion located on the reverse side of the PACC enrolment form, and submit the PACC enrolment form and personal "Void" cheque to the Plan Agent no later than ten (10) business days prior to a specified distribution Payment Date. For any month in which there is no specified distribution Payment Date, then a deemed distribution Payment Date will be used for that month which will be the last business day of the month. Any PACC enrolment forms received following such time will not be processed for the current period. Contributions will be debited from the Plan Participant's financial institution (or bank) account five (5) business days prior to the next applicable specified or deemed distribution Payment Date. Insufficient funds in a Plan Participant's financial institution (or bank) account will result in termination of that Plan Participant's PACC participation. If notice is not received by the Plan Agent prior to this deadline, the Shareholder will not make a PACC in the Reinvestment Plan for that period.

A Plan Participant may invest a minimum of $100.00 and a maximum of $10,000.00 per PACC monthly via their CDS Participant. A Plan Participant participating in the SWP (defined below) may not participate in the PACC service under this Reinvestment Plan.

Systematic Withdrawal Plan

Under the Reinvestment Plan, a Shareholder may elect to systematically withdraw ("**SWP**") (through the sale of Shares) a fixed, but approximated, dollar amount owned by such Shareholder in respect of each subsequent SWP processing date by participating in the SWP service on a monthly, quarterly or annual recurring basis. Such dollar amount of Shares to be sold for each such SWP processing date may not be less than $100.00 or greater than $10,000.00 of Shares. A Shareholder may so elect to sell Shares by notifying the Plan Agent via the applicable CDS Participant through which such Shareholder holds its Shares of the Shareholder's intention to so sell Shares. The CDS Participant must, on behalf of such Shareholder, provide a SWP notice through CDSX to the Plan Agent that the Shareholder wishes to sell Shares in this manner no later than 5:00 p.m. (Toronto time) on the applicable SWP processing date. The CDS Participant must also ensure the required number of Plan Shares to be sold is delivered to CDS for settlement. Any late submissions will not be processed for the current period. If notice is not received by the Plan Agent prior to this deadline, the Shareholder will not be able to sell Shares under the Reinvestment Plan for such Payment Date.

For each SWP processing date following the proper delivery of a SWP notice, the Plan Agent shall sell the Shares of such Shareholders in the Canadian open market during the five Business Day period following the applicable SWP processing date. The proceeds of the sale of the Shares will be delivered by the Plan Agent to CDS as soon as practicable for the benefit of each participating Shareholder to the account of the applicable CDS Participant through whom such Shareholder holds his or her Shares.

A Shareholder who makes PACCs may not deliver a SWP notice under this Reinvestment Plan.

Fractional Shares

No fractional Shares will be purchased or sold under the Reinvestment Plan. Payments in cash for any remaining uninvested funds may be made in lieu of fractional Plan Shares by the Plan Agent to CDS or CDS Participant, on a monthly or quarterly basis, as the case may be. Where applicable, CDS will, in turn, credit the Plan Participant, via the applicable CDS Participant.

Amendments, Suspension or Termination of the Reinvestment Plan

Any Plan Participant may withdraw from the Reinvestment Plan by contacting the CDS Participant through which the Shareholder holds its Shares for procedures.

Plan Participants may voluntarily terminate or modify their participation as follows: (i) Plan Participants no longer wishing to participate in the Reinvestment Plan must notify their CDS Participant no later than 4:00 p.m. (Toronto time) at least two business days immediately prior to the applicable Distribution Record Date. If notice is received after this deadline, participation will continue for that distribution only. Future distributions will be made in cash to such Shareholders; (ii) Plan Participants may discontinue participation in the PACC service by calling the Plan Agent directly toll-free or by submitting a clear written request (by means of the PACC enrolment form or other written notice) to the Plan Agent. Cancellations must be received no later than ten (10) business days prior to a specified or deemed distribution Payment Date. If notice is received after this deadline, PACC participation will continue for the current investment only; (iii) Plan Participants may discontinue participation or modify the recurring withdrawal amount or frequency in the SWP service by informing their CDS Participant in writing. Plan Participants should contact their applicable CDS Participant for the specific submission deadline of such CDS Participant. The CDS Participant may withdraw from the SWP via CDSX no later than 5:00 p.m. (Toronto time) on the applicable SWP processing date.

The Manager may terminate the Reinvestment Plan with respect to any of the First Asset ETFs in its sole discretion, upon not less than 30 days' notice to: (i) the Plan Participants, via the CDS Participants through which the Plan Participants hold their Shares, (ii) the Plan Agent, and (iii) the TSX (if applicable). The Manager may also amend, modify or suspend the Reinvestment Plan with respect to any of the First Asset ETFs at any time in its sole discretion, provided that it complies with certain requirements and gives notice of that amendment, modification or suspension (which notice may be given by issuing a press release containing a summary description of the amendment or in any other manner the Manager determines appropriate) to: (i) CDS Participants through which the Reinvestment Plan Participants hold their Shares, (ii) the Plan Agent, and (iii) the TSX (if applicable). The Reinvestment Plan will terminate automatically with respect to a First Asset ETF upon the termination of the First Asset ETF.

The Manager may adopt additional rules and regulations to facilitate the administration of the Reinvestment Plan, subject to the approval of the TSX (if required by the TSX rules). The Manager may, in its sole discretion, and upon at least 30 days' written notice to the Plan Agent, remove the Plan Agent and appoint a new Plan Agent.

Other Provisions

Participation in the Reinvestment Plan is restricted to Shareholders who are residents of Canada for the purposes of the Tax Act. Partnerships (other than "Canadian partnerships" as defined in the Tax Act) are not eligible to participate in the Reinvestment Plan. Upon becoming a non-resident of Canada or a partnership (other than a Canadian partnership), a Plan Participant shall notify their CDS Participant and terminate participation in the Reinvestment Plan immediately. For the purpose of the Reinvestment Plan, the Plan Agent will not have any duty to inquire into the residency status or partnership status of Plan Participants, nor will the Plan Agent be required to know the residency status or partnership status of Plan Participants other than as notified by CDS or the Manager.

The automatic reinvestment of the distributions under the Reinvestment Plan will not relieve Plan Participants of any income tax applicable to such distributions. Each Plan Participant will be mailed annually the information necessary to enable such Shareholder to complete an income tax return with respect to amounts paid or payable by a First Asset ETF to the Shareholder in the preceding taxation year.

PURCHASES OF SHARES

Initial Investment in the First Asset ETF

In compliance with NI 81-102, no Shares of a First Asset ETF were issued to the public unless subscriptions aggregating not less than $500,000 were received and accepted by the First Asset ETF from investors other than persons or companies related to the Manager or its affiliates.

Issuance of Shares

Shares of the First Asset ETFs are being issued and sold on a continuous basis and there is no maximum number of Shares that may be issued.

To Designated Brokers and Dealers

All orders to purchase Shares directly from a First Asset ETF must be placed by Designated Brokers or Dealers. The First Asset ETFs reserve the absolute right to reject any subscription order placed by a Designated Broker and/or a Dealer. No fees will be payable by a First Asset ETF to a Designated Broker or a Dealer in connection with the issuance of Shares of the First Asset ETF. On the issuance of Shares, the Manager may, at its discretion, charge an administrative fee to a Dealer or Designated Broker to offset any expenses (including any applicable TSX additional listing fees) incurred in issuing the Shares.

On any Trading Day, the Designated Broker or a Dealer may place a subscription order for the PNS or integral multiple PNS of a First Asset ETF.

If a subscription order is received by a First Asset ETF at or before 9:00 a.m. (Toronto time) on a Trading Day, or such other time prior to the Valuation Time on such Trading Day as the Manager may permit, and is accepted by the Manager, the First Asset ETF will generally issue to the Dealer or Designated Broker the PNS (or an integral multiple thereof) within three Trading Days from the effective date of the subscription order. The First Asset ETF must receive payment for the Shares subscribed for within three Trading Days from the effective date of the subscription order. The effective date of a subscription order is the Trading Day on which the Valuation Time that applies to such subscription order takes place.

Unless the Manager shall otherwise agree, as payment for a PNS of a First Asset ETF, a Dealer or Designated Broker must deliver subscription proceeds consisting of a Basket of Securities and cash in an amount sufficient so that the value of the Basket of Securities and cash delivered is equal to the net asset value of the applicable PNS of the First Asset ETF determined at the Valuation Time on the effective date of the subscription order.

The Manager may, in its complete discretion, instead accept subscription proceeds consisting of (i) cash only in an amount equal to the net asset value of the applicable PNS next determined at the Valuation Time on the effective date of the subscription order, plus (ii) if applicable, the Cash Creation Fee.

The Cash Creation Fee, if any, will be specified from time to time at the discretion of the Manager and will be published on each Trading Day on its website, www.firstasset.com.

The Manager will, except when circumstances prevent it from doing so, publish the applicable PNS for each of the First Asset ETFs following the close of business on each Trading Day on its website, www.firstasset.com. The Manager may, at its discretion, increase or decrease the applicable PNS from time to time.

To Shareholders as Reinvested Distributions

In addition to the issuance of Shares as described above, Shares of a First Asset ETF may be issued to Shareholders on the automatic reinvestment of certain distributions in accordance with the distribution policy of the First Asset ETF. See “Distribution Policy”.

Buying and Selling Shares

Shares of each of the First Asset ETFs are currently listed on the TSX. Investors can buy or sell such Shares on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Shares. No fees are paid by investors to the Manager or a First Asset ETF in connection with buying or selling of Shares of the First Asset ETF on the TSX.

Special Considerations for Shareholders

The provisions of the so-called “early warning” requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Shares. In addition, each First Asset ETF is entitled to rely on exemptive relief from the securities regulatory authorities to permit a Shareholder of a First Asset ETF to acquire more than 20% of the Shares of that First Asset ETF through purchases on the TSX without regard to the takeover bid requirements of applicable Canadian securities legislation, provided that such Shareholder, and any person acting jointly or in concert with such Shareholder, undertakes to the Manager not to vote more than 20% of the Shares of the First Asset ETF at any meeting of Shareholders.

Shares of the Index ETFs are, in the opinion of the Manager, index participation units within the meaning of NI 81-102. A mutual fund wishing to invest in Shares of an Index ETF should make its own assessment of its ability to do so after careful consideration of the relevant provisions of NI 81-102, including but not limited to whether the Shares of the Index ETF should be considered index participation units, as well as the control, concentration and certain of the "fund-of-funds" restrictions of NI 81-102. No purchase of Shares of an Index ETF should be made solely in reliance on the above statements.

EXCHANGE, REDEMPTION AND SWITCHING OF SHARES

Exchange of Shares at Net Asset Value per Share for Baskets of Securities and/or Cash

Shareholders of a First Asset ETF may exchange the applicable PNS (or an integral multiple thereof) of the First Asset ETF on any Trading Day for Baskets of Securities and cash, or in the discretion of the Manager, cash only, subject to the requirement that a minimum PNS be exchanged. To effect an exchange of Shares, a Shareholder must submit an exchange request in the form and at the location prescribed by the First Asset ETF from time to time at or before 9:00 a.m. (Toronto time) on a Trading Day, or such other time prior to the Valuation Time on such Trading Day as the Manager may permit. The exchange price will be equal to the net asset value of each PNS tendered for exchange determined at the Valuation Time on the effective date of the exchange request, payable by delivery of a Basket of Securities (constituted as most recently published prior to the effective date of the exchange request) and cash, or in the discretion of the Manager, cash only, subject to payment of the applicable Cash Exchange Fee, if any. The securities to be included in the Basket of Securities delivered in an exchange shall be selected by the Manager in its sole discretion. The Shares will be redeemed in the exchange. The Manager will also make available to Dealers and Designated Brokers the applicable PNS to redeem Shares on each Trading Day. The effective date of an exchange request is the Trading Day on which the Valuation Time that applies to such redemption request takes place.

The Cash Exchange Fee, if any, will be specified from time to time at the discretion of the Manager and will be published on each Trading Day on its website, www.firstasset.com.

If an exchange request is not received by the applicable cut-off time, the exchange order will be effective only on the next Trading Day. Settlement of exchanges for Baskets of Securities and/or cash will generally be made by the third Trading Day after the effective day of the exchange request.

If any securities in which a First Asset ETF has invested are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of Baskets of Securities to a Shareholder, Dealer or Designated Broker on an exchange in the PNS may be postponed until such time as the transfer of the Baskets of Securities is permitted by law.

As described under "Book-Entry Only System", registration of interests in, and transfers of, Shares will be made only through the book-entry only system of CDS. The redemption rights described below must be exercised through the CDS Participant through which the owner holds Shares. Beneficial owners of Shares should ensure that they provide redemption instructions to the CDS Participant through which they hold such Shares sufficiently in advance of the cut-off times described below to allow such CDS Participant to notify CDS and for CDS to notify the Registrar and Transfer Agent prior to the relevant cut-off time.

