

*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



*Continuous Offering*

August 3, 2017

**First Asset Morningstar Canada Dividend Target 30 Index ETF**  
**First Asset Morningstar US Dividend Target 50 Index ETF**  
**First Asset Morningstar Canada Momentum Index ETF**  
**First Asset Morningstar US Momentum Index ETF**  
**First Asset Morningstar Canada Value Index ETF**  
**First Asset Morningstar US Value Index ETF**  
**First Asset Morningstar National Bank Québec Index ETF**  
**First Asset Morningstar International Momentum Index ETF**  
**First Asset Morningstar International Value Index ETF**  
**First Asset MSCI Canada Low Risk Weighted ETF**  
**First Asset MSCI USA Low Risk Weighted ETF**  
**First Asset MSCI Europe Low Risk Weighted ETF**  
**First Asset MSCI World Low Risk Weighted ETF**

**(individually, an “Existing First Asset ETF” and collectively, the “Existing First Asset ETFs”)**

*Initial Public Offering and Continuous Offering*

August 3, 2017

**First Asset MSCI International Low Risk Weighted ETF**

**(the “New First Asset ETF” and, together with the Existing First Asset ETFs, the “First Asset ETFs”)**

The First Asset ETFs are exchange traded open-end mutual fund trusts established under the laws of Ontario. Each of the First Asset ETFs have been designed to replicate, to the extent possible, the performance of an index (the “**Index**”), net of expenses. See “Investment Objectives”.

Units (the “**Units**”) of the First Asset ETFs are being offered for sale on a continuous basis by this prospectus. In addition, each of First Asset Morningstar US Dividend Target 50 Index ETF, First Asset Morningstar US Momentum Index ETF, First Asset Morningstar International Momentum Index ETF, First Asset Morningstar US Value Index ETF, First Asset Morningstar International Value Index ETF, First Asset MSCI USA Low Risk Weighted ETF, First Asset MSCI Europe Low Risk Weighted ETF, First Asset MSCI World Low Risk Weighted ETF and First Asset MSCI International Low Risk Weighted ETF are offering unhedged units (the “**Unhedged Units**”). Unless otherwise indicated, the term “Units” includes the Unhedged Units.

First Asset Investment Management Inc. (“**First Asset**” or the “**Manager**”), a registered portfolio manager and investment fund manager, is the trustee, manager and portfolio adviser of the First Asset ETFs. See “Organization and Management Details of the First Asset ETFs”.

## **Listing of Units**

Units of the Existing First Asset ETFs are currently listed on the Toronto Stock Exchange (“**TSX**”) and investors can buy or sell such Units on the TSX through registered brokers and dealers in the province or territory where the investors reside.

The Units, including the Unhedged Units, of the New First Asset ETF have been conditionally approved for listing on the TSX. Subject to satisfying the TSX’s original listing requirements, the Units of the New First Asset ETF will be listed on the TSX and investors will be able to buy or sell such Units on the TSX through registered brokers and dealers in the province or territory where the investors reside.

Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or any First Asset ETF in connection with the buying or selling of Units 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 applicable designated broker and dealers are not underwriters of any First Asset ETF in connection with the distribution of Units under this prospectus. While each of the First Asset ETFs is a mutual fund under the securities legislation of certain provinces and territories of Canada, each First Asset ETF has been granted exemptive relief from certain provisions of Canadian securities legislation applicable to conventional mutual funds.

Provided that a First Asset ETF qualifies (or is deemed to qualify) as a “mutual fund trust” within the meaning of the Tax Act, or the Units of the First Asset ETF are listed on a “designated stock exchange” within the meaning of the Tax Act, the Units 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 Units, see “Risk Factors”.**

Morningstar® is a registered trademark of Morningstar, Inc. (“**Morningstar**”). Morningstar® Canada Target Dividend Index™, Morningstar® US Target Dividend Index™, Morningstar® Canada Target Momentum Index™, Morningstar® US Target Momentum Index™, Morningstar® Developed Markets ex-North America Target Momentum Index™, Morningstar® Canada Target Value Index™, Morningstar® US Target Value Index™, Morningstar® Developed Markets ex-North America Target Value Index™ and Morningstar® National Bank Québec Index™ are service marks of Morningstar. The Units of each First Asset ETF are not in any way sponsored, endorsed, sold or promoted by Morningstar and Morningstar makes no representation or warranty, express or implied, regarding the advisability of investing in securities generally or in the First Asset ETFs particularly or the ability of the indices to track general market performance.

During the period in which a First Asset ETF is in continuous distribution, additional information about the 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 Document for the 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 1-877-642-1289 (toll-free) or by e-mail at [info@firstasset.com](mailto:info@firstasset.com) or from your dealer. These documents will also be available on the internet at [www.firstasset.com](http://www.firstasset.com). These documents and other information about 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](http://www.sedar.com).

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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:

“**Basket of Securities**” means, in relation to a particular 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 or the applicable Index in approximately the same weightings as such constituents are weighted in the applicable Index, if applicable;

“**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 PNU 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 the exchange of a PNU 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 Depository Services Inc.;

“**CDS Participant**” means a participant in CDS that holds security entitlements in Units on behalf of beneficial owners of those Units;

“**Constituent Issuers**” means the issuers included in a portfolio or Index of a First Asset ETF from time to time, or where a First Asset ETF 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 the investment portfolio or Index of a First Asset ETF from time to time, or where a First Asset ETF 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;

“**Converted Units**” has the meaning ascribed to such term under “Exchange and Redemption of Units”;

“**Converting Units**” has the meaning ascribed to such term under “Exchange and Redemption of Units”;

“**Counterparty**” has the meaning ascribed to such term under the heading “Investment Strategies – Use of Derivative Instruments”;

“**CRA**” means the Canada Revenue Agency;

“**CRS Provisions**” has the meaning ascribed to such term under the heading “Other Material Facts – International Information Reporting”;

“**Custodian**” means (i) State Street Trust Company Canada, in its capacity as the current custodian of each Existing First Asset ETF and (ii) CIBC Mellon Trust Company, in its capacity as the custodian of the New First Asset ETF;

“**Custodian Agreement**” means (i) in respect of the Existing First Asset ETFs, the master custodian agreement dated May 16, 2011 between the Existing First Asset ETFs, the Manager and the Custodian, as may be further supplemented, amended and/or amended and restated from time to time and (ii) in respect of the New First Asset ETF, the master custodian agreement dated May 17, 2006 between the New First Asset ETF, the Manager and the Custodian, as may be further supplemented, amended and/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 with the Manager, on behalf of one or more First Asset ETFs, pursuant to which the Dealer may subscribe for Units as described under “Purchases of Units”;

**“Dealer Agreement”** means an agreement between the Manager, on behalf of one or more of the First Asset ETFs, and a Dealer;

**“Declaration of Trust”** means the amended and restated declaration of trust establishing each of the First Asset ETFs as supplemented, amended or amended and restated from time to time;

**“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 with the Manager, on behalf of one or more First Asset ETFs pursuant to which the Designated Broker agrees to perform certain duties in relation to the First Asset ETFs;

**“Designated Broker Agreement”** means an agreement between the Manager, on behalf of one or more First Asset ETFs, and a Designated Broker;

**“DFA Rules”** has the meaning ascribed to such term under the heading “Taxation of the First Asset ETFs”;

**“Distribution Record Date”** means a date determined by the Manager as a record date for the determination of Unitholders of a First Asset ETF entitled to receive a distribution;

**“Existing First Asset ETF”** has the meaning ascribed to such term on the cover page;

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

**“Draft Amendments”** has the meaning ascribed to such term under the heading “Purchases of Units – To Designated Brokers and Dealers”;

**“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](http://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, Trustee and portfolio adviser of the First Asset ETFs;

**“First Asset ETFs”** has the meaning ascribed to such term on the cover 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/Indexes/Indices”** 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 a First Asset ETF in relation to that First Asset ETF's investment objective;

**"Index Provider"** means the third party providers of the Indices, currently Morningstar and MSCI, with which the Manager has entered into the Licensing Agreements to use the relevant Indices and certain trademarks in connection with the operation of the applicable First Asset ETFs;

**"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;

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

**"Management Fee Distribution"**, 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 distributed quarterly in cash, at the discretion of the Manager, to the applicable Unitholders who hold large investments in a First Asset ETF;

**"Manager"** means First Asset, in its capacity as investment fund manager of the First Asset ETFs pursuant to the Declaration of Trust;

**"Monthly Conversion Date"** has the meaning ascribed to such term under "Exchange and Redemption of Units";

**"Morningstar"** means Morningstar, Inc. or any of its affiliates, as applicable;

**"Morningstar License Agreement"** means, collectively, a master licence agreement and any related product licence agreements between the Manager, on behalf of certain of the First Asset ETFs, and Morningstar, as may be amended from time to time, pursuant to which Morningstar has agreed to license the relevant Indices and certain trademarks of Morningstar to the Manager for use in connection with certain of the First Asset ETFs;

**"MSCI"** means MSCI Inc. or any of its affiliates, as applicable;

**"MSCI License Agreement"** means, collectively, a master licence agreement and any related product licence agreements between the Manager, on behalf of certain of the First Asset ETFs, and MSCI, as may be amended from time to time, pursuant to which MSCI has agreed to license the relevant Indices and certain trademarks of MSCI to the Manager for use in connection with certain of the First Asset ETFs;