Redemption of Shares for Cash

On any Trading Day, Shareholders of a First Asset ETF may redeem (i) Shares of the First Asset ETF for cash at a redemption price per Share equal to 95% of the closing price for the Shares of the same series on the TSX on the effective day of the redemption less any applicable redemption fee determined by the Manager, in its sole discretion, from time to time, or (ii) a PNS of the First Asset ETF or a multiple PNS of the First Asset ETF for cash equal to the net asset value of that number of Shares of the First Asset ETF less any applicable redemption fee determined by the Manager, in its sole discretion from time to time. Because Shareholders will generally be able to sell Shares at the market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions, Shareholders are advised to consult their brokers, dealers or investment advisors before redeeming such Shares for cash. No fees or expenses are paid by Shareholders of a First Asset ETF to the Manager or a First Asset ETF in connection with selling Shares of the First Asset ETF on the TSX.

In order for a cash redemption to be effective on a Trading Day, a cash redemption request with respect to a First Asset ETF must be delivered to the Manager in the form and at the location prescribed by the Manager from time to time at or before 9:00 a.m. (Toronto time) on such Trading Day. Any cash redemption request received after such time will be effective only on the next Trading Day. Where possible, payment of the redemption price will be made by no later than the third Trading Day after the effective day of the redemption. The cash redemption request forms may be obtained from any registered broker or dealer.

Shareholders that have delivered a redemption request prior to the Distribution Record Date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of Shares, a First Asset ETF will generally dispose of securities or other financial instruments.

Suspension of Exchanges and Redemptions

The Manager may suspend the exchange or redemption of Shares of a First Asset ETF or payment of redemption proceeds of the First Asset ETF: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the First Asset ETF are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the First Asset ETF, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the First Asset ETF; or (ii) with the prior permission of the securities regulatory authorities where required, for any period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of assets of the First Asset ETF or which impair the ability of the Custodian to determine the value of the assets of the First Asset ETF. The suspension may apply to all requests for exchange or redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Shareholders making such requests shall be advised by the Manager of the suspension and that the exchange or redemption will be effected at a price determined on the first Valuation Day following the termination of the suspension. All such Shareholders shall have and shall be advised that they have the right to withdraw their requests for exchange or redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over a First Asset ETF, any declaration of suspension made by the Manager shall be conclusive.

Redemption Fee

The Manager may, at its discretion, charge exchanging or redeeming Shareholders a redemption fee of up to 0.25% of the exchange or redemption proceeds to offset certain transaction costs associated with the exchange or redemption of Shares. The Manager will publish the current redemption fee, if any, on its website, www.firstasset.com.

Switches

A Shareholder may switch ("**Switch**") Shares of one First Asset ETF of the Company to Shares of another First Asset ETF of the Company through the facilities of CDS by contacting their financial advisor or broker. Initially, Shares may be switched in any week on Wednesday ("**ETF Switch Date**") of such week (or more or less frequently as may be determined by the Manager) by delivering written notice to the Registrar and Transfer Agent and surrendering such Shares through the facilities of CDS by 4:00 p.m. (Toronto time) at least one Business Day prior to the ETF Switch Date ("**Switch Notice Date**"). Written notice must contain the name of the First Asset ETF, the TSX ticker symbol of the Shares of the First Asset ETF and the number of Shares to be switched, and the name of the First Asset ETF and the TSX ticker symbol of the Shares of the First Asset ETF to which the Shareholder wishes to switch. The Manager may, in its discretion, change the frequency with which Shares may be switched at any time upon 30 days notice by way of press release.

A Shareholder will receive from the Company that whole number of Shares of the First Asset ETF into which they have switched equal to the Switch NAV Price per Share of the First Asset ETF switched from, divided by the Switch NAV Price per Share of the First Asset ETF switched to. As no fraction of a Share will be issued upon any Switch, any remaining fractional Share of the First Asset ETF out of which a Shareholder has switched will be redeemed in cash at the Switch NAV Price of such Share. The Company will, following the ETF Switch Date forward a cash payment to CDS equal to such amount**.** Generally, Shareholders may have to pay their financial advisor, investment advisor or broker a transfer fee based on the value of the Shares that are switched.

Under the Tax Act, a Switch of Shares held as capital property for purposes of the Tax Act from one First Asset ETF of the Company ("**switched Shares**") to Shares of a different First Asset ETF of the Company will constitute a disposition of such switched Shares at fair market value for the purposes of the Tax Act.

Costs Associated with Switches

Shareholders may have to pay their financial advisor, investment advisor or broker a transfer fee based on the value of the Shares that are switched.

Suspension and Restrictions on Switches

The Manager has the right to decline any Switch request. Switches will only be transacted if the following conditions are met: (i) the minimum size of any Switch is equal to or greater than 2,500 Shares; (ii) the ETF Switch Date does not occur between the ex-date and the record date of a dividend payable by the First Asset ETF on the Shares; (iii) the Switch will not result in the First Asset ETF failing to meet the TSX minimum listing requirements; and (iv) in the event the Shareholder has enrolled in the Dividend Reinvestment Plan of the First Asset ETF, such Shareholder remains enrolled in the Dividend Reinvestment Plan for the Shares of the First Asset ETF into which such Shareholder is switching.

Book-Entry Only System

Registration of interests in, and transfers of, Shares of a First Asset ETF will be made only through the book-entry only system of CDS. Shares of a First Asset ETF must be purchased, transferred and surrendered for redemption only through a CDS Participant. All rights of an owner of Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Shares. Upon buying Shares of a First Asset ETF, the owner will receive only the customary confirmation. References in this prospectus to a holder of Shares means, unless the context otherwise requires, the owner of the beneficial interest of such Shares.

Neither a First Asset ETF nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in Shares or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of Shares of a First Asset ETF to pledge such Shares or otherwise take action with respect to such owner's interest in such Shares (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

A First Asset ETF has the option to terminate registration of Shares through the book-entry only system in which case certificates for Shares in fully registered form will be issued to beneficial owners of such Shares or to their nominees.

Short Term Trading

Unlike conventional open-end mutual funds in which Short Term Trading by investors may cause the mutual fund to incur additional unnecessary trading costs in connection with the purchase of additional portfolio securities and the sale of portfolio securities to fund Shareholder redemptions, the Manager does not believe that it is necessary to impose any short-term trading restrictions on the First Asset ETFs at this time as: (i) the First Asset ETFs are exchange traded funds that are primarily traded in the secondary market; and (ii) the few transactions involving Shares that do not occur on the secondary market involve Designated Brokers and Dealers, who can only purchase or redeem Shares in a PNS and on whom the Manager may impose a redemption fee. The redemption fee is intended to compensate the First Asset ETFs for any costs and expenses incurred by the First Asset ETFs in order to fund the redemption.

PRIOR SALES

Trading Price and Volume

The following chart provides the price ranges and volume of Shares of the First Asset ETFs traded on the TSX for each month or partial month, as applicable, during the 12 months preceding the date of this prospectus (or such shorter period as indicated):

First Asset CanBanc Income Class ETF

Month	Share Price Range ($)	Volume of Shares Traded
2016		
April	9.85 - 10.50	224,947
May	10.12 - 10.61	159,443
June	10.07 - 10.76	197,328
July	10.15 - 10.59	216,419
August	10.34 - 10.94	229,741
September	10.59 - 10.95	175,880
October	10.58 - 10.99	154,067
November	10.75 - 11.47	143,205
December	11.40 - 11.98	97,100
2017		
January	11.67 - 12.13	160,672
February	11.96 - 12.55	176,124
March	11.88 - 12.53	227,678

First Asset Core Canadian Equity Income Class ETF

Month	Share Price Range ($)	Volume of Shares Traded
2016		
May	19.39 - 20.03	34,669
June	19.26 - 20.45	22,622
July	19.66 - 20.25	13,870
August	20.10 - 20.42	21,570
September	19.83 - 20.32	15,515
October	19.75 - 20.17	12,547
November	19.49 - 20.26	51,511
December	19.99 - 20.72	18,384
2017		
January	20.52 - 20.86	8,546
February	20.66 - 21.11	15,575
March	20.57 - 21.02	9,509

First Asset MSCI Canada Quality Index Class ETF

Month	Share Price Range ($)	Volume of Shares Traded
2016		
May	19.68 - 20.47	74,918
June	19.11 - 20.61	28,488
July	19.55 - 20.66	22,570
August	20.34 - 21.12	28,057
September	20.47 - 21.31	11,200
October	20.82 - 21.04	9,336
November	20.68 - 21.47	32,187
December	21.45 - 21.89	7,265
2017		
January	21.30 - 21.88	14,696
February	21.28 - 22.10	25,611
March	21.61 - 21.97	14,850

First Asset Short Term Government Bond Index Class ETF

Month	Share Price Range ($)	Volume of Shares Traded
2016		
May	19.83 - 19.95	321,614
June	19.87 - 19.94	170,919
July	19.85 - 19.94	484,126
August	19.81 - 19.90	179,017
September	19.79 - 19.88	167,081
October	19.76 - 19.84	207,383
November	19.61 - 19.78	161,048
December	19.52 - 19.63	406,043
2017		
January	19.49 - 19.59	137,216
February	19.52 - 19.59	137,133
March	19.48 - 19.57	169,452

INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of Shares of a First Asset ETF by a Shareholder who acquires Shares of the First Asset ETF pursuant to this prospectus. This summary only applies to a prospective Shareholder of a First Asset ETF who is an individual (other than a trust) resident in Canada for purposes of the Tax Act, who deals at arm's length with the First Asset ETF and the Designated Broker or Dealer and is not affiliated with the First Asset ETF or the Designated Broker or Dealer and who holds Shares as capital property (a "**Holder**").

Generally, Shares of a First Asset ETF will be considered to be capital property to a Holder provided that the Holder does not hold such Shares in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold Shares of the First Asset ETF as capital property may, in certain circumstances, be entitled to have such Shares and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the

Tax Act. This summary does not apply to a Holder who has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the Shares or any Basket of Securities disposed of in exchange for Shares.

This summary is based on the facts disclosed herein, and assumes that at all times the Company will comply with its investment restrictions.

This summary is based on the current provisions of the Tax Act and the Manager's understanding of the current publicly available administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary takes into account the Tax Amendments. This description is not exhaustive of all Canadian federal income tax consequences and does not take into account or anticipate changes in the law or in administrative policy or assessing practice, whether by legislative, governmental or judicial action other than the Tax Amendments in their present form, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. There can be no assurance that the Tax Amendments will be enacted in the form publicly announced, or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Shares of a First Asset ETF. This summary does not address the deductibility of interest on any funds borrowed by a Shareholder to purchase Shares of a First Asset ETF. The income and other tax consequences of investing in Shares will vary depending on an investor's particular circumstances including the province or territory in which the investor resides or carries on business. This summary does not deal with provincial, territorial or foreign tax considerations. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder of Shares of a First Asset ETF. Prospective investors should consult their own tax advisors with respect to the income tax consequences to them of an acquisition of Shares based on their particular circumstances.

Status of the Company

The Company intends at all relevant times to qualify as a "mutual fund corporation" as defined in the Tax Act. To qualify as a mutual fund corporation, (i) the Company must be a "Canadian corporation" that is a "public corporation" for purposes of the Tax Act; (ii) the only undertaking of the Company must be the investing of its funds in property (other than real property or interests in real property or immovables or real rights in immovables); and (iii) at least 95% of the fair market value of all of the issued shares of the capital stock of the Company must be redeemable at the demand of the holders of those shares. In addition, the Company must not reasonably at any time be considered to be established or maintained primarily for the benefit of non-resident persons unless, throughout the period that begins on the date of the Company's incorporation and ends at that time, substantially all of its property consists of property other than property that would be "taxable Canadian property" within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition).

If the Company were not to qualify as a mutual fund corporation at all times, the income tax considerations described below would, in some respects, be materially and adversely different.

Taxation of the First Asset ETFs

Each of the First Asset ETFs is a separate Corporate Class of the Company. Although the Company may issue any number of Corporate Classes, in any number of series, it must (like any other mutual fund corporation with a multi-class structure) compute its income and net capital gains for tax purposes as a single entity. All of the Company's revenues, deductible expenses, non-capital losses, capital gains and capital losses in connection with all of its investment portfolios, and other items relevant to its tax position (including the tax attributes of all of its assets), will be taken into account in determining the income (and taxable income) or loss of the Company and applicable taxes payable by the Company as a whole. For example, expenses, tax deductions and losses arising from the Company's investments and activities in respect of one Corporate Class may be deducted or offset against income or gains arising from the Company's investments and activities in respect of other Corporate Classes. As a result of the Company being required to calculate its income as a single entity and not being able to flow all of its income through to its shareholders, the overall result for a Holder of a particular First Asset ETF will differ from what would be the case if the Holder had invested in a mutual fund trust, or a single-class mutual fund corporation, that made the same investments as the particular First Asset ETF.