**"net asset value"** (of a class of Units) means, in relation to a particular (class of Units of a) First Asset ETF, the net asset value of the (class of Units of the) First Asset ETF as calculated on each Valuation Day in accordance with the Declaration of Trust;

**"New First Asset ETF"** has the meaning ascribed to such term on the cover page;

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

**"NI 81-106"** means National Instrument 81-106 *Investment Fund Continuous Disclosure*;

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

**"NYSE"** means the New York Stock Exchange;

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

**"Other Securities"** means securities other than Constituent Securities included in the applicable Index, including exchange traded funds, mutual funds or other public investment funds or derivative instruments;

**"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 "Unitholder Matters - Permitted Mergers";

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



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

“**PNU**” means, in relation to a particular First Asset ETF, the prescribed number of Units of the 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 Agent**” means Computershare Trust Company of Canada;

“**Reinvestment Plan**” means the distribution 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;

“**swap**” means a forward-type financial derivative contract in which two counterparties agree to exchange cash flows determined with reference to prices of currencies or interest rates, according to predetermined rules. At inception, this instrument typically has zero market value, but as market prices change the swap acquires value;

“**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;

“**Trustee**” means First Asset, in its capacity as trustee of the First Asset ETFs pursuant to the Declaration of Trust;

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

“**Unhedged Units**” means, in relation to a particular First Asset ETF, the unhedged Units, if any, of that First Asset ETF, and “**Unhedged Unit**” means any one of them;

“**Unitholder**” means a holder of Units of a First Asset ETF;

“**Units**” means, in relation to a particular First Asset ETF, redeemable, transferable Units or Unhedged Units, if any; of that First Asset ETF, each of which represents an undivided interest in the net assets of that First Asset ETF, and

“**Unit**” means any one of them;

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

“**Valuation Time**” means, in relation to a First Asset ETF, 4:00 p.m. (EST) on a Valuation Day.

## PROSPECTUS SUMMARY

*The following is a summary of the principal features of the Units of the First Asset ETFs 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 Morningstar Canada Dividend Target 30 Index ETF
- First Asset Morningstar US Dividend Target 50 Index ETF
- First Asset Morningstar Canada Momentum Index ETF
- First Asset Morningstar US Momentum Index ETF
- First Asset Morningstar International Momentum Index ETF
- First Asset Morningstar Canada Value Index ETF
- First Asset Morningstar US Value Index ETF
- First Asset Morningstar International Value Index ETF
- First Asset Morningstar National Bank Québec Index ETF
- First Asset MSCI Canada Low Risk Weighted ETF
- First Asset MSCI USA Low Risk Weighted ETF
- First Asset MSCI Europe Low Risk Weighted ETF
- First Asset MSCI World Low Risk Weighted ETF
- First Asset MSCI International Low Risk Weighted ETF

**Offerings:**

The First Asset ETFs are exchange traded open-end mutual fund trusts established under the laws of Ontario. Each of the First Asset ETFs is offering Units pursuant to this prospectus. In addition, each of First Asset Morningstar US Dividend Target 50 Index ETF, First Asset Morningstar US Momentum Index ETF, First Asset Morningstar International Momentum Index ETF, First Asset Morningstar US Value Index ETF, First Asset Morningstar International Value Index ETF, First Asset MSCI USA Low Risk Weighted ETF, First Asset MSCI Europe Low Risk Weighted ETF, First Asset MSCI World Low Risk Weighted ETF and First Asset MSCI International Low Risk Weighted ETF is offering unhedged Units (the “**Unhedged Units**”). Unless otherwise indicated, the term “Units” includes the Unhedged Units. See “Overview of the Legal Structure of the First Asset ETFs”.

The primary difference between the currency hedged Units and the Unhedged Units, if any, of a particular First Asset ETF is that the exposure in relation to the Unhedged Units of such First Asset ETF to currencies other than the Canadian dollar will not be hedged back to the Canadian dollar. See “Investment Strategies – Currency Hedging”.

**Continuous Distribution:**

Units of each First Asset ETF will be offered for sale on a continuous basis by this prospectus, and there is no maximum number of Units of a First Asset ETF that may be issued. The Units shall be offered for sale at a price equal to the net asset value of the Units next determined following the receipt of a subscription order.

Units of the Existing First Asset ETFs are currently listed on the Toronto Stock Exchange (“**TSX**”) and investors can buy or sell such Units on the TSX through registered brokers and dealers in the province or territory where the investors reside.

The Units, including the Unhedged Units, of the New First Asset ETF have been conditionally approved for listing on the TSX. Subject to satisfying the TSX’s original listing requirements, Units of the New First Asset ETF will be listed on the TSX and investors will be able to buy or sell such Units on the TSX through

registered brokers and dealers in the province or territory where the investors reside.

Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or any First Asset ETF in connection with the buying or selling of Units on the TSX.

The First Asset ETFs issue Units directly to Designated Brokers and Dealers. From time-to-time and as may be agreed between a First Asset ETF and the Designated Broker or a Dealer, such Designated Broker or Dealer may deliver a Basket of Securities as payment for Units.

See “Plan of Distribution” and “Purchases of Units – Issuance of Units of a First Asset ETF”.

**Investment Objectives:**

Each First Asset ETF has been designed to replicate, to the extent possible, the performance of an Index, net of expenses.

See “Investment Objectives”.

**Indexes:**

<b>First Asset ETF</b>	<b>Index</b>
First Asset Morningstar Canada Dividend Target 30 Index ETF	Morningstar® Canada Target Dividend Index™
First Asset Morningstar US Dividend Target 50 Index ETF	Morningstar® US Target Dividend Index™
First Asset Morningstar Canada Momentum Index ETF	Morningstar® Canada Target Momentum Index™
First Asset Morningstar US Momentum Index ETF	Morningstar® US Target Momentum Index™
First Asset Morningstar International Momentum Index ETF	Morningstar® Developed Markets ex-North America Target Momentum Index™
First Asset Morningstar Canada Value Index ETF	Morningstar® Canada Target Value Index™
First Asset Morningstar US Value Index ETF	Morningstar® US Target Value Index™
First Asset Morningstar International Value Index ETF	Morningstar® Developed Markets ex-North America Target Value Index™
First Asset Morningstar National Bank Québec Index ETF	Morningstar® National Bank Québec Index™
First Asset MSCI Canada Low Risk Weighted ETF	MSCI Canada Risk Weighted Index

First Asset MSCI USA Low Risk Weighted ETF	MSCI USA Risk Weighted Top 150 Index Hedged to CAD, in respect of the hedged Units MSCI USA Risk Weighted Top 150 Index in respect of the Unhedged Units
First Asset MSCI Europe Low Risk Weighted ETF	MSCI Europe Risk Weighted Top 100 Index Hedged to CAD, in respect of the hedged Units MSCI Europe Risk Weighted Top 100 Index in respect of the Unhedged Units
First Asset MSCI World Low Risk Weighted ETF	MSCI World Risk Weighted Top 200 Index Hedged to CAD, in respect of the hedged Units MSCI World Risk Weighted Top 200 Index in respect of the Unhedged Units
First Asset MSCI International Low Risk Weighted ETF	MSCI EAFE Risk Weighted Top 175 Index Hedged to CAD, in respect of the hedged Units MSCI EAFE Risk Weighted Top 175 Index in respect of the Unhedged Units

**Investment Strategies:**

The investment strategy of each First Asset ETF is to invest in and hold, to the extent possible, the Constituent Securities of the applicable Index in substantially the same proportion as they are reflected in the applicable Index. See “Investment Strategies”.

***Currency Hedging***

It is intended that, except as described below, at all times at least 90% of the foreign currency denominated assets held by the First Asset Morningstar US Dividend Target 50 Index ETF, First Asset Morningstar US Momentum Index ETF, First Asset Morningstar International Momentum Index ETF, First Asset Morningstar US Value Index ETF, First Asset Morningstar International Value Index ETF, First Asset MSCI USA Low Risk Weighted ETF, First Asset MSCI Europe Low Risk Weighted ETF, First Asset MSCI World Low Risk Weighted ETF and First Asset MSCI International Low Risk Weighted ETF (in each case, other than in respect of the Unhedged Units), will be hedged back to the Canadian dollar. The Manager may choose not to hedge any individual currency exposure to the extent that the Manager, in its sole discretion, deems it impractical or determines, in its sole discretion, that the exposure is non-material. Hedging currency exposure to reduce the impact of fluctuations in exchange rates is intended to reduce the direct exposure to foreign currency risk for Unitholders. The currency hedging mandate applicable to a particular class of Units shall not be changed by the Manager without first obtaining approval of Unitholders of the affected class of Units.

***Use of Derivative Instruments***

The First Asset ETFs may 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 respective First Asset ETF.

***Securities Lending***

A First Asset ETF may enter into securities lending, repurchase and reverse repurchase 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 Units 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 Unitholder of that First Asset ETF to acquire more than 20% of the Units 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 Unitholder, and any person acting jointly or in concert with such Unitholder, undertakes to the Manager not to vote more than 20% of the Units of that First Asset ETF at any meeting of Unitholders of that First Asset ETF.

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

**Distributions:**

Any cash distributions of income on the Units are expected to be made at least quarterly. Depending on the underlying investments of a First Asset ETF, distributions on Units may consist of ordinary income sourced from dividends or distributions received by the First Asset ETF but may also include net realized capital gains, in any case, less the expenses of that First Asset ETF and may include returns of capital.

See “Distribution Policy”.

**Distribution Reinvestment:**

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

See “Distributions Policy – Distribution Reinvestment Plan” for further details.

**Redemptions:**

In addition to the ability to sell Units on the TSX, Unitholders may redeem Units for cash at a redemption price per Unit equal to 95% of the closing price for the Units 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 or Designated Broker redeems or exchanges a PNU.

See “Exchange and Redemption of Units”.

**Income Tax Considerations:**

A Unitholder of a First Asset ETF who is resident in Canada will generally be required to include, in computing income for a taxation year, the amount of income (including any net realized taxable capital gains) that is paid or becomes payable to the Unitholder by that First Asset ETF in that year (including such income that is reinvested in additional Units of the First Asset ETF).

A Unitholder of a First Asset ETF who disposes of a Unit of that First Asset

ETF that is held as capital property, including on a redemption or otherwise, will generally realize a capital gain (or capital loss) to the extent that the proceeds of disposition (which do not include any amount of capital gains made payable by the First Asset ETF to the Unitholder which represents capital gains realized by the First Asset ETF in connection with dispositions to fund the redemption) net of costs of disposition, exceed (or are less than) the adjusted cost base of that Unit.

A conversion of Unhedged Units into Units that are currency hedged or a conversion of Units that are currency hedged into Unhedged Units will likely constitute a disposition of the Units being converted.

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

See “Income Tax Considerations”.

**Eligibility for Investment:**

Provided that a First Asset ETF qualifies (or is deemed to qualify) as a “mutual fund trust” within the meaning of the Tax Act, or the Units of the First Asset ETF are listed on a “designated stock exchange” within the meaning of the Tax Act, Units 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 an RRSP, an RRIF, an RDSP, a DPSP, an RESP or a TFSA.

See “Income Tax Considerations – Taxation of Registered Plans”.

**Documents Incorporated by Reference:**

During the period in which a First Asset ETF is in continuous distribution, additional information about the 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 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, for the First Asset ETF. 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](http://www.firstasset.com) and may be obtained upon request, at no cost, by calling 416-642-1289 or toll-free 1-877-642-1289 or by contacting your dealer. These documents and other information about the First Asset ETFs are also publicly available at [www.sedar.com](http://www.sedar.com).

See “Documents Incorporated by Reference”.

**Termination:**

The First Asset ETFs do not have a fixed termination date but may be terminated at the discretion of the Manager in accordance with the terms of the Declaration of Trust. See “Termination of the First Asset ETFs”.

**Risk Factors:**

An investment in Units may be subject to certain risk factors, including:

- (a) No assurances on achieving investment objective;
- (b) Stock market risk;
- (c) Specific issuer risk;
- (d) Equity risk;
- (e) Passive investment risk;
- (f) Replication or tracking risk;
- (g) Calculation and termination of the Index risk;
- (h) Use of the Index risk;
- (i) Index investment strategy risk;
- (j) Regulatory risk;
- (k) Reliance on historical data risk;
- (l) Corresponding net asset value risk;
- (m) Designated broker/Dealer risk;
- (n) Potential conflicts of interest risk;
- (o) Exchange risk;
- (p) Cease trading of securities risk;
- (q) Income trust investment risk;
- (r) Rebalancing and adjustment risk;
- (s) Absence of an active market and lack of operating history;
- (t) Tax risk;
- (u) Illiquid securities risk;
- (v) Exchange traded funds risk;
- (w) Securities lending, repurchase and reverse repurchase transaction risk;
- (x) Derivatives risk;
- (y) Liability of unitholders;
- (z) Reliance on key personnel;
- (aa) Concentration risk;
- (bb) Multi-class structure risk;
- (cc) Foreign investment risk;
- (dd) Global investing risk;
- (ee) Foreign markets risk;
- (ff) Currency exposure risk; and
- (gg) Absence of an active market and lack of operating history.

See “Risk Factors – General Risk Factors”.

### ***Organization and Management of the First Asset ETFs***

**The Manager, Portfolio Adviser and Trustee:** First Asset Investment Management Inc., a registered portfolio manager and investment fund manager, is the trustee, 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 the day-to-day management of the First Asset ETFs, and will provide investment advisory and portfolio management services to the First Asset ETFs with respect to their respective portfolios. The principal office of the Manager is 2 Queen Street East, 12<sup>th</sup> Floor, Toronto, Ontario M5C 3G7.

See “Organization and Management Details of the First Asset ETFs – Manager and Portfolio Adviser of the First Asset ETFs”.

**Custodians:** The Custodians provide custodial services to the First Asset ETFs.

State Street Trust Company Canada, located in Toronto, Ontario, is the current Custodian of the Existing First Asset ETFs and is independent of the Manager. CIBC Mellon Trust Company, located in Toronto, Ontario and is independent of the Manager, will replace State Street Trust Company Canada as the Custodian of the Existing First Asset ETFs in or around the fourth quarter of 2017.

CIBC Mellon Trust Company is the Custodian of the New First Asset ETF.

See “Organization and Management Details of the First Asset ETFs – Custodians”.

**Valuation Agents:** State Street Fund Services Toronto Inc., located in Toronto, Ontario, currently provides accounting services in respect of the Existing First Asset ETFs. CIBC Mellon Global Securities Services Company, located in Toronto, Ontario, will replace State Street Fund Services Toronto Inc. as the accounting and valuation agent of the Existing First Asset ETFs in or around the fourth quarter of 2017.

CIBC Mellon Global Securities Services Company provides accounting services in respect of the New First Asset ETF.

See “Organization and Management Details of the First Asset ETFs – Valuation Agents”.

**Auditors:** Ernst & Young LLP is responsible for auditing the annual financial statements of the First Asset ETFs. The auditors are independent with respect to each First Asset ETF 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 Agent:** Computershare Trust Company of Canada, at its principal offices in Toronto, Ontario is the registrar and transfer agent for the Units of each of the First Asset ETFs. 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 Agents:** State Street Bank and Trust Company, located in Toronto, Ontario, currently acts as the securities lending agent for each of the Existing First Asset ETFs. The Bank of New York Mellon, located in New York, New York, will replace



State Street Bank and Trust Company as the securities lending agent for each of the Existing First Asset ETFs in or around the fourth quarter of 2017.

The Bank of New York Mellon acts as securities lending agent for the New First Asset ETF.

See “Organization and Management Details of the First Asset ETF – Securities Lending Agents”

**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 each of the First Asset ETFs, and the fees and expenses that Unitholders may have to pay if they invest in a First Asset ETF. Unitholders may have to pay some of these fees and expenses directly. Alternatively, each First Asset ETF may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in that First Asset ETF.

*Fees and Expenses Payable by the First Asset ETFs*

**Type of Charge:**

**Description**

**Management Fee:**

Each class of a 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 class of the First Asset ETF, calculated daily and payable monthly in arrears, plus applicable taxes. The Management Fee of each class of each First Asset ETF is as follows:

First Asset ETF	Annual Management Fee
First Asset Morningstar Canada Dividend Target 30 Index ETF	0.60%
First Asset Morningstar US Dividend Target 50 Index ETF	0.60%
First Asset Morningstar Canada Momentum Index ETF	0.60%
First Asset Morningstar US Momentum Index ETF	0.60%
First Asset Morningstar International Momentum Index ETF	0.60%
First Asset Morningstar Canada Value Index ETF	0.60%
First Asset Morningstar US Value Index ETF	0.60%
First Asset Morningstar International Value Index ETF	0.60%
First Asset Morningstar National Bank Québec Index ETF	0.50%
First Asset MSCI Canada Low Risk Weighted ETF	0.60%
First Asset MSCI USA Low Risk Weighted ETF	0.60%

First Asset MSCI Europe Low Risk Weighted ETF	0.60%
First Asset MSCI World Low Risk Weighted ETF	0.60%
First Asset MSCI International Low Risk Weighted ETF	0.60%

See “Fees and Expenses”.

**Management Fee Distributions:**

The Manager may, at its discretion, agree to charge a reduced fee as compared to the fee it would otherwise be entitled to receive from a First Asset ETF with respect to large investments in the First Asset ETF by Unitholders. Such a reduction will be dependent upon a number of factors, including the amount invested, the total assets of the First Asset ETF under administration and the expected amount of account activity. In such cases, an amount equal to the difference between the fee otherwise chargeable and the reduced fee will be distributed to the applicable Unitholders as Management Fee Distributions.

See “Fees and Expenses”.