The Company will, on a discretionary basis, allocate the income, capital gains, losses, and taxes payable and recoverable of the Company to each of the Corporate Classes.

Capital gains may be realized by the Company in a variety of circumstances, including on the disposition of portfolio assets of the Company as a result of shareholders of the Company switching their shares for shares of another Corporate Class.

The Company has elected in accordance with the Tax Act to have each of its "Canadian securities" treated as capital property.

As a mutual fund corporation, the Company is entitled, in certain circumstances, to a refund of tax paid by it in respect of its net realized capital gains determined on a formula basis that is based in part on the redemption of the Shares and switching of Shares for Shares of another Corporate Class ("**Capital Gains Redemption**"). Also, as a mutual fund corporation, the Company is entitled to maintain a capital gains dividend account in respect of its net realized capital gains and from which it may elect to pay dividends ("**Capital Gains Dividends**") which are treated as capital gains in the hands of Holders (see "Taxation of Holders" below). In certain circumstances where the Company has recognized a capital gain in a taxation year, it may elect not to pay Capital Gains Dividends in that taxation year in respect thereof and instead pay refundable capital gains tax, which may in the future be fully or partially refundable upon the payment of sufficient Capital Gains Dividends and/or Capital Gains Redemptions. Where the Company has realized a capital loss in a taxation year, it may carry such capital loss back three years or forward indefinitely to offset capital gains recognized by the Company in accordance with the rules of the Tax Act.

In computing income for a taxation year, the Company is required to include in income all dividends received by the Company in the year (other than Capital Gains Dividends received from other ETFs that are mutual fund corporations which are treated as capital gains in the hands of the Company). In computing taxable income, the Company is generally permitted to deduct all dividends received by it from taxable Canadian corporations.

The Company qualifies as a "financial intermediary corporation" (as defined in the Tax Act) and, thus, is not subject to tax under Part IV.1 of the Tax Act on dividends received by the Company and is not generally liable to tax under Part VI.1 of the Tax Act on dividends paid by the Company on "taxable preferred shares" (as defined in the Tax Act). As a mutual fund corporation (which is not an "investment corporation" as defined in the Tax Act), the Company is generally subject to a refundable tax under Part IV of the Tax Act on taxable dividends received by the Company during the year to the extent that such dividends were deductible in computing the Company's taxable income for the year. This tax is fully refundable upon payment by the Company of sufficient dividends other than Capital Gains Dividends ("**Ordinary Dividends**").

With respect to indebtedness, the Company is required to include in its income for a taxation year all interest thereon that accrues (or is deemed to accrue) to it to the end of that year (or until the disposition of the indebtedness in the year) or that has become receivable or is received by the Company before the end of that year, including on a conversion, redemption or repayment on maturity, except to the extent that such interest was included in computing the Company's income for a preceding year and excluding any interest that accrued prior to the time of the acquisition of the indebtedness by the Company.

To the extent that the Company earns net income (other than dividends from taxable Canadian corporations and taxable capital gains and after available deductions), including in respect of interest, the Company will be subject to income tax on such net income and no refund will be available in respect thereof.

Premiums received on covered call options written by the First Asset CanBanc Income Class ETF which are not exercised prior to the end of the year will constitute capital gains of the Company in the year received, unless such premiums are received by the Company as income from a business or the Company has engaged in a transaction or transactions considered to be an adventure in the nature of trade. The First Asset CanBanc Income Class ETF purchases the securities in its portfolio with the objective of receiving dividends thereon over the life of the First Asset CanBanc Income Class ETF and writes covered call options with the objective of increasing the yield on its portfolio beyond the dividends received. Having regard to the foregoing, and in accordance with the CRA's published administrative policies, transactions undertaken by the First Asset CanBanc Income Class ETF in respect of options on the securities in its portfolio written as described in "Investment Strategies – First Asset CanBanc Income Class ETF – Covered Option Writing" are on capital account and the Company reports such transactions on capital account.

Premiums received by the Company on covered call options which are subsequently exercised will be added in computing the proceeds of disposition to the Company of the securities disposed of by the Company upon the exercise of such call options. In addition, where a covered call option is exercised after the end of the year in which it was granted, the Company's capital gain in the previous year in respect of the receipt of the option premium will be nullified.

In general, gains and losses realized by the Company from derivative transactions, including short sales of securities, will be on income account except where such derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage, subject to the DFA Rules discussed below, and such gains and losses will be recognized for tax purposes at the time they are realized by the Company in accordance with the CRA's published administrative practice.

The First Asset ETFs may enter into transactions (including, in the case of the First Asset CanBanc Income Class ETF, the writing of call options) denominated in currencies other than the Canadian dollar. The cost and proceeds of disposition of securities, dividends, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. The amount of income, gains and losses realized by a First Asset ETF may be affected by fluctuations in the value of foreign currencies relative to the Canadian dollar. Subject to the DFA Rules discussed below, gains or losses in respect of currency hedges entered into in respect of amounts invested in the portfolio of a First Asset ETF and gains or losses in respect of currency hedges entered into in respect of covered call options written in respect of securities held in the portfolio of the First Asset CanBanc Income Class ETF will constitute capital gains and capital losses to the Company if the securities in the First Asset ETF's portfolio are capital property to the First Asset ETF and provided there is sufficient linkage.

The Tax Act contains rules (the "**DFA Rules**") that target financial arrangements (referred to as "derivative forward agreements") that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would have the character of ordinary income to capital gains. The DFA Rules are broad in scope and could apply to other agreements or transactions (including certain options and forward currency contracts). If the DFA Rules were to apply in respect of derivatives (including potentially foreign currency hedges) utilized by a First Asset ETF, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains. Provided a covered call option is written by the First Asset CanBanc Income Class ETF in the manner described in "Investment Strategies – First Asset CanBanc Income Class ETF – Covered Option Writing", the writing of such call option will not be subject to the DFA Rules.

The Company may, at its option, pay special year-end dividends to Holders in the form of (a) a Capital Gains Dividend where the Company has net taxable capital gains upon which it would otherwise be subject to tax, or in order to recover refundable tax not otherwise recoverable upon payment of regular cash distributions, or (b) in the form of an Ordinary Dividend in order to recover refundable Part IV tax not otherwise recoverable upon payment of regular cash distributions.

The Company is entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing Shares of a First Asset ETF. Such issue expenses paid by the First Asset ETF and not reimbursed are deductible by the Company rateably over a five-year period subject to reduction in any taxation year which is less than 365 days. Generally, the Company is also entitled to deduct reasonable administrative and other ongoing expenses incurred by it for the purpose of earning income. Any non-capital losses incurred by the Company may generally be carried forward or back in accordance with the rules and limitations contained in the Tax Act and deducted in computing the taxable income of the Company.

A loss realized by the Company on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the Company, or a person affiliated with the Company, acquires a property (a "**substituted property**") that is the same or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Company, or a person affiliated with the Company, owns the substituted property 30 days after the original disposition. If a loss is suspended, the Company cannot deduct the loss from the Company's capital gains until the substituted property is sold and is not reacquired within 30 days before and after the sale.

With respect to an income trust (including an Other ETF that is structured as a trust) that is resident in Canada whose units are included in the Company's investment portfolio and held by the Company as capital property for the purposes of the Tax Act, and that is not subject in a taxation year to the tax under the rules in the Tax Act applicable to certain publicly traded trusts and partnerships (the "**SIFT Rules**"), the Company is required to include in its income for a taxation year such portion of the net income and the taxable portion of net realized capital gains of such income trust as is paid or becomes payable to the Company by such trust in the calendar year in which that year of the Company ends, notwithstanding that certain of such amounts may be reinvested in additional securities of the income trust. Provided appropriate designations are made by the income trusts, any net taxable capital gains realized by the income trusts and taxable dividends received by the income trusts from taxable Canadian corporations that are paid or become payable to the Company effectively retain their character as such in the hands of the Company.

The Company is generally required to reduce the adjusted cost base of the units of such an income trust to the extent that all amounts paid or payable in a year by the income trust to the Company exceed the sum of the amounts included in the income of the Company for the year and the Company's share of the non-taxable portion of capital gains of such income trust for the year, the taxable portion of which was designated in respect of the Company. To the extent that the adjusted cost base to the Company of the units of such income trust would otherwise be less than zero, the negative amount is deemed to be a capital gain realized by the Company and the Company's adjusted cost base of such units will be increased by the amount of such deemed capital gain to zero.

Under the SIFT Rules, each income trust in the portfolio of the Company that is a SIFT trust as defined under the SIFT Rules (which will generally include income trusts, other than certain real estate investment trusts, the units of which are listed or traded on a stock exchange or other public market) is subject to a special tax in respect of (i) income from business carried on in Canada, and (ii) certain income (other than taxable dividends) and capital gains in respect of "non-portfolio properties" (collectively, "**Non-Portfolio Earnings**"). The SIFT Rules provide that Non-Portfolio Earnings that are distributed by a trust that is a SIFT trust to its shareholders will be taxed at a rate that is equivalent to the federal general corporate tax rate plus a prescribed amount on account of provincial tax. The SIFT Rules stipulate that any Non-Portfolio Earnings that become payable by an issuer that is a SIFT trust will generally be taxed as though they were a taxable dividend from a taxable Canadian corporation and will be deemed to be an "eligible dividend" subject to the enhanced gross-up and dividend tax credit rules.

The Manager expects that most of the income trusts resident in Canada the units of which are included in the Company's investment portfolio will be characterized as income trusts not subject to tax under the SIFT Rules.

The Company may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. Generally, in computing the amount of its Canadian income taxes, the Company will be entitled to claim credits in respect of foreign taxes paid by the Company and foreign taxes withheld at source to the extent permitted by the detailed rules in the Tax Act. To the extent that a tax credit is not claimed, the Company will generally be able to deduct any foreign withholding taxes paid in computing its income.

Given the investment and distribution policies of the Company, and taking into account the deduction of expenses, any applicable loss carryforwards and taxable dividends on shares of taxable Canadian corporations, the Company does not expect to be subject to any significant amount of non-refundable Canadian income tax.

Taxation of Holders

A Holder will be required to include in his or her income the Canadian dollar amount of any Ordinary Dividends paid on Shares of a First Asset ETF, whether received in cash, in the form of Shares or as cash which is reinvested in additional shares. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation will generally apply to such dividends.

If the Company pays a return of capital, such amount will generally not be taxable but will reduce the adjusted cost base of the Holder's Shares of a First Asset ETF in respect of which the return of capital was paid. However, where such returns of capital are reinvested in new Shares of the First Asset ETF, the Holder's overall adjusted cost base of such Shares will not be reduced. In the circumstance that reductions to the adjusted cost base of a Holder's Shares of a First Asset ETF would result in such adjusted cost base becoming a negative amount, that amount will be treated as a capital gain realized by the Holder of the Shares of the First Asset ETF and the adjusted cost base will then be zero.

Capital Gains Dividends will be paid to Shareholders, at the discretion of the Company's board of directors with respect to the timing, the amount and, if applicable, the Corporate Classes on which the dividends will be paid, out of the capital gains realized by the Company, including capital gains realized on the disposition of portfolio assets occurring as a result of Holders switching their Shares of a First Asset ETF into shares of another Corporate Class, if applicable. The amount of a Capital Gains Dividend paid to a Holder will be treated as a capital gain in the hands of the Holder from the disposition of capital property in the taxation year in which the Capital Gains Dividend is received, and will be subject to the general rules relating to the taxation of capital gains which are described below.

Where an Ordinary Dividend or a Capital Gains Dividend is paid in Shares of a First Asset ETF, or in cash which is reinvested in Shares of the First Asset ETF, the cost of such Shares will be equal to the amount of the dividend. The adjusted cost base of each Share of a First Asset ETF to a Holder will generally be the weighted average of the cost of the Shares of the First Asset ETF acquired by the Holder at a particular time and the aggregate adjusted cost base of any Shares of the same class and series held as capital property immediately before the particular time.

Generally, a Holder who receives a Management Fee Rebate in a particular taxation year will include the amount of such rebate in income for that year. Shareholders should consult their own tax advisors with respect to the tax treatment of Management Fee Rebates.

Under the Tax Act, the switch by a Holder of Shares of a First Asset ETF into shares of another Corporate Class, will be a disposition of the switched Shares for purposes of the Tax Act for proceeds of disposition equal to the fair market value, at the time of the switch, of the shares of the other Corporate Class received pursuant to the switch. As a result, a Holder of such Shares may realize a capital gain or capital loss on such switched Shares as discussed below. The cost of the shares of the other Corporate Class acquired on the switch will be equal to the fair market value of the switched Shares at the time of the switch. Any redemption of fractional Shares for cash proceeds as the result of a switch will also result in a capital gain (or capital loss) to the holder of such Shares.