**Operating Expenses:**

The Manager is responsible for all costs and expenses of the First Asset ETFs except the Management Fee, any expenses related to the implementation and ongoing operation of an independent review committee under NI 81-107, brokerage expenses and commissions, the costs of any futures contracts, swaps, forwards or other financial instruments, including derivatives, used to achieve the investment objectives of the First Asset ETFs, income taxes, withholding taxes, any applicable goods and services or other Sales Taxes (including GST/HST), the costs of complying with any new governmental or regulatory requirement introduced after the First Asset ETFs were established, any costs associated with the printing and distribution of any documents that the securities regulatory authorities require be sent or delivered to purchasers of Units of the First Asset ETFs, any transaction costs incurred by the Custodian and any extraordinary expenses. The costs and expenses for which the Manager is responsible include the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers, including the Index Provider(s), retained by the Manager as described under “Organization and Management Details of the First Asset ETFs – Duties and Services to be Provided by the Manager”.

See “Fees and Expenses”.

**Expenses of the Issue:**

Apart from the initial organizational cost of the First Asset ETFs, all expenses related to the issuance of Units of a 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 Unitholders*

**Redemption Fee:**

The Manager may, at its discretion, charge exchanging or redeeming Unitholders a redemption fee of up to 0.05% (0.25% in the case of First Asset Morningstar International Momentum Index ETF, First Asset Morningstar International Value Index ETF, First Asset MSCI Europe Low Risk Weighted ETF, First Asset MSCI World Low Risk Weighted ETF and First Asset MSCI International Low Risk Weighted ETF) of the exchange or redemption proceeds to offset certain transaction costs associated with the exchange or redemption of

Units. The Manager will publish the current redemption fee, if any, on its website, [www.firstasset.com](http://www.firstasset.com).

See “Fees and Expenses” and “Exchange and Redemption of Units”.

*Annual Return, Management Expense Ratio and Trading Expense Ratio*

The following chart provides the annual return, management expense ratio and trading expense ratio for each Existing First Asset ETF, as disclosed in each Existing First Asset ETF’s most recently filed management report of fund performance for the period ended December 31, 2016. As the New First Asset ETF is a newly established investment fund, information related to its annual return, management expense ratio and trading expense ratio does not yet exist. The indicated rates of return are historical total returns. These returns assume the reinvestment of distributions, which increases returns, but do not take in to account customary brokerage commissions for buying or selling Units on the TSX, redemption fees or income taxes payable by any Unitholder that would have reduced the returns. See “Annual Return, Management Expense Ratio and Trading Expense Ratio”.

<b><u>First Asset Morningstar Canada Dividend Target 30 Index ETF</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Units</b>					
Annual Return (%)	19.70	-15.10	4.10	17.50	-1.10 <sup>(3)</sup>
MER (%) <sup>(1)</sup>	0.67	0.67	0.68	0.66	0.64
TER (%) <sup>(2)</sup>	0.07	0.06	0.05	0.11	0.10
<b><u>First Asset Morningstar US Dividend Target 50 Index ETF</u></b>					
<b>Units</b>					
Annual Return (%)	7.60	-3.80	13.40	26.80	1.80 <sup>(3)</sup>
MER (%) <sup>(1)</sup>	0.69	0.67	0.66	0.65	0.65
TER (%) <sup>(2)</sup>	0.03	0.05	0.06	0.19	0.20
<b>Unhedged Units</b>					
Annual Return (%)	5.50	14.80	22.50	8.60 <sup>(4)</sup>	n/a
MER (%) <sup>(1)</sup>	0.67	0.67	0.68	0.63	n/a
TER (%) <sup>(2)</sup>	0.03	0.05	0.06	0.19	n/a
<b><u>First Asset Morningstar Canada Momentum Index ETF</u></b>					
<b>Units</b>					
Annual Return (%)	8.90	-9.20	17.50	26.00	10.40 <sup>(5)</sup>
MER (%) <sup>(1)</sup>	0.68	0.67	0.67	0.68	0.62
TER (%) <sup>(2)</sup>	0.13	0.06	0.04	0.17	0.14
<b><u>First Asset Morningstar US Momentum Index ETF</u></b>					
<b>Units</b>					
Annual Return (%)	2.70	-0.50	5.30	9.60 <sup>(4)</sup>	n/a
MER (%) <sup>(1)</sup>	0.69	0.67	0.68	0.63	n/a
TER (%) <sup>(2)</sup>	0.10	0.09	0.13	0.78	n/a
<b>Unhedged Units</b>					

Annual Return (%)	0.70	21.00	14.20	12.50 <sup>(4)</sup>	n/a
MER (%) <sup>(1)</sup>	0.69	0.67	0.68	0.66	n/a
TER (%) <sup>(2)</sup>	0.10	0.09	0.13	0.78	n/a

**First Asset Morningstar International Momentum Index ETF**      **2016**      **2015**      **2014**      **2013**      **2012**<sup>1</sup>

**Units**

Annual Return (%)	-4.40	21.50	2.40 <sup>(6)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.73	0.69	0.42	n/a	n/a
TER (%) <sup>(2)</sup>	0.28	0.96	1.08	n/a	n/a

**Unhedged Units**

Annual Return (%)	-9.90	37.90	1.50 <sup>(6)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.73	0.69	0.41	n/a	n/a
TER (%) <sup>(2)</sup>	0.28	0.96	1.08	n/a	n/a

**First Asset Morningstar Canada Value Index ETF**      **2016**      **2015**      **2014**      **2013**      **2012**

**Units**

Annual Return (%)	19.00	-14.80	8.00	26.40	13.70 <sup>(5)</sup>
MER (%) <sup>(1)</sup>	0.69	0.67	0.67	0.68	0.62
TER (%) <sup>(2)</sup>	0.22	0.13	0.02	0.16	0.14

**First Asset Morningstar US Value Index ETF**      **2016**      **2015**      **2014**      **2013**      **2012**

**Units**

Annual Return (%)	18.00	-9.00	16.60	9.50 <sup>(4)</sup>	n/a
MER (%) <sup>(1)</sup>	0.69	0.67	0.68	0.64	n/a
TER (%) <sup>(2)</sup>	0.16	0.10	0.10	0.67	n/a

**Unhedged Units**

Annual Return (%)	15.70	11.00	26.60	12.40 <sup>(4)</sup>	n/a
MER (%) <sup>(1)</sup>	0.69	0.66	0.68	0.66	n/a
TER (%) <sup>(2)</sup>	0.16	0.10	0.10	0.67	n/a

**First Asset Morningstar International Value Index ETF**      **2016**      **2015**      **2014**      **2013**      **2012**

**Units**

Annual Return (%)	7.80	5.00	1.00 <sup>(6)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.69	0.67	0.41	n/a	n/a
TER (%) <sup>(2)</sup>	0.08	0.77	1.23	n/a	n/a

**Unhedged Units**

Annual Return (%)	4.10	18.30	-0.10 <sup>(6)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.66	0.65	0.42	n/a	n/a
TER (%) <sup>(2)</sup>	0.08	0.77	1.23	n/a	n/a

**First Asset Morningstar National Bank Québec Index ETF**      **2016**      **2015**      **2014**      **2013**      **2012**

**Units**

Annual Return (%)	11.20	1.30	22.60	31.50	7.10 <sup>(3)</sup>
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MER (%) <sup>(1)</sup>	0.58	0.58	0.58	0.58	0.53
TER (%) <sup>(2)</sup>	0.02	0.01	0.02	0.03	0.03
<b><u>First Asset MSCI Canada Low Risk Weighted ETF</u></b>					
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Units</b>					
Annual Return (%)	17.90	-5.90	11.80 <sup>(7)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.67	0.67	0.64	n/a	n/a
TER (%) <sup>(2)</sup>	0.12	0.10	0.06	n/a	n/a
<b><u>First Asset MSCI USA Low Risk Weighted ETF</u></b>					
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Units</b>					
Annual Return (%)	10.20	3.10	23.60 <sup>(8)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.68	0.67	0.66	n/a	n/a
TER (%) <sup>(2)</sup>	0.10	0.24	0.17	n/a	n/a
<b>Unhedged Units</b>					
Annual Return (%)	7.60	25.40	28.10 <sup>(8)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.69	0.68	0.66	n/a	n/a
TER (%) <sup>(2)</sup>	0.10	0.24	0.17	n/a	n/a
<b><u>First Asset MSCI Europe Low Risk Weighted ETF</u></b>					
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Units</b>					
Annual Return (%)	1.20	11.30	12.40 <sup>(7)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.67	0.66	0.66	n/a	n/a
TER (%) <sup>(2)</sup>	0.09	0.33	0.33	n/a	n/a
<b>Unhedged Units</b>					
Annual Return (%)	-8.80	25.10	8.10 <sup>(7)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.69	0.68	0.66	n/a	n/a
TER (%) <sup>(2)</sup>	0.09	0.33	0.33	n/a	n/a
<b><u>First Asset MSCI World Low Risk Weighted ETF</u></b>					
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Units</b>					
Annual Return (%)	9.20	5.40	18.40 <sup>(8)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.65	0.64	0.65	n/a	n/a
TER (%) <sup>(2)</sup>	-	0.27	0.28	n/a	n/a
<b>Unhedged Units</b>					
Annual Return (%)	5.80	19.40	19.50 <sup>(8)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.68	0.69	0.64	n/a	n/a
TER (%) <sup>(2)</sup>	-	0.27	0.28	n/a	n/a

<sup>(1)</sup> Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. Out of its Management Fees, the Manager pays for substantially all of the costs and expenses relating to the operation of the business and affairs of the First Asset ETFs including investment management, administration, legal, accounting, custody, audit, registrar and

transfer agency fees and expenses associated with advertising, marketing and promoting the sale of the Units of the First Asset ETFs.

<sup>(2)</sup> Trading expense ratio is based on total commissions and other portfolio transaction costs and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>(3)</sup> Returns for the period from February 6, 2012 (first day of trading) to December 31, 2012.

<sup>(4)</sup> Returns for the period from October 22, 2013 (first day of trading) to December 31, 2013.

<sup>(5)</sup> Returns for the period from February 15, 2012 (first day of trading) to December 31, 2012.

<sup>(6)</sup> Returns for the period from November 13, 2014 (first day of trading) to December 31, 2014.

<sup>(7)</sup> Returns for the period from February 12, 2014 (first day of trading) to December 31, 2014.

<sup>(8)</sup> Returns for the period from February 5, 2014 (first day of trading) to December 31, 2014.

## OVERVIEW OF THE LEGAL STRUCTURE OF THE FIRST ASSET ETFs

The First Asset ETFs are exchange traded open-end mutual fund trusts established under the laws of Ontario, the Units of which are being offered on a continuous basis pursuant to this prospectus. The promoter, trustee, manager and portfolio adviser of the First Asset ETFs is First Asset Investment Management Inc., a registered portfolio manager and investment fund manager.

The First Asset ETFs were created pursuant to the Declaration of Trust. The head office of the Manager and the First Asset ETFs is 2 Queen Street East, 12<sup>th</sup> Floor, Toronto, Ontario M5C 3G7. The Manager is a subsidiary of CI Financial Corp. (TSX:CIX).

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

<b>Name of First Asset ETF</b>	<b>TSX Ticker Symbol (Units)</b>
First Asset Morningstar Canada Dividend Target 30 Index ETF	DXM
First Asset Morningstar US Dividend Target 50 Index ETF	UXM UXM.B (unhedged)
First Asset Morningstar Canada Momentum Index ETF	WXM
First Asset Morningstar US Momentum Index ETF	YXM YXM.B (unhedged)
First Asset Morningstar International Momentum Index ETF	ZXM ZXM.B (unhedged)
First Asset Morningstar Canada Value Index ETF	FXM
First Asset Morningstar US Value Index ETF	XXM XXM.B (unhedged)
First Asset Morningstar International Value Index ETF	VXM VXM.B (unhedged)
First Asset Morningstar National Bank Québec Index ETF	QXM
First Asset MSCI Canada Low Risk Weighted ETF	RWC
First Asset MSCI USA Low Risk Weighted ETF	RWU RWU.B (unhedged)
First Asset MSCI Europe Low Risk Weighted ETF	RWE RWE.B (unhedged)
First Asset MSCI World Low Risk Weighted ETF	RWW RWW.B (unhedged)
First Asset MSCI International Low Risk Weighted ETF	RWX RWX.B (unhedged)

While each First Asset ETF is a mutual fund trust 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.

## INVESTMENT OBJECTIVES

The fundamental investment objective of each First Asset ETF is set out below. Each of the First Asset ETFs has been designed to replicate, to the extent possible, the performance of an Index, net of expenses.

The fundamental investment objective of a First Asset ETF may not be changed except with the approval of its Unitholders. See “Unitholder Matters” for additional descriptions of the process for calling a meeting of Unitholders and the requirements of Unitholder approval.

***First Asset Morningstar Canada Dividend Target 30 Index ETF***

The First Asset Morningstar Canada Dividend Target 30 Index ETF has been designed to replicate, to the extent possible, the performance of the Morningstar® Canada Target Dividend Index™, net of expenses. The First Asset Morningstar Canada Dividend Target 30 Index ETF invests in equity securities of the largest and most liquid Canadian public issuers based upon proprietary research generated by Morningstar, and is designed to provide diversified exposure to Canadian dividend paying companies.

***First Asset Morningstar US Dividend Target 50 Index ETF***

The First Asset Morningstar US Dividend Target 50 Index ETF has been designed to replicate, to the extent possible, the performance of the Morningstar® US Target Dividend Index™, net of expenses. The First Asset Morningstar US Dividend Target 50 Index ETF invests in equity securities of the largest and most liquid U.S. public issuers based on proprietary research generated by Morningstar, and is designed to provide diversified exposure to U.S. dividend paying companies.

***First Asset Morningstar Canada Momentum Index ETF***

The First Asset Morningstar Canada Momentum Index ETF has been designed to replicate, to the extent possible, the performance of the Morningstar® Canada Target Momentum Index™, net of expenses. The First Asset Morningstar Canada Momentum Index ETF invests in equity securities of the largest and most liquid Canadian issuers based on proprietary research generated by Morningstar, and is designed to provide diversified exposure to Canadian issuers which have demonstrated, among other things, positive momentum in earnings and price.

***First Asset Morningstar US Momentum Index ETF***

The First Asset Morningstar US Momentum Index ETF has been designed to replicate, to the extent possible, the performance of the Morningstar® US Target Momentum Index™, net of expenses. The First Asset Morningstar US Momentum Index ETF invests in equity securities of the largest and most liquid U.S. issuers based on proprietary research generated by Morningstar, and is designed to provide diversified exposure to U.S. issuers which have demonstrated, among other things, positive momentum in earnings and price.

***First Asset Morningstar International Momentum Index ETF***

The First Asset Morningstar International Momentum Index ETF has been designed to replicate, to the extent possible, the performance of the Morningstar® Developed Markets ex-North America Target Momentum Index™, net of expenses. The First Asset Morningstar International Momentum Index ETF invests in equity securities of the largest and most liquid issuers from countries classified by Morningstar as developed markets, excluding the U.S. and Canada, based on proprietary research generated by Morningstar, and is designed to provide diversified exposure to issuers from developed markets, excluding the U.S. and Canada, which have demonstrated, among other things, positive momentum in earnings and price.

***First Asset Morningstar Canada Value Index ETF***

The First Asset Morningstar Canada Value Index ETF has been designed to replicate, to the extent possible, the performance of the Morningstar® Canada Target Value Index™, net of expenses. The First Asset Morningstar Canada Value Index ETF invests in equity securities of the largest and most liquid Canadian issuers based on proprietary research generated by Morningstar, and is designed to provide diversified exposure to Canadian issuers which are considered to be “good value” based on characteristics like low price to earnings and low price to cash flow ratios.

***First Asset Morningstar US Value Index ETF***

The First Asset Morningstar US Value Index ETF has been designed to replicate, to the extent possible, the performance of the Morningstar® US Target Value Index™, net of expenses. The First Asset Morningstar US



Value Index ETF invests in equity securities of the largest and most liquid U.S. issuers based on proprietary research generated by Morningstar, and is designed to provide diversified exposure to U.S. issuers which are considered to be “good value” based on characteristics like low price to earnings and low price to cash flow ratios.

***First Asset Morningstar International Value Index ETF***

The First Asset Morningstar International Value Index ETF has been designed to replicate, to the extent possible, the performance of the Morningstar® Developed Markets ex-North America Target Value Index™, net of expenses. The First Asset Morningstar International Value Index ETF invests in equity securities of the largest and most liquid issuers from countries classified by Morningstar as developed markets, excluding the U.S. and Canada, based on proprietary research generated by Morningstar, and is designed to provide diversified exposure to issuers from developed markets, excluding the U.S. and Canada, which are considered to be “good value” based on characteristics like low price to earnings and low price to cash flow ratios.

***First Asset Morningstar National Bank Québec Index ETF***

The First Asset Morningstar National Bank Québec Index ETF has been designed to replicate, to the extent possible, the performance of the Morningstar® National Bank Québec Index™, net of expenses. The First Asset Morningstar National Bank Québec Index ETF invests in equity securities of issuers with a minimum float capitalization of \$150 million and which are headquartered in the Province of Québec.

***First Asset MSCI Canada Low Risk Weighted ETF***

The First Asset MSCI Canada Low Risk Weighted ETF has been designed to replicate, to the extent possible, the performance of the MSCI Canada Risk Weighted Index, net of expenses.

***First Asset MSCI USA Low Risk Weighted ETF***

The First Asset MSCI USA Low Risk Weighted ETF (other than the Unhedged Units) has been designed to replicate, to the extent possible, the performance of the MSCI USA Risk Weighted Top 150 Index Hedged to CAD, net of expenses. In respect of the Unhedged Units, the First Asset ETF has been designed to replicate, to the extent possible, the performance of the MSCI USA Risk Weighted Top 150 Index, net of expenses.

***First Asset MSCI Europe Low Risk Weighted ETF***

The First Asset MSCI Europe Low Risk Weighted ETF (other than the Unhedged Units) has been designed to replicate, to the extent possible, the performance of the MSCI Europe Risk Weighted Top 100 Index Hedged to CAD, net of expenses. In respect of the Unhedged Units, the First Asset ETF has been designed to replicate, to the extent possible, the performance of the MSCI Europe Risk Weighted Top 100 Index, net of expenses.

***First Asset MSCI World Low Risk Weighted ETF***

The First Asset MSCI World Low Risk Weighted ETF (other than the Unhedged Units) has been designed to replicate, to the extent possible, the performance of the MSCI World Risk Weighted Top 200 Index Hedged to CAD, net of expenses. In respect of the Unhedged Units, the First Asset ETF has been designed to replicate, to the extent possible, the performance of the MSCI World Risk Weighted Top 200 Index, net of expenses.