Upon the actual or deemed disposition of a Share of a First Asset ETF, including the redemption of a Share of a First Asset ETF for cash proceeds or on a switch, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Share exceed (or are exceeded by) the aggregate of the adjusted cost base to the holder of such Share and the costs of disposition. One-half of a capital gain (a "**taxable capital gain**") realized on the disposition will be included in income as a taxable capital gain. One-half of any capital loss (an "**allowable capital loss**") realized may be deducted against any taxable capital gains, subject to and in accordance with the detailed rules of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the detailed provisions of the Tax Act.

In certain situations where a Holder disposes of Shares of a First Asset ETF of the Company and would otherwise realize a capital loss, the loss will be denied. This may occur if the Holder, the Holder's spouse or another person affiliated with the Holder (including a corporation controlled by the Holder) has acquired Shares of a Corporate Class of the Company which are considered to be "substituted property" within 30 days before or after the Holder disposed of the Shares of the First Asset ETF. For this purpose, Shares of the same First Asset ETF of the Company that are disposed of by the Holder are considered to be "substituted property", and under current published administrative policy of the CRA, Shares of another Corporate Class of the Company may also be considered to be "substituted property". The amount of the denied capital loss will generally be added in computing the aggregate adjusted cost base to the owner of the Shares which are "substituted property".

Where Shares of a First Asset ETF are exchanged by a redeeming Holder for Baskets of Securities, or where securities are received by a Holder on a distribution in specie on the termination of a First Asset ETF, the proceeds of disposition to the Holder will be equal to the fair market value of the securities so received, plus the amount of any cash received on the exchange. The cost for tax purposes of securities acquired by a redeeming Holder on the exchange or redemption of Shares of a First Asset ETF will generally be the fair market value of such securities at that time.

In general terms, individuals (other than certain trusts) who realize net taxable capital gains or receive dividends from a First Asset ETF may be subject to an alternative minimum tax under the Tax Act.

Taxation of Registered Plans

In general, the amount of a distribution paid by a First Asset ETF to a Registered Plan and gains realized by a Registered Plan on a disposition of Shares of a First Asset ETF will not be taxable under the Tax Act. However, amounts withdrawn from a Registered Plan may be subject to tax (other than a return of contributions from an RESP or certain withdrawals from an RDSP, and withdrawals from a TFSA).

Tax Implications of the First Asset ETFs' Distribution Policy

Having regard to the distribution policy of the First Asset ETFs, a person acquiring Shares of a First Asset ETF may become taxable on taxable dividends or capital gains accrued or realized and not distributed before such person acquired such Shares. This may particularly be the case if Shares of a First Asset ETF are purchased near year-end before a special year-end distribution is paid.

ELIGIBILITY FOR INVESTMENT

Provided the Shares of a First Asset ETF are listed on a "designated stock exchange" for purposes of the Tax Act (which currently includes the TSX), or the Company qualifies as a "mutual fund corporation" under the Tax Act, Shares of a First Asset ETF, if issued on the date hereof, would be on such date qualified investments under the Tax Act for trusts governed by Registered Plans.

Notwithstanding the foregoing, the holder of a TFSA, or the annuitant under an RRSP or RRIF will be subject to a penalty tax in respect of securities held by such TFSA, RRSP or RRIF, as the case may be, if the Shares of a First Asset ETF are a "prohibited investment" for such plan trusts for the purposes of the Tax Act. The Shares of a First Asset ETF will not be a "prohibited investment" for trusts governed by a TFSA, RRSP or RRIF unless the holder of the TFSA or the annuitant under the RRSP or RRIF, as applicable, does not deal at arm's length with the Company for purposes of the Tax Act, or has a "significant interest" as defined in the Tax Act in the Company. Pursuant to Proposed Amendments released on March 22, 2017, the rules in respect of "prohibited investments" are also proposed to apply to (i) RDSPs and the holders thereof and (ii) RESPs and the subscribers thereof, in each case, generally effective after March 22, 2017.

In addition, the Shares of a First Asset ETF will not be a "prohibited investment" if the Shares are "excluded property" as defined in the Tax Act for trusts governed by an RRSP, RRIF or TFSA (or, pursuant to the above Proposed Amendments, RESPs or RDSPs). Holders, subscribers and annuitants should consult their own tax advisors with respect to whether Shares of a First Asset ETF would be a prohibited investment in their particular circumstances, including with respect to whether Shares of a First Asset ETF would be excluded property.

Securities received on the redemption of Shares of a First Asset ETF may not be qualified investments for trusts governed by Registered Plans.

ORGANIZATION AND MANAGEMENT DETAILS OF THE FIRST ASSET ETFS

Officers and Directors of the Company

As each First Asset ETF is a class of shares in the capital of the Company, governance and management decisions are ultimately made by the board of directors of the Company. The Company's board of directors consists of a minimum of 1 and a maximum of 10 directors. The board of directors is currently composed of 5 directors, 2 of whom are unrelated directors within the meaning of the rules of the TSX and "independent" within the meaning of applicable securities legislation. Directors are appointed to serve on the board of directors until such time as they retire or are removed and successors are appointed. The name, municipality of residence, position with the Company and principal occupation of each of the directors and officers of the Company are as follows:

Name and Municipality of Residence	***Position with the Fund***	***Principal Occupation***
BARRY H. GORDON Toronto, Ontario	Director, Chairman, President and Chief Executive Officer	Director, President and Chief Executive Officer, First Asset
PAUL V. DINELLE Toronto, Ontario	Director and Executive Vice- President	Director and Executive Vice-President, First Asset
Z. EDWARD AKKAWI Toronto, Ontario	Director, Chief Operating Officer and Corporate Secretary	Chief Operating Officer, General Counsel and Corporate Secretary, First Asset

Name and Municipality of Residence	*Position with the Fund*	*Principal Occupation*
KAREN WAGMAN Toronto, Ontario	Chief Financial Officer	Chief Financial Officer, First Asset
CHARLENE A. SCHIKOWSKY Toronto, Ontario	Senior Vice-President, Administration and Operations	Senior Vice-President, Administration and Operations, First Asset
CHRISTOPHER L. HLUCHAN Unionville, Ontario	Director	Principal, Christopher Hluchan & Associates
ANGELA J. WEISS Toronto, Ontario	Director	Finance Director, Leo Burnett Global Advertising Agency

All of the directors and executive officers of the Company have held the principal occupations noted beside their respective names for the five years preceding the date hereof. Each director will hold office until the next annual meeting of Shareholders of the Company or until his or her successor is elected or appointed.

Manager and Portfolio Adviser

First Asset, a registered portfolio manager and investment fund manager, is the promoter, manager and portfolio adviser of the First Asset ETF and its principal office is at 2 Queen Street East, 12th Floor, Toronto, Ontario M5C 3G7. The Manager is an affiliate of CI Financial Corp. (TSX: CIX). The Manager will perform or arrange for the performance of management services for the First Asset ETF, will be responsible for the administration of the First Asset ETF and will provide investment advisory and portfolio management services to the First Asset ETF with respect to its portfolio. The Manager will be entitled to receive fees as compensation for management services rendered to the First Asset ETF.

The Manager is a Canadian wealth management company. The Manager offers a diverse range of investment products including exchange listed investment funds and mutual funds, covering a variety of domestic and global mandates. The Manager is a leading manager and/or advisor to entities listed on the TSX, committed to fund governance best practices and standards. Subject to the terms of the Management Agreement, the Manager will implement the investment strategy for the First Asset ETFs on an ongoing basis.

Duties and Services to be Provided by the Manager

Pursuant to the Management Agreement, the Manager is responsible for execution of each of the First Asset ETF's investment strategy and also provides and arranges for the provision of required administrative services to the First Asset ETFs including, without limitation: authorizing the payment of operating expenses incurred on behalf of the First Asset ETFs; preparing or causing to be prepared financial statements, financial and accounting information as required by the First Asset ETFs; ensuring that the Shareholders of the First Asset ETFs are provided with financial statements (including semi-annual and annual financial statements) and other reports as are required by applicable law from time to time; ensuring that the First Asset ETFs comply with regulatory requirements; preparing or causing to be prepared the reports of the First Asset ETFs to Shareholders and the Canadian securities regulatory authorities; providing each of the Custodian and valuation agent with information and reports necessary for it to fulfil its responsibilities; determining the amount of distributions to be made by the First Asset ETFs; and negotiating contractual agreements with third-party providers of services, including but not limited to, investment advisors, custodians, valuation agents, registrars, transfer agents, distribution agents, auditors and printers.

Any directors, officers or employees of the Manager who are also officers of the Company shall be paid by the Manager for serving in such capacity and shall not receive any remuneration directly from the Company.

Details of the Management Agreement

Pursuant to the Management Agreement, the Manager shall exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the First Asset ETFs and, in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent manager would exercise in similar circumstances. The Management Agreement provides that the Manager will not be liable in any way for default, failure or defect in the portfolio of any First Asset ETF if it has satisfied the duties and standard of care, diligence and skill set forth above. The Manager is reimbursed by a First Asset ETF for all reasonable costs and expenses incurred by the Manager on behalf of the First Asset ETF as described above under the heading “Fees and Expenses”. In addition, the Manager and each of its directors, officers, employees, shareholders and agents are indemnified by each First Asset ETF for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced, or other claim that is made against, the Manager, or any of its directors, officers, employees, shareholders or agents, in the exercise of its duties as Manager, except those resulting from the Manager's wilful misconduct, bad faith, negligence, disregard of the Manager's standard of care or material breach or default by the Manager of its obligations under the Management Agreement.

The Manager may resign as manager of a First Asset ETF upon 60 days’ notice to the Shareholders of the First Asset ETF and the First Asset ETF. If the Manager resigns it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by the Shareholders of the First Asset ETF. If the Manager is in material default of its obligations to a First Asset ETF under the Management Agreement and such default has not been cured within 30 days after notice of same has been given to the Manager or upon certain actions relating to the bankruptcy or insolvency of the Manager, the First Asset ETF shall give notice thereof to the Shareholders of the First Asset ETF and the Shareholders may remove the Manager and appoint a successor manager. The Manager may resign on 20 Business Days’ written notice to a First Asset ETF if the First Asset ETF is in breach or default of the provisions of the Management Agreement and, if capable of being cured, such breach or default has not been cured by the First Asset ETF within 20 Business Days’ notice of such breach or default to the First Asset ETF. The Manager is deemed to resign if an order is made or a resolution is passed or other proceeding is taken for the dissolution of the Manager, or upon certain events of insolvency or bankruptcy with respect to the Manager.

In addition, if the Manager purchases or sells portfolio securities or takes any other action with respect to the portfolio of a First Asset ETF that through inadvertence violates any investment objective, strategy or restriction applicable to the First Asset ETF as described herein set forth and the violation has or will have a material adverse effect on the portfolio of the First Asset ETF, then it will not be considered a material breach for purposes of any termination right in the Management Agreement if the Manager takes action that returns the portfolio of the First Asset ETF to compliance with such investment objective, strategy or restriction within the cure period described above. In the event that the Manager resigns or is removed as described above, the Company shall promptly appoint a successor manager to carry out the activities of the Manager until a meeting of the Shareholders of the relevant First Asset ETF is held to confirm such appointment by extraordinary resolution. The removal or resignation of the Manager will only become effective upon the appointment of a replacement manager. If, within 90 days from the notice of resignation or removal of the Manager, the Company has not appointed a replacement manager, the Shares of the relevant First Asset ETF will be redeemed and the First Asset ETF will be terminated.

The administration and management services of the Manager under the Management Agreement are not exclusive and nothing in the Management Agreement prevents the Manager from providing similar administrative and management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of any of the First Asset ETFs) or from engaging in other activities.

Directors and Executive Officers of the Manager

The name and municipality of residence of each of the directors and executive officers of the Manager and their principal occupations are as follows:

Name and Municipality of Residence	*Position with the Manager*	*Principal Occupation*
BARRY H. GORDON Toronto, Ontario	Director, President and Chief Executive Officer	Same
PAUL V. DINELLE Toronto, Ontario	Director and Executive Vice- President	Same
DOUGLAS J. JAMIESON Toronto, Ontario	Director	Executive Vice-President and Chief Financial Officer of CI Financial and CI Investments Inc.
NEAL A. KERR Toronto, Ontario	Director	President of CI Institutional Asset Management and Executive Vice-President, Investment Management of CI Investments Inc.
SHEILA A. MURRAY Toronto, Ontario	Director	President and General Counsel of CI Financial Corp.; Director, Executive Vice-President, General Counsel and Secretary of CI Financial General Partner Corp.; and President and Ultimate Designated Person of CI Investments Inc.
KAREN WAGMAN Toronto, Ontario	Chief Financial Officer	Same
Z. EDWARD AKKAWI Toronto, Ontario	Chief Operating Officer, General Counsel and Corporate Secretary	Same
SHERYL J. CHIDDENTON Campbellville, Ontario	Chief Compliance Officer	Same

During the past five years, Mr. Gordon, Mr. Dinelle, Mr. Akkawi and Ms. Wagman have held the principal occupations noted opposite their respective names, or other occupations with their current employer or a predecessor company.