***First Asset MSCI International Low Risk Weighted ETF***

The First Asset MSCI International Low Risk Weighted ETF (other than the Unhedged Units) has been designed to replicate, to the extent possible, the performance of the MSCI EAFE Risk Weighted Top 175 Index Hedged to CAD, net of expenses. In respect of the Unhedged Units, the First Asset ETF has been designed to replicate, to the extent possible, the performance of the MSCI EAFE Risk Weighted Top 175 Index, net of expenses. Under normal market conditions, the First Asset MSCI International Low Risk Weighted ETF invests in large and mid-capitalization

equity securities with lower historical return variance and tends to have a bias towards lower size and lower risk stocks.

## The Indices

The following table sets out the current Index for each of the First Asset ETFs:

First Asset ETF	Index
First Asset Morningstar Canada Dividend Target 30 Index ETF	Morningstar® Canada Target Dividend Index™
First Asset Morningstar US Dividend Target 50 Index ETF	Morningstar® US Target Dividend Index™
First Asset Morningstar Canada Momentum Index ETF	Morningstar® Canada Target Momentum Index™
First Asset Morningstar US Momentum Index ETF	Morningstar® US Target Momentum Index™
First Asset Morningstar International Momentum Index ETF	Morningstar® Developed Markets ex-North America Target Momentum Index™
First Asset Morningstar Canada Value Index ETF	Morningstar® Canada Target Value Index™
First Asset Morningstar US Value Index ETF	Morningstar® US Target Value Index™
First Asset Morningstar International Value Index ETF	Morningstar® Developed Markets ex-North America Target Value Index™
First Asset Morningstar National Bank Québec Index ETF	Morningstar® National Bank Québec Index™
First Asset MSCI Canada Low Risk Weighted ETF	MSCI Canada Risk Weighted Index
First Asset MSCI USA Low Risk Weighted ETF	MSCI USA Risk Weighted Top 150 Index Hedged to CAD, in respect of the hedged Units MSCI USA Risk Weighted Top 150 Index in respect of the Unhedged Units
First Asset MSCI Europe Low Risk Weighted ETF	MSCI Europe Risk Weighted Top 100 Index Hedged to CAD, in respect of the hedged Units MSCI Europe Risk Weighted Top 100 Index in respect of the Unhedged Units
First Asset MSCI World Low Risk Weighted ETF	MSCI World Risk Weighted Top 200 Index Hedged to CAD, in respect of the hedged Units MSCI World Risk Weighted Top 200 Index in respect of the Unhedged Units
First Asset MSCI International Low Risk Weighted ETF	MSCI EAFE Risk Weighted Top 175 Index Hedged to CAD, in respect of the hedged Units MSCI EAFE Risk Weighted Top 175 Index in respect of the Unhedged Units

The Indexes for which Morningstar is the Index Provider (the “**Morningstar Indexes**”) are based on transparent rules-based methodologies and rooted in Morningstar’s proprietary research, with each Morningstar Index vetted for appropriateness and investment value. The Morningstar Indexes reveal the most meaningful differences in stock style, capitalization, sectors and other traits. The conditions for eligibility, inclusion and retention of Constituent Issuers of each of the Morningstar Indexes shall be governed by the applicable Index Rulebook published by Morningstar. The Morningstar Indexes are described below. Additional information regarding each of the Morningstar Indexes is available on Morningstar’s website at <http://indexes.morningstar.com>.

The Indices for which MSCI is the Index Provider (the “**MSCI Indices**”) aim to capture a broad equity opportunity set with lower risk attributes than comparable market cap weighted indices. They do this by applying a simple but effective and transparent process. Each MSCI Index reweights all the constituents of a standard market cap weighted MSCI parent index so that stocks with lower volatility are given higher index weights. To derive a risk weight for

each security in the parent index, the security's 3-year weekly historical local return is calculated first. The risk weight is then computed as the ratio of the inverse of the security variance to the sum of the inverse of the security variances of all constituents in the parent index. The MSCI Indices seek to emphasize stocks with lower historical return variance and tend to have a bias towards lower size and lower risk stocks.

The MSCI Indices are designed to demonstrate lower realized volatility in comparison to their respective parent indices.

The conditions for eligibility, inclusion and retention of Constituent Issuers of each of the MSCI Indices shall be governed by the applicable Index Methodology published by MSCI. The Indices are described below. Further information about each of the Indices, including a description of its methodology, is available from MSCI on its website at [www.msci.com](http://www.msci.com).

***Morningstar® Canada Target Dividend Index™***

The Morningstar® Canada Target Dividend Index™ reflects the performance of 30 dividend paying Canada based equities. The securities are selected from a universe comprised of securities trading on the TSX and are classified as Canadian securities by the Index Provider. To qualify for inclusion in the Index: (i) the principal exchange for Constituent Securities must be the TSX, (ii) the Constituent Issuers must be classified as a Canadian issuer based on country of incorporation, primary stock market activities and headquarters and primary business activities, (iii) the Constituent Securities must be one of the 100 stocks with the highest 12-month average trading volume and have an expected dividend yield greater than 1%, (iv) the average monthly volume (12 month) of the Constituent Securities must be greater than \$200 million or the average daily volume (3 month) must be greater than \$10 million, and (v) the Constituent Securities must be common shares or units of income trusts. The Index is rebalanced quarterly and is comprised of 30 issuers.

***Morningstar® US Target Dividend Index™***

The Morningstar® US Target Dividend Index™ reflects the performance of 50 dividend paying U.S. based equities. The securities are selected from a universe comprised of securities trading on one of the three major exchanges in the U.S. and are classified as U.S. securities by the Index Provider. To qualify for inclusion in the Index: (i) the Constituent Securities must trade on the NYSE, NYSE Amex or NASDAQ exchange, (ii) the Constituent Issuers must be classified as a U.S. issuer based on country of incorporation, primary stock market activities and headquarters and primary business activities, (iii) the Constituent Securities must demonstrate average daily volume (3 month) in the top third of stocks in the investible universe, and (iv) the Constituent Securities must have an expected dividend yield greater than 0%. The Index is rebalanced quarterly and is comprised of 50 issuers.

***Morningstar® Canada Target Momentum Index™***

The Morningstar® Canada Target Momentum Index™ is comprised of liquid equity securities of Canadian companies screened for above average returns on equity, with an emphasis on upward earnings estimate revisions and technical price momentum indicators. To qualify for inclusion in the Index: (i) the Constituent Securities must trade on the TSX, (ii) the Constituent Issuers must be classified as a Canadian issuer based on country of incorporation, primary stock market activities and headquarters and primary business activities, (iii) the Constituent Securities must demonstrate average monthly volume (12 month) in the top third of stocks in the investible universe, (iv) the Constituent Securities must be common shares or units of income trusts, and (v) the Constituent Issuers must exhibit a combination of above average returns on assets and equity, upward earnings estimate revisions and technical price momentum indicators. The Index is rebalanced quarterly and is comprised of 30 issuers.

***Morningstar® US Target Momentum Index™***

The Morningstar® US Target Momentum Index™ is comprised of liquid equity securities of U.S. companies displaying above average return on equity, with added emphasis on upward revisions of fiscal earnings estimates and technical price momentum indicators. To qualify for inclusion in the Index: (i) the Constituent Securities must trade on the NYSE, NYSE Amex or NASDAQ exchange, (ii) the Constituent Issuer must be classified as a U.S. issuer based on country of incorporation, primary stock market activities, location of headquarters and primary business activities, (iii) the Constituent Securities must not be American depositary receipts or American depositary

shares, fixed-dividend shares, convertible notes, warrants or rights, or tracking stock, (iv) the Constituent Securities must be common shares, (v) the Constituent Securities must have a market capitalization exceeding US\$500 million, and (vi) the Constituent Securities must exhibit a combination of above average returns on equity, upward fiscal earnings estimate revisions and technical price momentum indicators. The Index is rebalanced quarterly and is comprised of 50 issuers.

***Morningstar® Developed Markets ex-North America Target Momentum Index™***

The Morningstar® Developed Markets ex-North America Target Momentum Index™ is comprised of liquid equity securities of developed markets companies, excluding the U.S. and Canada, as determined by Morningstar, displaying above average return on equity, with added emphasis on upward revisions of fiscal earnings estimates and technical price momentum indicators. To qualify for inclusion in the Index: (i) the Constituent Securities must be a part of the Morningstar® Developed ex-US Index™, (ii) the Constituent Issuer must be classified as a developed markets issuer (excluding the U.S. and Canada) using a rules based approach having regard primarily to country of incorporation of the issuer and country of primary listing of the security, (iii) the Constituent Securities must meet minimum liquidity and market capitalization requirements, and (vi) the Constituent Securities must exhibit a combination of above average returns on equity, upward fiscal earnings estimate revisions and technical price momentum indicators. The Index is rebalanced quarterly.

***Morningstar® Canada Target Value Index™***

The Morningstar® Canada Target Value Index™ is comprised of liquid equity securities of Canadian companies displaying low price to earnings ratios, low price to cash flow ratios, low price to book value and sales and upward earnings estimate revisions. To qualify for inclusion in the Index: (i) the Constituent Securities must trade on the TSX, (ii) the Constituent Issuers must be classified as a Canadian issuer based on country of incorporation, primary stock market activities and headquarters and primary business activities, (iii) the Constituent Securities must demonstrate average monthly volume (12 month) in the top third of stocks in the investible universe, (iv) the Constituent Securities must be common shares or units of income trusts, and (v) the Constituents Issuers must exhibit a combination of low price to earnings ratios, low price to cash flow ratios, low price to book value and sales and upwards earnings estimate revisions. The Index is rebalanced quarterly and is comprised of 30 issuers.

***Morningstar® US Target Value Index™***

The Morningstar® US Target Value Index™ is comprised of liquid equity securities of U.S. companies displaying low price to earnings ratios, low price to cash flow ratios, low price to book value and sales and upward earnings estimate revisions. To qualify for inclusion in the Index: (i) the Constituent Securities must trade on the NYSE, NYSE Amex or NASDAQ exchange, (ii) the Constituent Issuer must be classified as a U.S. issuer based on country of incorporation, primary stock market activities, location of headquarters and primary business activities, (iii) the Constituent Securities must not be American depositary receipts or American depositary shares, fixed-dividend shares, convertible notes, warrants or rights, or tracking stock, (iv) the Constituent Securities must be common shares, (v) the Constituent Securities must have a market capitalization exceeding US\$500 million, and (vi) the Constituent Securities must exhibit a combination of low price to earnings ratios, low price to cash flow ratios, low price to book value and price to sales ratios and upward fiscal earnings estimate revisions. The Index is rebalanced quarterly and is comprised of 50 issuers.

***Morningstar® Developed Markets ex-North America Target Value Index™***

The Morningstar® Developed Markets ex-North America Target Value Index™ is comprised of liquid equity securities of developed markets companies, excluding the U.S. and Canada, as determined by Morningstar, screened for low price to earnings ratios, low price to cash flow ratios, low price to book value and sales and upward earnings estimate revisions. To qualify for inclusion in the Index: (i) the Constituent Securities must be a part of the Morningstar® Developed ex-US Index™, (ii) the Constituent Issuer must be classified as a developed markets issuer (excluding the U.S. and Canada) using a rules based approach having regard primarily to country of incorporation of the issuer and country of primary listing of the security, (iii) the Constituent Securities must meet minimum liquidity and market capitalization requirements, and (iv) the Constituent Securities must exhibit a

combination of low price to earnings ratios, low price to cash flow ratios, low price to book value and price to sales ratios and upward fiscal earnings estimate revisions. The Index is rebalanced quarterly.

***Morningstar® National Bank Québec Index™***

The Morningstar® National Bank Québec Index™ is an Index reflecting the performance of equities whose issuers are headquartered in the province of Québec, Canada and is weighted according to the float capitalization of the Constituent Securities. The Index is rebalanced semi-annually. Each Constituent Issuer in the Index is capped at 5% at each Index Rebalancing Date. To qualify for inclusion in the Index, (i) the Constituent Issuers must be incorporated in Canada, (ii) the Constituent Issuers must have an administrative head office located in the Province of Quebec, (iii) the Constituent Securities must be listed on the TSX for a minimum of 12 full calendar months as of month-end prior to the applicable Index Rebalancing Date (6 months for shares of float capitalization equal to or greater than \$1 billion), (iv) the Constituent Securities must be common shares or units of income trusts, (v) the issuer of the Constituent Securities must have a float capitalization equal to or greater than \$150 million, (vi) the Constituent Securities must have a minimum share price of \$1.00 and must adhere to the following liquidity conditions: (1) maximum of twenty (20) non-trading days over the previous 12 full calendar months as of the month end prior to the applicable Index Rebalancing Date, and (2) minimum trading volume of \$50 million over the days over the previous 12 full calendar months as of the month end prior to the applicable Index Rebalancing Date.

***MSCI Canada Risk Weighted Index***

The MSCI Canada Risk Weighted Index is based on a traditional market capitalization weighted parent index, the MSCI Canada Index, which includes Canadian large and mid-capitalization stocks. Constructed using a simple, but effective and transparent process, the MSCI Canada Risk Weighted Index reweights each security of the parent index so that stocks with lower risk are given higher index weights. The Index seeks to emphasize stocks with lower historical return variance and tends to have a bias towards lower size and lower risk stocks. Historically, the Index has exhibited lower realized volatility in comparison to its parent index, while maintaining reasonable liquidity and capacity.

***MSCI USA Risk Weighted Top 150 Index and MSCI USA Risk Weighted Top 150 Index Hedged to CAD***

Each of the MSCI USA Risk Weighted Top 150 Index and MSCI USA Risk Weighted Top 150 Index Hedged to CAD is based on a traditional market capitalization weighted parent index, the MSCI USA Index, which includes US large and mid-capitalization stocks. Constructed using a simple, but effective and transparent process, each security of the parent index is reweighted so that stocks with lower risk are given higher index weights. The final constituents of the Indexes are determined by ranking these security level risk weights and taking the top 150 subset securities. The Indexes seek to emphasize stocks with lower historical return variance and tend to have a bias towards lower size and lower risk stocks. Historically, the Indexes have exhibited lower realized volatility in comparison to its parent index, while maintaining reasonable liquidity and capacity.

The only difference between the MSCI USA Risk Weighted Top 150 Index and MSCI USA Risk Weighted Top 150 Index Hedged to CAD is that the MSCI USA Risk Weighted Top 150 Index Hedged to CAD is 100% hedged to the Canadian dollar by notionally “selling” each foreign currency forward at the one-month forward exchange rate at the end of each month.

***MSCI Europe Risk Weighted Top 100 Index and MSCI Europe Risk Weighted Top 100 Index Hedged to CAD***

Each of the MSCI Europe Risk Weighted Top 100 Index and MSCI Europe Risk Weighted Top 100 Index Hedged to CAD is based on a traditional market capitalization weighted parent index, the MSCI Europe Index, which includes developed Europe large and mid-capitalization stocks. Constructed using a simple, but effective and transparent process, each security of the parent index is reweighted so that stocks with lower risk are given higher index weights. The final constituents of the Indexes are determined by ranking these security level risk weights and taking the top 100 subset securities. The Indexes seek to emphasize stocks with lower historical return variance and tend to have a bias towards lower size and lower risk stocks. Historically, the Indexes have exhibited lower realized volatility in comparison to its parent index, while maintaining reasonable liquidity and capacity.

The only difference between the MSCI Europe Risk Weighted Top 100 Index and MSCI Europe Risk Weighted Top 100 Index Hedged to CAD is that the MSCI Europe Risk Weighted Top 100 Index Hedged to CAD is 100% hedged to the Canadian dollar by notionally “selling” each foreign currency forward at the one-month forward exchange rate at the end of each month.

***MSCI World Risk Weighted Top 200 Index and MSCI World Risk Weighted Top 200 Index Hedged to CAD***

Each of the MSCI World Risk Weighted Top 200 Index and MSCI World Risk Weighted Top 200 Index Hedged to CAD is based on a traditional market capitalization weighted parent index, the MSCI World Index, which includes large and mid-capitalization stocks. Constructed using a simple, but effective and transparent process, each security of the parent index is reweighted so that stocks with lower risk are given higher index weights. The final constituents of the Indexes are determined by ranking these security level risk weights and taking the top 200 subset securities. The Indexes seek to emphasize stocks with lower historical return variance and tend to have a bias towards lower size and lower risk stocks. Historically, the Indexes have exhibited lower realized volatility in comparison to its parent index, while maintaining reasonable liquidity and capacity.

The only difference between the MSCI World Risk Weighted Top 200 Index and MSCI World Risk Weighted Top 200 Index Hedged to CAD is that the MSCI World Risk Weighted Top 200 Index Hedged to CAD is 100% hedged to the Canadian dollar by notionally “selling” each foreign currency forward at the one-month forward exchange rate at the end of each month.

***MSCI EAFE Risk Weighted Top 175 Index and MSCI EAFE Risk Weighted Top 175 Index Hedged to CAD***

Each of the MSCI EAFE Risk Weighted Top 175 Index and MSCI EAFE Risk Weighted Top 175 Index Hedged to CAD is based on a traditional market capitalization weighted parent index, the MSCI EAFE Index, which includes large and mid-capitalization stocks. Constructed using a simple, but effective and transparent process, each security of the parent index is reweighted so that stocks with lower risk are given higher index weights. The final constituents of the Indexes are determined by ranking these security level risk weights and taking the top 175 subset securities. The Indexes seek to emphasize stocks with lower historical return variance and tend to have a bias towards lower size and lower risk stocks. Historically, the Indexes have exhibited lower realized volatility in comparison to its parent index, while maintaining reasonable liquidity and capacity.

The only difference between the MSCI EAFE Risk Weighted Top 175 Index and MSCI EAFE Risk Weighted Top 175 Index Hedged to CAD is that the MSCI EAFE Risk Weighted Top 175 Index Hedged to CAD is 100% hedged to the Canadian dollar by notionally “selling” each foreign currency forward at the one-month forward exchange rate at the end of each month. The Index is rebalanced semi-annually in May and November.