The following is a brief description of the background of the individuals listed above that have joined the Manager during the past five years:

Douglas J. Jamieson. Mr. Jamieson has been the Executive Vice-President and Chief Financial Officer of CI Investments Inc. since June 2013 and the Executive Vice-President and Chief Financial Officer of CI Financial since June 2013. Mr. Jamieson was the Senior Vice-President and Chief Financial Officer of CI Financial between 2008 and 2013 and the Senior Vice-President, Finance and Chief Financial Officer of CI Investments Inc. between 1995 and 2013. Mr. Jamieson was a Director of CI Investments Inc. between September 2010 and December 2010.

Neal Kerr. Mr. Kerr has been the President of CI Institutional Asset Management since June 2014 and the Executive Vice-President of CI Investment Management since November 2015. Mr. Kerr was the Senior Vice-President of CI Institutional Asset Management between December 2012 and June 2014 and the Senior Vice-President of CI Investment Management between December 2012 and October 2015. Mr. Kerr was the Senior Vice-President, Product Development of CI Investments Inc. between January 2011 and November 2012.

Sheila A. Murray. Ms. Murray has been President and General Counsel of CI Financial Corp. since August, 2016. Prior to August 2016, Ms. Murray was President, General Counsel and Secretary of CI Financial Corp. since February 2016. Prior to February 2016, Ms. Murray was Executive Vice-President, General Counsel and Secretary, CI Financial Corp. since February 2009. Ms. Murray has been Director, Executive Vice-President, General Counsel and Secretary, CI Financial General Partner Corp. since February 2009. Ms. Murray has been the President and Ultimate Designated Person of CI Investments Inc. since October, 2016. Prior to October 2009, Ms. Murray was Executive Vice-President, CI Investments Inc. since March 2009.

Sheryl J. Chiddenton. Prior to joining the First Asset organization in 2013, Ms. Chiddenton was Chief Compliance Officer, VP, Compliance & Investment Services with Creststreet Asset Management Limited, until such time as the firm was sold in 2012. Prior to joining Creststreet in June 2001, Ms. Chiddenton was an Executive Assistant in both the private client division and resource group of a Canadian merchant-banking firm. Ms. Chiddenton is a member of the National Society of Compliance Professionals.

Portfolio Management Team

The Manager's portfolio management team is responsible for executing the First Asset ETF's investment strategy. Individual managers work with a team of portfolio managers, and all decisions are reviewed in a team-oriented manner, in which individual inputs of the group members are sought in order to reach a single consensus opinion on an issuer or the market as a whole.

Name	***Title***
CRAIG ALLARDYCE	Portfolio Manager
LEE GOLDMAN	Senior Vice-President and Portfolio Manager
MANASH GOSWAMI	Portfolio Manager
KATE MACDONALD	Portfolio Manager

Except as otherwise indicated in the biographies below, during the past five years, all of the individuals named above have been employed with the Manager.

Kate MacDonald. Prior to joining the First Asset organization in 2013, Ms. MacDonald was an Associate Portfolio Manager at Morguard Financial Corporation for six years. Ms. McDonald holds a Masters in Finance degree from Queen's University in Kingston, Ontario and the Canadian Investment Manager (CIM) designation through the Canadian Securities Institute.

Investment decisions made by the portfolio management team are not subject to the oversight, approval or ratification of a committee.

Designated Brokers

The Manager, on behalf of each First Asset ETF and the Company, have entered or will enter into a Designated Broker Agreement with one or more Designated Brokers pursuant to which each Designated Broker agrees to perform certain duties relating to the First Asset ETF including, without limitation: (i) to subscribe for a sufficient number of Shares to satisfy the TSX's original listing requirements; (ii) to subscribe for Shares on an ongoing basis, and (iii) to post a liquid two way market for the trading of Shares on the TSX. Payment for Shares must be made by the Designated Broker, and those Shares will be issued, by no later than the third Trading Day after the subscription notice has been delivered.

A Designated Broker may terminate a Designated Broker Agreement at any time by giving the Manager at least six months' prior written notice of such termination. The Manager may terminate a Designated Broker Agreement at any time, without prior notice, by sending a written notice of termination to the Designated Broker.

Shares do not represent an interest or an obligation of any Designated Broker or Dealer or any affiliate thereof and a Shareholder of a First Asset ETF will not have any recourse against any such parties in respect of amounts payable by the First Asset ETF to such Designated Brokers or Dealers.

Brokerage Arrangements

The Manager is responsible for selecting members of securities exchanges, brokers and investment dealers for the execution of transactions in respect of a First Asset ETF's investments and, when applicable, the negotiation of commissions in connection therewith. The First Asset ETF is responsible to pay those commissions.

The Manager's allocation of brokerage business to companies, including those that furnish statistical, research or other services to a First Asset ETF, is based on decisions made by the portfolio managers, analysts and traders of the Manager and will only be made in compliance with applicable law and in accordance with the Manager's policies and procedures. The Manager does not generally allocate brokerage business to affiliates. The allocation of business among brokers is based on a number of factors, including: (i) the nature and character of the security or instrument being traded and the markets in which it is purchased or sold; (ii) the desired timing of the transaction; (iii) the Manager's knowledge of the expected commission rates and spreads currently available; (iv) the activity existing and expected in the market for the particular security or instrument; (v) the full range of brokerage services provided; (vi) the broker's or dealer's capital strength and stability, as well as its execution, clearance and settlement capabilities; (vii) the quality of research and research services provided; (viii) the reasonableness of the commission or its equivalent for the specific transaction; and (ix) the Manager's knowledge of any actual or apparent operational problems of a broker or dealer.

Conflicts of Interest

The Manager and its affiliates are engaged in a wide range of investment management, investment advisory and other business activities. The services provided by the Manager under the Management Agreement are not exclusive and nothing in the agreement prevents the Manager or any of its affiliates from providing similar services to other investment funds or clients (whether or not their investment objectives, strategies and policies are similar to those of the First Asset ETFs) or from engaging in other activities. The Manager therefore will have conflicts of interest in allocating management time, services and functions to the First Asset ETFs and the other persons for which they provide similar services. The Manager's investment decisions for the First Asset ETFs will be made independently of those made on behalf of its other clients or for its own investments. On occasion, however, the Manager will make the same investment for a First Asset ETF and for one or more of its other clients. If a First Asset ETF and one or more of the other clients of the Manager, or any of its affiliates, are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis. In this regard, the Manager will generally endeavour to allocate investment opportunities to the First Asset ETFs on a pro rata basis.

The Manager may trade and make investments for its own accounts, and the Manager currently trades and manages and will continue to trade and manage accounts other than a First Asset ETF's accounts utilizing trading and investment strategies which are the same as or different from the ones to be utilized in making investment decisions for the First Asset ETF. In addition, in proprietary trading and investment, the Manager may take positions the same as, different than or opposite to those of a First Asset ETF. Furthermore, all of the positions held by accounts owned, managed or controlled by the Manager will be aggregated for purposes of applying certain exchange position limits. As a result, a First Asset ETF may not be able to enter into or maintain certain positions if such positions, when added to the positions already held by the First Asset ETF and such other accounts, would exceed applicable limits. All of such trading and investment activities may also increase the level of competition experienced with respect to priorities of order entry and allocations of executed trades. See "Risk Factors".

The Manager may at times have interests that differ from the interests of the Shareholders. Where the Manager or its affiliates otherwise perceive in the course of business, that they are or may be in a material conflict of interest position, the matter will be referred to the IRC. The IRC will consider all matters referred to it and provide its recommendations to the Manager as soon as possible.

In evaluating these conflicts of interest, potential investors should be aware that the Manager has a responsibility to the Shareholders to exercise good faith and fairness in all dealings affecting the First Asset ETFs. In the event that a Shareholder of a First Asset ETF believes that the Manager has violated its duty to such Shareholder, the Shareholder may seek relief for itself or on behalf of the First Asset ETF to recover damages from or to require an accounting by the Manager. Shareholders of a First Asset ETF should be aware that the performance by the Manager of its responsibilities to the First Asset ETF will be measured in accordance with (i) the provisions of the agreement by which the Manager has been appointed to its position with the First Asset ETF; and (ii) applicable laws.

One or more registered dealers acts or may act as a Designated Broker, a Dealer and/or a market maker. These relationships may create actual or perceived conflicts of interest which investors should consider in relation to an investment in a First Asset ETF. In particular, by virtue of these relationships, these registered dealers may profit from the sale and trading of Shares. The Designated Broker, as market maker of the First Asset ETFs in the secondary market, may therefore have economic interests which differ from and may be adverse to those of Shareholders.

Any such registered dealer and its affiliates may, at present or in the future, engage in business with the First Asset ETFs, the issuers of securities making up the investment portfolio of the First Asset ETFs, or the Manager or any funds sponsored by the Manager or its affiliates, including by making loans, entering into derivative transactions or providing advisory or agency services. In addition, the relationship between any such registered dealer and its affiliates, and the Manager and its affiliates may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager or its affiliates.

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus. The Designated Brokers and Dealers do not act as underwriters of the First Asset ETFs in connection with the distribution by the First Asset ETFs of Shares under this prospectus. Shares of the First Asset ETFs do not represent an interest or an obligation of any Designated Broker, any Dealer or any affiliate thereof and a Shareholder does not have any recourse against any such parties in respect of amounts payable by the First Asset ETFs to such Designated Brokers or Dealers. The Canadian securities regulators have provided each First Asset ETF with a decision exempting the First Asset ETF from the requirement to include a certificate of any underwriter in the prospectus.

Independent Review Committee

NI 81-107 requires the First Asset ETFs to establish an independent review committee to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintain records in respect of these matters and provide assistance to the IRC in carrying out its functions. The IRC will be required to conduct regular assessments and provide reports to the Manager and to Shareholders in respect of its functions.

The investment funds in the First Asset family all share the same IRC. The relationship with the IRC is administered by FA Administration Services Inc., an affiliate of First Asset, on behalf of all of the investment funds and their managers. The fees and expenses of the IRC are borne and shared by all of the investment funds in the First Asset family. Each investment fund is also responsible for all expenses associated with insuring and indemnifying the IRC members.

The members of the IRC are:

Douglas A.S. Mills, CPA, C.A. - Mr. Mills is the current Chair of the IRC. Mr. Mills brings over 40 years of experience in the finance and wealth management industry. He is Chairman of The Glencreggan Limited, a consulting firm engaged in corporate advisory and change implementation. Mr. Mills has played leading roles in the financial services industry including Chief Executive of a major Chartered Bank's Investment Management subsidiary and Vice-President of Barclays Bank Canada and Barclays PLC. Mr. Mills is a Chartered Professional Accountant, Chartered Accountant, sits on several boards and committees, and is an Executive-in-Residence at the Ivey School of Business.

Carl M. Solomon, JD - Mr. Solomon brings over 35 years of experience in the legal profession having been a partner and subsequently counsel to the law firm now known as Gowling Lafleur Henderson LLP until his retirement in 1999. More recently, Mr. Solomon has been involved in assisting numerous small and mid-sized companies to raise capital for their on-going business or buy-out needs.

John Reucassel, CFA - Since March 2014, Mr. Reucassel has been President of The International Group, a privately owned specialty chemicals manufacturer located in Toronto. Prior to this appointment, Mr. Reucassel worked at BMO Capital Markets for 16 years and was a top-ranked sell-side equity analyst covering the financial services industry, including banks, insurers, and asset managers. He was appointed to the Board of Governors of CI Investments Inc. in March 2015. Mr. Reucassel has a master's degree in economics from McGill University, earned a BA in economics from Queen's University and holds the Chartered Financial Analyst (CFA) designation.

Henry Knowles resigned from the IRC and was replaced by John Reucassel, who was appointed by the remaining IRC members on September 1, 2016.

The IRC will prepare a report, at least annually, of its activities for Shareholders which will be available on the First Asset ETF's website at www.firstasset.com, or at the Shareholder's request at no cost, by contacting the Manager at info@firstasset.com.

The members of the IRC are paid an annual fee for serving on the IRC of the investment funds in the First Asset family of investment funds. Each investment fund, including the First Asset ETFs, is responsible for a portion of that fee which is allocated by the Manager among the various funds. The annual fee payable to each member of the IRC is as follows: Douglas Mills ($57,200), Carl Solomon ($40,000) and John Reucassel ($40,000). Expenses incurred by the members of the IRC in connection with performing their duties are also the responsibility of the investment funds, including the First Asset ETFs.

Custodian

State Street Trust Company Canada is the custodian of each First Asset ETF's assets pursuant to the Custodian Agreement. The Custodian is located in Toronto, Ontario. Pursuant to the Custodian Agreement, the Custodian is required to exercise its duties with the degree of care, diligence and skill that a reasonably prudent person would exercise in the same circumstances. Provided the Custodian has not breached its standard of care as set out in the Custodian Agreement, the Custodian shall not be responsible for the holding or control of any property of a First Asset ETF which is not directly held by the Custodian, including any property of the First Asset ETF that is loaned or pledged to a counterparty.

Under the Custodian Agreement, a First Asset ETF shall pay fees to the Custodian at such rate as determined by the parties from time to time and shall reimburse the Custodian for all reasonable expenses and disbursements incurred in the performance of its duties under the Custodian Agreement. Each First Asset ETF shall also indemnify the Custodian or any of its officers, directors, employees or agents for any loss, damage, liability, actions, suits, claims, costs and expenses arising in the course of performing the duties of the Custodian Agreement unless arising from negligence, fraud, bad faith, wilful default or breach of the Custodian's standard of care. Either party may terminate the Custodian Agreement in the event that the other party violates any material provision of the Custodian Agreement by giving written notice to the violating party, provided the violating party has not cured or made substantial progress to cure the violation within 90 days of receipt of such written notice.

Valuation Agent

The Manager has retained State Street Fund Services Toronto Inc. to provide accounting services in respect of the First Asset ETFs pursuant to a valuation services agreement.

Auditors

Ernst & Young LLP is the auditor of the First Asset ETFs. The office of the auditors is located at Ernst & Young Tower, 222 Bay Street, P. O. Box 251, Toronto, Ontario, M5K 1J7 Canada.

Transfer Agent and Registrar

Computershare Trust Company of Canada, at its principal offices in Toronto, Ontario, is the Registrar and Transfer Agent for each First Asset ETF pursuant to a master registrar and transfer agency agreement entered into as of the date of the initial issuance of Shares of each First Asset ETF.

Securities Lending Agent

The Lending Agent, State Street Bank and Trust Company, acts as the lending agent for each First Asset ETF pursuant to the Securities Lending Agreement. The Manager and the Lending Agent may each terminate the Securities Lending Agreement upon fifteen (15) business days' written notice to the other at any time.

Under the Securities Lending Agreement, the collateral posted by a securities borrower to a First Asset ETF is required to have an aggregate value of not less than 102% of the market value of the loaned securities. In addition to the collateral held by a First Asset ETF, the First Asset ETF also benefits from a borrower default indemnity provided by Lending Agent. The Lending Agent's indemnity provides for the replacement of a number of securities equal to the number of unreturned loaned securities.

Promoter

First Asset took the initiative in creating the Company and the First Asset ETFs and, accordingly, is a promoter as defined in the securities legislation of certain provinces and territories of Canada. Except as otherwise described herein, the Manager will not receive any benefits, directly or indirectly, from the issuance of securities of the First Asset ETFs offered hereunder.

Accounting and Reporting

A First Asset ETF's fiscal year is the calendar year or such other fiscal period permitted under the Tax Act as that First Asset ETF elects. The annual financial statements of a First Asset ETF shall be audited by its auditors in accordance with Canadian generally accepted auditing standards. The auditors will be asked to report on the fair presentation of the annual financial statements in accordance with IFRS. The Manager will arrange for a First Asset ETF's compliance with all applicable reporting and administrative requirements.

The Manager will keep, or arrange for the keeping of, adequate books and records reflecting the activities of the Company and each First Asset ETF. A Shareholder of a First Asset ETF or his or her duly authorized representative will have the right to examine the applicable books and records of the Company or the First Asset ETF, as applicable, during normal business hours at the offices of the Manager or such other location as the Manager shall determine. Notwithstanding the foregoing, a Shareholder of a First Asset ETF shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Company or the First Asset ETF, as applicable.

CALCULATION OF NET ASSET VALUE

The NAV per Share of a First Asset ETF will be computed by adding up the cash, securities and other assets of the First Asset ETF, less the liabilities (including the redemption value of the Class J Shares) and dividing the value of the net assets by the total number of Shares of the First Asset ETF that are outstanding. The NAV per Share of each First Asset ETF so determined will be adjusted to the nearest cent per Share and will remain in effect until the time as at which the next determination of the NAV per Share of the First Asset ETF is made. The NAV per Share of each First Asset ETF will be calculated on each Valuation Day.

Typically, the NAV per Share will be calculated at its applicable Valuation Time. The NAV per Share of a First Asset ETF may be determined at an earlier Valuation Time if the TSX and/or the principal exchange for the securities held by the First Asset ETF closes earlier on that Valuation Day.

Valuation Policies and Procedures of the First Asset ETFs

The Manager will use the following valuation procedures in determining the net asset value of the First Asset ETFs on each Valuation Day:

1. The value of any cash on hand, on deposit or on call, bills and notes and accounts receivable, prepaid expenses, cash dividends to be received and interest accrued and not yet received, will be deemed to be the face amount thereof, unless the Manager determines that any such deposit, call loan, bill, note or account receivable is not worth the face amount thereof, in which event the value thereof will be deemed to be such value as the Manager determines, on such basis and in such manner as may be approved by the board of directors of the Manager to be the reasonable value thereof.

2. The value of any security, commodity or interest therein which is listed or dealt in upon a stock exchange will be determined by:

   (a) in the case of securities which were traded on that Valuation Day, the close price of such securities as determined at the applicable Valuation Time; and

   (b) in the case of securities not traded on that Valuation Day, a price estimated to be the true value thereof by the Manager on such basis and in such manner as may be approved of by the board of directors of the Manager, such price being between the closing asked and bid prices for the securities or interest therein as reported by any report in common use or authorized as official by a stock exchange.

3. Long positions in clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants will be valued at the current market value thereof. Where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from any revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be added in arriving at the NAV of such instrument. The securities, if any, which are the subject of a written clearing corporation option or over-the-counter option shall be valued at the current market value. The value of a future contract or a swap or forward contract shall be the gain or loss with respect thereto that will be realized if, on that Valuation Day, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless "daily limits" are in effect, in which case fair value shall be based on the current market value of the underlying interest. Margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin.

4. In the case of any security or property for which no price quotations are available as provided above, the value thereof will be determined from time to time by the Manager, where applicable, in accordance with the principles described in paragraph 2(b) above, except that the Manager may use, for the purpose of determining the sale price or the ask and bid price of such security or interest, any public quotations in common use which may be available, or where such principles are not applicable, in such manner as may be approved of by the board of directors of the Manager.

5. The liabilities of a First Asset ETF will include:

   - all bills, notes and accounts payable of which the First Asset ETF is an obligor;
   - all brokerage expenses of the First Asset ETF;
   - all Management Fees of the First Asset ETF;

- all contractual obligations of the First Asset ETF for the payment of money or property, including the amount of any unpaid distribution credited to Shareholders on or before that Valuation Day;
- all derivative liability from the written options of the First Asset ETF;
- all allowances of the First Asset ETF authorized or approved by the Manager for taxes (if any) or contingencies; and
- all other liabilities of the First Asset ETF of whatsoever kind and nature.

6. Each transaction of purchase or sale of a portfolio asset effected by a First Asset ETF shall be reflected by no later than the next time that the net asset value of the First Asset ETF and the net asset value per Share of the First Asset ETF is calculated.

Prior to the calculation of the NAV of a First Asset ETF any non-Canadian currency assets and liabilities of the First Asset ETF will be translated into Canadian currency at the prevailing rate of exchange, as determined by the Manager, on the applicable Valuation Day.

In calculating the NAV of a First Asset ETF, the First Asset ETF will generally value its investments based on the market value of its investments at the time the NAV of the First Asset ETF is calculated. If no market value is available for an investment of a First Asset ETF or if the Manager determines that such value is inappropriate in the circumstances (i.e., when the value of an investment of a First Asset ETF has been materially changed by effects occurring after the market closes), the Manager will value such investments using methods that have generally been adopted by the marketplace. Fair valuing the investments of a First Asset ETF may be appropriate if: (i) market quotations do not accurately reflect the fair value of an investment; (ii) an investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded; (iii) a trading halt closes an exchange or market early; or (iv) other events result in an exchange or market delaying its normal close. The risk in fair valuing an investment of a First Asset ETF is that the value of the investment may be higher or lower than the price that the First Asset ETF may be able to realize if the investment had to be sold.

In determining the NAV of a First Asset ETF, Shares of the First Asset ETF subscribed for will be deemed to be outstanding and an asset of the First Asset ETF as of the time a subscription for such Shares is received by and accepted by the Manager. Shares of a First Asset ETF that are being redeemed will only be deemed to be outstanding until (and not after) the close of business on the day on which such Shares of the First Asset ETF are redeemed and the redemption proceeds thereafter, until paid, will be a liability of the First Asset ETF.

Reporting of Net Asset Value

Following the Valuation Time on the Valuation Day, the most recent net asset value or net asset value per Share of each First Asset ETF will be made available to persons or companies, at no cost, by calling the Manager at 416-642-1289 or toll free 1-877-642-1289, or checking the First Asset ETF's website at www.firstasset.com.

ATTRIBUTES OF THE SECURITIES

Description of the Securities Distributed

Each First Asset ETF is authorized to issue an unlimited number of Shares. The Shares are Canadian dollar denominated.

Shares of each First Asset ETF are currently listed on the TSX. Investors can buy or sell such Shares on the TSX through registered brokers and dealers in the province or territory where the investor resides.

Each Share of a First Asset ETF entitles the owner to one vote at meetings of Shareholders. Each Share of a First Asset ETF is entitled to participate equally with all other Shares of the First Asset ETF with respect to all payments made to Shareholders, other than Management Fee Rebates, including dividends and distributions and, on liquidation, to participate equally in the net assets of the First Asset ETF remaining after satisfaction of any outstanding liabilities that are attributable to Shares of the First Asset ETF. All Shares of a First Asset ETF will be fully paid, with no liability for future assessments, when issued and will not be transferable except by operation of law. Shareholders of a First Asset ETF are entitled to require the First Asset ETF to redeem their Shares of the First Asset ETF as outlined under the heading "Exchange, Redemption and Switching of Shares".

Exchange of Shares for Baskets of Securities

Shareholders of a First Asset ETF may exchange the applicable PNS (or an integral multiple thereof) of the First Asset ETF on any Trading Day for Baskets of Securities and/or cash, subject to the requirement that a minimum PNS be exchanged. See "Exchange, Redemption and Switching of Shares".

Redemptions of Shares for Cash

On any Trading Day, Shareholders of a First Asset ETF may redeem Shares of the First Asset ETF for cash at a redemption price per Share equal to 95% of the closing price for the applicable series of Shares on the TSX on the effective day of the redemption. See "Exchange, Redemption and Switching of Shares".

Switches

Shareholders may switch Shares of one First Asset ETF of the Company to Shares of another First Asset ETF of the Company through the facilities of CDS by contacting their financial advisor, investment advisor or broker. Initially, Shares may be switched in any week on Wednesday (or if such Wednesday is not a Business Day, the next Business Day). See "Exchange, Redemption and Switching of Shares – Switches".

Modification of Terms

The rights attached to the Shares of a First Asset ETF may only be modified, amended or varied in accordance with the terms of the articles of the Company and applicable law. See "Shareholder Matters – Matters Requiring Shareholders' Approval".

Voting Rights in the Portfolio Securities

Holders of Shares of a First Asset ETF will not have any voting rights in respect of the securities in the First Asset ETF's portfolio.

SHAREHOLDER MATTERS

Meetings of Shareholders

Meetings of Shareholders of a First Asset ETF will be held if called by the Manager or upon the written request to the Manager of Shareholders of the First Asset holding not less than 25% of the then outstanding Shares of the First Asset ETF.

Matters Requiring Shareholder Approval

In addition to certain matters required by corporate law, NI 81-102 requires a meeting of Shareholders of a First Asset ETF to be called to approve certain changes as follows:

(i) the basis of the calculation of a fee or expense that is charged to the First Asset ETF or its Shareholders is changed in a way that could result in an increase in charges to the First Asset ETF or to its Shareholders, except where:

    (A) the First Asset ETF is at arm's length with the person or company charging the fee; and

    (B) the Shareholders have received at least 60 days' notice before the effective date of the change;

(ii) a fee or expense, to be charged to the First Asset ETF or directly to its Shareholders by the First Asset ETF or the Manager in connection with the holding of Shares that could result in an increase in charges to the First Asset ETF or its Shareholders, is introduced;

(iii) the Manager is changed, unless the new manager of the First Asset ETF is an affiliate of the Manager;

(iv) the fundamental investment objective of the First Asset ETF is changed;

(v) the First Asset ETF decreases the frequency of the calculation of its net asset value per Share;

(vi) other than a Permitted Merger for which Shareholder approval is not required, the First Asset ETF undertakes a reorganization with, or transfers its assets to, another mutual fund, if the First Asset ETF ceases to continue after the reorganization or transfer of assets and the transaction results in the Shareholders becoming securityholders in the other mutual fund;

(vii) the First Asset ETF undertakes a reorganization with, or acquires assets from, another mutual fund, if the First Asset ETF continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other mutual fund becoming Shareholders, and the transaction would be a material change to the First Asset ETF; or

(viii) any matter which is required by the constitutive documents of the First Asset ETF; by the laws applicable to the First Asset ETF or by any agreement to be submitted to a vote of the Shareholders.

Each Share of a First Asset ETF will have one vote at such a meeting and will not vote separately as a series or class in respect of any vote taken (except if a series or class is affected by the matter in a manner different from the other series or classes of shares of the Company). Ten per cent of the outstanding Shares of a First Asset ETF, respectively, represented in person or by proxy at the meeting will constitute a quorum. If no quorum is present, the holders of Shares of the First Asset ETF then present will constitute a quorum at an adjourned meeting.

In addition, the auditors of a First Asset ETF may not be changed unless:

(i) the IRC of the First Asset ETF has approved the change; and

(ii) Shareholders of the First Asset ETF have received at least 60 days' notice before the effective date of the change.

Approval of Shareholders of a First Asset ETF will be deemed to have been given if expressed by resolution passed at a meeting of Shareholders of the First Asset ETF, duly called on at least 21 days' notice and held for the purpose of considering the same, by at least a majority of the votes cast.

Permitted Mergers

A First Asset ETF may, without Shareholders' approval, enter into a merger or other similar transaction which has the effect of combining the fund or its assets (a "**Permitted Merger**") with any other investment fund or funds that have investment objectives that are similar to the First Asset ETF's portfolio, subject to:

(a) approval of the merger by the First Asset ETF's IRC in accordance with NI 81-107;

(b) the First Asset ETF being reorganized with, or its assets being transferred to, another mutual fund to which NI 81-102 and NI 81-107 apply, and that is managed by the Manager, or an affiliate of the Manager;

(c) compliance with certain other requirements of applicable securities legislation; and

(d) Shareholders have received at least 60 days' notice which notice may be by way of press release, before the effective date of the Permitted Merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective net asset values for the purpose of such transaction.

Reporting to Shareholders

The Manager, on behalf of a First Asset ETF, will in accordance with applicable laws furnish to each Shareholder of the First Asset ETF and the Company's board of directors, unaudited semi-annual financial statements and an interim management report of fund performance for the First Asset ETF within 60 days' of the end of each semi-annual period and audited annual financial statements and an annual management report of fund performance for the First Asset ETF within 90 days of the end of each financial year. Both the semi-annual and the annual financial statements of the First Asset ETF will contain a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and a statement of investment portfolio.

Any tax information necessary for Shareholders of a First Asset ETF to prepare their annual federal income tax returns will also be distributed to them within 90 days after the end of each taxation year of the First Asset ETF. Neither the Manager nor the Registrar and Transfer Agent are responsible for tracking the adjusted cost base of a Shareholder's Shares of a First Asset ETF. Shareholders of a First Asset ETF should consult with their tax or investment adviser in respect of how to compute the adjusted cost base of their Shares of the First Asset ETF and in particular how designations made by the First Asset ETF to a Shareholder affect the Shareholder's tax position.

The net asset value per Share of the First Asset ETF will be determined by the Manager on each Valuation Day and will usually be published daily in the financial press.

TERMINATION OF THE FIRST ASSET ETFS

Subject to complying with applicable securities law, a First Asset ETF may be terminated (and the Shares of the First Asset ETF redeemed by the Company) at the discretion of the Manager on at least 60 days advance written notice to Shareholders of the First Asset ETF of the termination and the Manager will issue a press release in advance thereof.

Upon termination of a First Asset ETF, each Shareholder of the First Asset ETF shall be entitled to receive at the Valuation Time on the termination date out of the assets of the First Asset ETF: (i) payment for that Shareholder's Shares of the First Asset ETF at the net asset value per Share for those Shares determined at the Valuation Time on the termination date; plus (ii) where applicable, any net income and net realized capital gains that are owing to or otherwise attributable to such Shareholder's Shares of the First Asset ETF that have not otherwise been paid to such Shareholder; less (iii) any applicable redemption charges and any taxes that are required to be deducted. Payment shall be made by cheque or other means of payment payable to such Shareholder and drawn on the First Asset ETF's bankers and may be mailed by ordinary post to such Shareholder's last address appearing in the register of Shareholders or may be delivered by such other means of delivery acceptable to both the Manager and such Shareholder.

The rights of shareholders to exchange, redeem and convert Shares of a First Asset ETF described under "Exchange, Redemption and Switching of Shares" will cease as and from the date of termination of the First Asset ETF.

Procedure on Termination

The Manager, on behalf of the Company, shall be entitled to retain out of any assets of a First Asset ETF, at the date of termination of the First Asset ETF, full provision for all costs, charges, expenses, claims and demands incurred or believed by the Manager to be due or to become due in connection with or arising out of the termination of the First Asset ETF and the distribution of its assets to the Shareholders. Out of the moneys so retained, the Manager is entitled to be indemnified and saved harmless against all costs, charges, expenses, claims and demands.

PLAN OF DISTRIBUTION

Shares are being offered for sale on a continuous basis by this prospectus and there is no maximum number of Shares that may be issued. Shares shall be offered for sale at a price equal to the net asset value of the applicable series of Shares determined at the Valuation Time on the effective date of the subscription order.

Shares of each First Asset ETF are currently listed on the TSX. Investors can buy or sell such Shares on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Shares of a First Asset ETF. No fees are paid by investors to the Manager or a First Asset ETF in connection with buying or selling of Shares of the First Asset ETF on the TSX.

Non-Resident Shareholders

At no time may (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the shares of the Company (on either a number of shares or fair market value basis) and the Manager shall inform the Registrar and Transfer Agent of the Company of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of shares is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the shares of the Company then outstanding (on either a number of shares or fair market value basis) are, or may be, non-residents and/or partnerships that are not

Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of the shares of the Company (on either a number of shares or fair market value basis) are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-residents and/or partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their shares of the Company or a portion thereof within a specified period of not less than 30 days. If the shareholders receiving such notice have not sold the specified number of shares of the Company or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such shareholders sell such shares of the Company and, in the interim, shall suspend the voting and distribution rights attached to such shares of the Company. Upon such sale, the affected holders shall cease to be beneficial holders of shares of the Company and their rights shall be limited to receiving the net proceeds of sale of such shares of the Company.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Company as a mutual fund corporation for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Company as a mutual fund corporation for purposes of the Tax Act.

RELATIONSHIP BETWEEN THE FIRST ASSET ETFS AND THE DEALERS

The Manager, on behalf of the First Asset ETFs, and the Company may enter into various Dealer Agreements with registered dealers (that may or may not be Designated Brokers) pursuant to which the Dealers may subscribe for Shares of a First Asset ETF as described under "Purchases of Shares".

A Dealer Agreement may be terminated by the registered dealer at any time by notice to First Asset, provided that, except in certain conditions, no such termination will be permitted after the registered dealer has subscribed for Shares of a First Asset ETF and such subscription has been accepted by First Asset.

No Designated Broker or Dealer has been involved in the preparation of this prospectus, nor has it performed any review of the contents of this prospectus. The Designated Brokers and Dealers do not act as underwriters of any of the First Asset ETFs in connection with the distribution of its Shares under this prospectus. See "Organization and Management Details of the First Asset ETFs - Conflicts of Interest".

PRINCIPAL HOLDERS OF SHARES

All of the issued and outstanding Class J Shares of the Company are owned by First Asset ETF Adminco Ltd. ("**Adminco**"). Independent directors of the Company own an aggregate of 50% of the common shares of Adminco, and certain employees of the Manager own an aggregate of 50% of the common shares of Adminco. The Class J Shares and Adminco common shares are held in escrow pursuant to the Escrow Agreements and will not be disposed of or dealt with in any manner until all the shares of the Company (other than the Class J Shares) have been redeemed, without the express consent, order or direction in writing of the Ontario Securities Commission.

To the knowledge of the Manager, no person or company owns, beneficially, either directly or indirectly, more than 10% of the outstanding Shares of any of the First Asset ETFs. All of the Shares of the First Asset ETFs are registered in the name of CDS.

None of the directors or officers of the Manager, individually or in aggregate, own more than 10% of the outstanding Shares of any First Asset ETF. The members of the IRC do not own any securities of any First Asset ETF or the Manager or any person or company that provides services to any First Asset ETF or the Manager.

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

The proxies associated with the portfolio securities held by the First Asset ETFs will be voted by the Manager in accordance with the Manager's proxy voting policy (the "**Proxy Voting Policy**"). The objective in voting is to support proposals and director nominees that maximize the value of the investments made by a First Asset ETF – and those of its Shareholders – over the long term. In evaluating proxy proposals, information from many sources will be considered, including management or shareholders of a company presenting a proposal and independent proxy research services. Substantial weight will be given to the recommendations of a company's board, absent guidelines or other specific facts that would support a vote against management. The Manager has developed guidelines that address the following circumstances: election of directors; contested director elections; classified boards; director/officer indemnification; director ownership; approval of independent auditors; stock based compensation plans; bonus plans; employee stock purchase plans; executive severance agreements; shareholder rights plans; defences; cumulative voting; voting requirements matters related to shareholder meetings, among others.

While serving as a framework, the Proxy Voting Policy cannot contemplate all possible proposals with which the First Asset ETFs may be presented. For non-routine matters, in the absence of a specific guideline for a particular proposal (e.g., in the case of a transactional issue or contested proxy), the Manager will evaluate the issue on a case-by-case basis and cast a First Asset ETF's vote in a manner that, in the Manager's view, will maximize the value of the First Asset ETF's investment. The Manager may depart from the Proxy Voting Policy in order to avoid voting decisions that may be contrary to the best interests of a First Asset ETF. The Proxy Voting Policy includes procedures intended to ensure that proxies associated with portfolio securities of a First Asset ETF are received and voted by the Manager on behalf of the First Asset ETF in accordance with the Proxy Voting Policy.

The current Proxy Voting Policy and procedures of the Manager are available to Shareholders on request, at no cost, by calling 416-642-1289 or toll-free 1-877-642-1289 or can be obtained on the internet at www.firstasset.com.

Each First Asset ETF's proxy voting record for the annual period from July 1 to June 30 will be available at any time after August 31 following the end of that annual period, to any Shareholder on request, at no cost, and will also be available on the internet at www.firstasset.com. Information contained on a First Asset ETF's website is not part of this prospectus and is not incorporated herein by reference.

MATERIAL CONTRACTS

The only contracts material to the First Asset ETFs are the:

(a) **Management Agreement.** For additional disclosure related to the Management Agreement, including relevant termination provisions and other key terms of the agreement, see "Organization and Management Details of the First Asset ETFs – The Manager and Portfolio Adviser", "Organization and Management Details of the First Asset ETFs – Duties and Services to be Provided by the Manager", "Organization and Management Details of the First Asset ETFs – Details of the Management Agreement", "Organization and Management Details of the First Asset ETFs – Conflicts of Interest", and Other Material Facts – Management of the First Asset ETFs";

(b) **Escrow Agreements.** For additional disclosure related to the Escrow Agreements see "Principal Holders of Shares";

(c) **Custodian Agreement.** For additional disclosure related to the Custodian Agreement, including relevant termination provisions and other key terms of the agreement, see "Organization and Management Details of the First Asset ETFs – Custodian"; and

(d) **License Agreements** with respect to the Index ETFs**.** For additional disclosure related to the License Agreements, including relevant termination provisions and other key terms of the License Agreements, see "Other Material Facts – Index Information".

Copies of these agreements may be examined at the head office of the Manager at 2 Queen Street East, 12th Floor, Toronto, Ontario M5C 3G7.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

The First Asset ETFs are not involved in any legal proceedings, nor is the Manager aware of existing or pending legal or arbitration proceedings involving the First Asset ETFs.

EXPERTS

Ernst & Young LLP, the auditors of the First Asset ETFs, has consented to the use of their report dated March 27, 2017, to the securityholders of each of the First Asset ETFs on the statements of financial position as at December

31, 2016 and 2015 (as applicable), and the statements of comprehensive income, changes in net assets attributable to holders of redeemable securities and cash flows for the period(s) then ended, and a summary of significant accounting policies and other explanatory information.

Ernst & Young LLP has confirmed that they are independent with respect to the First Asset ETFs within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario

EXEMPTIONS AND APPROVALS

Each First Asset ETF will rely on exemptive relief from the Canadian securities regulatory authorities:

(a) to permit a Shareholder of the First Asset ETF to acquire more than 20% of the Shares of the First Asset ETF through purchases on the TSX without regard to the takeover bid requirements of applicable Canadian securities legislation provided the Shareholder, and any person acting jointly or in concert with such Shareholder, undertakes to the Manager not to vote more than 20% of the Shares of the First Asset ETF at any meeting of Shareholders. See "Purchases of Shares – Buying and Selling Shares";

(b) to relieve the First Asset ETF from the requirement that a prospectus contain a certificate of the underwriters;

(c) to relieve the First Asset ETF from the requirement to include in its prospectus the statement respecting purchasers' statutory rights of withdrawal and remedies of rescission or damages in substantially the form prescribed in item 36.2 of Form 41-101F2 – *Information Required in an Investment Fund Prospectus*;

(d) to permit the First Asset ETF to: (i) invest more than 10 percent of its net asset value in securities of any exchange traded mutual fund that is not an index participation unit and is established and managed by the Manager, or an affiliate or associate of the Manager (each an "**Underlying ETF**"); (ii) hold securities representing more than 10 percent of the voting or equity securities of any Underlying ETF; and (iii) pay brokerage commissions in relation to its purchase and sale of securities of an Underlying ETF;

(e) to permit the First Asset CanBanc Income Class ETF to purchase certain securities such that, immediately after the transaction, more than 10 percent of its net assets would be invested in the securities of one issuer for the purposes of determining compliance with the concentration restriction in subsection 2.1(1) of NI 81-102, subject to certain conditions;

(f) to permit the First Asset ETF to use references to Lipper Leader ratings and Lipper Awards in sales communications;

(g) to permit the disclosure and marketing of annual FundGrade A+ Awards and monthly FundGrade Rating;

(h) to relieve the First Asset ETF from the requirement contained in paragraph 12.2(2)(a) of National Instrument 81-106 *Investment Fund Continuous Disclosure* ("**NI 81-106**") for a person or company that solicits proxies, by or on behalf of management of the First Asset ETF, to send an information circular to each registered holder of securities of the First Asset ETF whose proxy is solicited, and instead allow the First Asset ETF to send a Notice-and-Access Document (as defined in the exemptive relief decision) using the Notice-and-Access Procedure (as defined in the exemptive relief decision); and

(i) to permit the First Asset ETF to dispense with an audit committee, pursuant to subsection 158(1.1) of the *Business Corporations Act* (Ontario), for as long as applicable securities legislation does not require the First Asset ETF to have an audit committee and, in accordance with NI 81-106, the board of directors of the Company will approve the financial statements of the First Asset ETF before such financial statements are filed or made available to investors.

Additionally, certain dealers of the First Asset ETFs, including the Designated Brokers and Dealers, have received exemptive relief from the Canadian securities regulatory authorities from the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the securities legislation of the provinces and territories apply, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement. As a condition of this exemptive relief, the dealer is required to deliver a copy of the ETF Summary Document of a First Asset ETF to a purchaser if the dealer does not deliver a copy of this prospectus.

OTHER MATERIAL FACTS

International Information Reporting

Pursuant to the Canada-United States Enhanced Tax Information Exchange Agreement entered into between Canada and the United States on February 5, 2014 (the "**IGA**") and related Canadian legislation in the Tax Act, the dealers through which Unitholders hold their Units are required to report certain information with respect to Unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents and/or citizens of Canada), and certain other "U.S. Persons", as defined under the IGA (excluding Plans, as defined above under "Income Tax Considerations – Status of the First Asset ETFs"), to the CRA. The CRA is expected to provide the information to the U.S. Internal Revenue Service.

Pursuant to the provisions of the Tax Act that implement the Organization for Economic Co-operation and Development Common Reporting Standard (the "CRS Provisions"), "Canadian financial institutions" (as defined in the CRS Provisions) would be required to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities the "controlling persons" of which are resident in a foreign country (other than the U.S.) and to report required information to the CRA. Such information would be exchanged on a reciprocal, bilateral basis with the countries that have agreed to a bilateral information exchange with Canada under the Common Reporting Standard in which the account holders or such controlling persons are resident. Under the CRS Provisions, after June 30, 2017, Unitholders will be required to provide certain information regarding their investment in a First Asset ETF for the purpose of such information exchange (which information exchange is expected to occur beginning in May 2018), unless the investment is held within Plans.

Management of the First Asset ETFs

First Asset may, at any time and without seeking approval of any Shareholder of the First Asset ETFs, assign the Management Agreement to an affiliate.

Index Information

First Asset MSCI Canada Quality Index Class ETF

The Manager has entered into the License Agreement originally dated December 1, 2013, as amended and restated February 11, 2016 (the "Effective Date"), with MSCI under which it has the right, on and subject to the terms of the License Agreement, to use the MSCI Canada Quality Index (CAD) as a basis for the operation of the First Asset MSCI Canada Quality Index Class ETF and to use certain trademarks in connection with the First Asset MSCI Canada Quality Index Class ETF. The License Agreement is for a term of 3 years from the Effective Date and will automatically renew for successive 1 year terms unless either party provides written notice no less than 90 days prior to the end of the current term of such party's intention to not renew. If the License Agreement is terminated in respect of a First Asset MSCI Canada Quality Index Class ETF for any reason, the Manager will no longer be able to operate that First Asset MSCI Canada Quality Index Class ETF based on the Index.

THE FIRST ASSET MSCI CANADA QUALITY INDEX CLASS ETF IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEX IS THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAME ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN

PURPOSES BY THE MANAGER. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THE FIRST ASSET MSCI CANADA QUALITY INDEX CLASS ETF OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THE FIRST ASSET MSCI CANADA QUALITY INDEX CLASS ETF PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEX WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS FUND OR THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THE FIRST ASSET MSCI CANADA QUALITY INDEX CLASS ETF OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEX. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THE FIRST ASSET MSCI CANADA QUALITY INDEX CLASS ETF TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THE FIRST ASSET MSCI CANADA QUALITY INDEX CLASS ETF ARE REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THE FIRST ASSET ETFs OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THE FIRST ASSET MSCI CANADA QUALITY INDEX CLASS ETF.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEX FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE FIRST ASSET MSCI CANADA QUALITY INDEX CLASS ETF, OWNERS OF THE FIRST ASSET MSCI CANADA QUALITY INDEX CLASS ETF, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARITES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

No purchaser, seller or holder of Units of the First Asset MSCI Canada Quality Index Class ETF, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

First Asset Short Term Government Bond Index Class ETF

The Manager has entered into the License Agreement originally dated June 1, 2012, originally with TSX Inc., doing business as PC-Bond, and now with FTSE TMX Global Debt Capital Markets Inc., under which it has the right, on and subject to the terms of the License Agreement, to use the FTSE TMX Canada Short Term Government Bond Index as a basis for the operation of the First Asset Short Term Government Bond Index Class ETF and to use certain trademarks in connection with that First Asset ETF. The License Agreement is for an initial term of one (1) year and will automatically renew for successive one (1) year terms unless either party provides written notice no less than 90 days prior to the end of the current term of such party's intention to not renew. If the License Agreement is terminated in respect of a First Asset ETF for any reason, the Manager will no longer be able to operate that First Asset ETF based on the applicable Index.

The First Asset Short Term Government Bond Index Class ETF is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited, the London Stock Exchange Group companies, TSX INC. and its affiliates or FTSE TMX Global Debt Capital Markets Inc. (together the "**Licensor Parties**") and the Licensor Parties do not make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE TMX Canada Short Term Government Bond Index (the "**Index**") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE TMX Global Debt Capital Markets Inc. and all copyright in the Index values and constituent lists vests in FTSE TMX Global Debt Capital Markets Inc. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Licensor Parties shall not be under any obligation to advise any person of any error therein.

"FTSE" is a trade mark of FTSE International Ltd and is used under licence. "TMX" is a trade mark of TSX Inc. and is used under licence.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase mutual fund securities offered in a distribution within two (2) business days after receipt of a prospectus and any amendment. In addition, securities legislation in certain of the provinces of Canada provides purchasers of mutual fund securities with a limited right to rescind the purchase within 48 hours after receipt of a confirmation of such purchase. If the purchase of mutual fund securities is made under a contractual plan, the time period during which the right to rescind is exercisable may be longer. In most of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or damages, or, in Québec, revision of the price, if the prospectus and any amendment is not delivered to the purchaser, provided that the remedies for rescission, damages or revision of the price are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

Notwithstanding the foregoing, purchasers of Shares of a First Asset ETF will not have the right to withdraw from an agreement to purchase the Shares after the receipt of a prospectus and any amendment, and will not have remedies for rescission, damages or revision of the price for non-delivery of the prospectus or any amendment, if the dealer receiving the purchase order has obtained an exemption from the prospectus delivery requirement under a decision pursuant to National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (**NP 11-203**). However, purchasers of Shares will, in the applicable provinces of Canada, retain their right under securities legislation to rescind their purchase within 48 hours (or, if purchasing under a contractual plan, such longer time period as applicable) after the receipt of a confirmation of purchase.

In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus, together with any amendment to the prospectus, contains a misrepresentation, provided that such remedies are exercised by the purchaser within the time limits prescribed by the securities legislation of the purchaser's province or territory. Any remedies under securities legislation that a purchaser of Shares may have for rescission or damages, if the prospectus and any amendment to the prospectus contains a misrepresentation, remain unaffected by the non-delivery of the prospectus pursuant to reliance by a dealer upon the decision referred to above.

However, the Manager has obtained exemptive relief from the requirement in securities legislation to include an underwriter's certificate in the prospectus under a decision pursuant to NP 11-203. As such, purchasers of Shares will not be able to rely on the inclusion of an underwriter's certificate in the prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that would have been required to sign an underwriter's certificate.

Purchasers should refer to the applicable provisions of the securities legislation and the decisions referred to above for the particulars of their rights or consult with a legal advisor.

DOCUMENTS INCORPORATED BY REFERENCE

Additional information about each of the First Asset ETFs is, or will be, available in the following documents:

(a) the most recently filed comparative annual financial statements, together with the accompanying report of the auditor;

(b) any interim financial statements filed after those annual financial statements;

(c) the most recently filed annual management report of fund performance;

(d) any interim management report of fund performance filed after that most recently filed annual management report of fund performance; and

(e) the most recently filed ETF Summary Document.

These documents are or will be incorporated by reference into this prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You can obtain a copy of these documents, at your request, and at no cost, by calling: 416-642-1289 or toll-free 1-877-642-1289 or by contacting your dealer. These documents are available on each First Asset ETF's website at www.firstasset.com. These documents and other information about the First Asset ETFs will also be available on the internet at www.sedar.com.

In addition to the documents listed above, any documents of the type described above that are filed on behalf of each First Asset ETF after the date of this prospectus and before the termination of the distribution of the First Asset ETF are deemed to be incorporated by reference into this prospectus.

FIRST ASSET CANBANC INCOME CLASS ETF
FIRST ASSET CORE CANADIAN EQUITY INCOME CLASS ETF
FIRST ASSET MSCI CANADA QUALITY INDEX CLASS ETF
FIRST ASSET SHORT TERM GOVERNMENT BOND INDEX CLASS ETF

(COLLECTIVELY THE "FIRST ASSET ETFS")

CERTIFICATE OF FIRST ASSET FUND CORP. (ON BEHALF OF THE FIRST ASSET ETFS)

Dated: April 10, 2017

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of all of the provinces and territories of Canada.

FIRST ASSET FUND CORP.

(Signed) Barry H. Gordon

Chief Executive Officer

(Signed) Karen Wagman

Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS
OF FIRST ASSET FUND CORP.

(Signed) Z. Edward Akkawi

Director

(Signed) Paul V. Dinelle

Director

FIRST ASSET INVESTMENT MANAGEMENT INC.,
AS MANAGER AND PROMOTER OF THE FIRST ASSET ETFS

(Signed) Barry H. Gordon

Chief Executive Officer of First Asset Investment Management Inc., the Manager and Promoter of the First Asset ETFs, and on behalf of the First Asset ETFs

(Signed) Karen Wagman

Chief Financial Officer of First Asset Investment Management Inc., the Manager and Promoter of the First Asset ETFs, and on behalf of the First Asset ETFs

ON BEHALF OF THE BOARD OF DIRECTORS
OF FIRST ASSET INVESTMENT MANAGEMENT INC.

(Signed) Neal A. Kerr

Director

(Signed) Paul V. Dinelle

Director