**Change in an Index**

The Manager may, in its discretion and subject to obtaining any required Unitholder approval, change the Index tracked by a First Asset ETF to another widely-recognized Index in order to provide Unitholders with substantially the same exposure to the asset class to which the First Asset ETF is currently exposed. If the Manager changes the Index, or any replacement Index, the Manager will, at least 30 days prior to the effective date of such change, notify Unitholders 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 the Indices**

The Index Providers calculate, determine and maintain the Indices. In the event that an Index Provider ceases to calculate an Index or the applicable License Agreement is terminated, the Manager may terminate a First Asset ETF on 60 days’ notice, change the investment objective of that First Asset ETF or seek to replicate an alternative Index (subject to Unitholder approval if required in accordance with the Declaration of Trust), or make such other arrangements as the Manager considers appropriate and in the best interests of Unitholders in the circumstances.

If an alternate Index is selected, the investment objective of the First Asset ETF shall be to replicate, to the extent possible, the performance of such alternate Index, net of expenses. The Manager will notify Unitholders, which notice may be by way of press release, at least 30 days prior to the effective date of the selection of an alternate Index.

## Use of the Indices

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

## INVESTMENT STRATEGIES

The investment strategy of each First Asset ETF is to invest in and hold, to the extent possible, the Constituent Securities of the applicable Index in substantially the same proportion as they are reflected in the applicable Index.

With respect to any First Asset ETFs, the Manager may use a sampling strategy in selecting its investments to achieve its objective. Sampling means that the Manager will use quantitative analysis to select securities from the Index to obtain a representative sample of securities that resemble the Index in terms of key risk factors, performance attributes, industry weightings, market capitalization and other appropriate financial characteristics. The quantity of Constituent Securities selected using such sampling methodology will be based on a number of factors, including the asset base of the applicable First Asset ETF. The Manager may hedge currency risk associated with an investment in a security acquired in lieu of a Constituent Security that is denominated in a different currency.

The portfolio of each First Asset ETF may, from time to time, also include a significant amount of cash and/or cash equivalents.

In accordance with applicable securities legislation, including NI 81-102, and as an alternative to or in conjunction with investing in and holding the Constituent Securities of the applicable Index, a First Asset ETF may also invest in Other Securities to obtain exposure to the performance of the Index in a manner that is consistent with its investment objective and investment strategies of the First Asset ETF, provided that where the First Asset ETF invests in another investment fund, no management fees or incentive fees are payable by the First Asset ETF that, to a reasonable person, would duplicate a fee payable by such other investment fund for the same service.

There may be instances in which the Manager chooses to overweight or underweight a Constituent Security or to purchase or sell securities that do not constitute Constituent Securities but which the Manager believes are appropriate substitutes for one or more Constituent Securities because they have economic characteristics that are substantially similar to those of the Constituent Securities. In addition, the First Asset ETFs may sell Constituent Securities in anticipation of their removal from the applicable Index and may purchase securities in anticipation of their addition to the Index.

## Securities Lending

A First Asset ETF may enter into securities lending transactions, repurchase and reverse repurchase 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 on behalf of each of the Existing First Asset ETFs with its sub-custodian, State Street Bank and Trust Company (the “**Existing Lending Agent**”), pursuant to which the Existing Lending Agent, acting either directly or through certain of its affiliates, administers securities lending transactions for certain funds managed by the Manager, including the Existing First Asset ETFs. 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 has also entered into a written securities lending authorization agreement on behalf of the New First Asset ETF with its sub-custodian, The Bank of New York Mellon (the “**New Lending Agent**”), pursuant to which the New Lending Agent, acting either directly or through certain of its affiliates, administers securities lending transactions for certain funds managed by the Manager, including the New 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 each First Asset ETF by requiring the applicable lending agent to, among other things: (a) enter into securities lending transactions with borrowers

selected by the lending agent on the 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 a First Asset ETF under a securities lending transaction and the collateral held by a First Asset ETF; (d) if on any day the market value of the collateral held by a First Asset ETF is less than 102% of the market value of the borrowed securities, request that the borrower provide additional collateral to a First Asset ETF to make up the shortfall; and (e) ensure that the collateral to be delivered to a 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 a 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 applicable lending agent reviews its written policies and procedures at least annually and 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.

The Bank of New York Mellon will replace State Street Bank and Trust Company as the securities lending agent for each of the Existing First Asset ETFs in or around the fourth quarter of 2017.

### **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 respective First Asset ETF.

### **Currency Hedging**

It is intended, except as described below, that at all times at least 90% of the foreign currency denominated assets held by the First Asset Morningstar US Dividend Target 50 Index ETF, the First Asset Morningstar US Momentum Index ETF, The First Asset Morningstar International Momentum Index ETF, the First Asset Morningstar US Value Index ETF, the First Asset Morningstar International Value Index ETF, the First Asset MSCI USA Low Risk Weighted ETF, the First Asset MSCI Europe Low Risk Weighted ETF, the First Asset MSCI World Low Risk Weighted ETF and the First Asset MSCI International Low Risk Weighted ETF (in each case, other than in respect of the Unhedged Units), will be hedged back to the Canadian dollar. The Manager may choose not to hedge any individual currency exposure to the extent that the Manager, in its sole discretion, deems it impractical or determines, in its sole discretion, that the exposure is non-material. Hedging currency exposure to reduce the impact of fluctuations in exchange rates is intended to reduce the direct exposure to foreign currency risk for Unitholders. The currency hedging mandate applicable to a particular class of Units shall not be changed by the Manager without first obtaining approval of Unitholders of the affected class of Units.

### **Rebalancing Events**

Whenever an Index Provider rebalances or adjusts an Index, including by adding securities to or subtracting securities from that Index or, if applicable, whenever the Manager determines that there should be a change to the representative sample of the Index, the applicable First Asset ETF may acquire and/or dispose of the appropriate number of securities through the Designated Broker or Dealers in the open market.

### **Actions Affecting Constituent Securities**

From time to time, certain corporate or other actions may be taken or proposed by a Constituent Issuer or a third party that could affect a Constituent Security of an Index. Examples of such actions would be if a takeover bid or an issuer bid is made for a Constituent Security, or if a special dividend is paid on a Constituent Security. In each such case, the Manager, in its discretion, will determine what steps the relevant First Asset ETF will take to address the action, if any. In exercising such discretion, the Manager will generally take those steps necessary to ensure that such First Asset ETF continues to seek to track the applicable Index, to the extent reasonably possible and before fees and expenses.



## OVERVIEW OF THE SECTORS THAT THE FIRST ASSET ETFS INVEST IN

Each First Asset ETF intends to invest in a specific sector or industry. Please see “Investment Objectives” for additional information on the sectors and industries applicable to each First Asset ETF.

## INVESTMENT RESTRICTIONS

The First Asset ETFs are subject to certain investment restrictions and practices contained in Canadian 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 their proper administration. The investment restrictions and practices applicable to the First Asset ETFs which are contained in Canadian 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. A change to the fundamental investment objectives of a First Asset ETF would require the approval of Unitholders of that First Asset ETF. Please see “Unitholder Matters – Matters Requiring Unitholder Approval”.

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

### Tax Related Investment Restrictions

The First Asset ETFs will not make an investment or conduct any activity that would result in a First Asset ETF (i) failing to qualify as a “unit trust” or “mutual fund trust” within the meaning of the Tax Act or (ii) being subject to the tax for “SIFT trusts” for purposes of the Tax Act. In addition, a First Asset ETF will not 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 First Asset ETF’s property consisted of such property.

## FEES AND EXPENSES

### Fees and Expenses Payable by the First Asset ETFs

#### *Management Fee*

Each class of a 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 class of the First Asset ETF, calculated daily and payable monthly in arrears, plus applicable taxes.

The Management Fee compensates the Manager for the assumption of certain duties and the provision of all necessary administrative services which the First Asset ETFs require and which are not provided by others, including, without limitation: providing investment advisory and portfolio management services, implementing the First Asset ETFs’ investment strategies, negotiating contracts with certain third-party service providers, including, but not limited to, investment managers, custodians, registrars, transfer agents, auditors and printers; authorizing the payment of operating expenses incurred on behalf of the First Asset ETFs; maintaining accounting records; preparing the reports to Unitholders and to the applicable securities regulatory authorities; calculating the amount and determining the frequency of distributions by the First Asset ETFs; preparing financial statements, income tax returns and financial and accounting information as required; ensuring that Unitholders are provided with financial statements and other reports or documents as are required from time to time by applicable law; ensuring that the First Asset ETFs comply with all other regulatory requirements including continuous disclosure obligations under applicable securities laws; administering purchases, redemptions and other transactions in Units; arranging for any payments required upon termination of the First Asset ETFs; and dealing and communicating with Unitholders. The Management Fee of each class of each First Asset ETF is as follows:

<b>First Asset ETFs</b>	<b>Annual Management Fee</b>
First Asset Morningstar Canada Dividend Target 30 Index ETF	0.60%
First Asset Morningstar US Dividend Target 50 Index ETF	0.60%
First Asset Morningstar Canada Momentum Index ETF	0.60%
First Asset Morningstar US Momentum Index ETF	0.60%
First Asset Morningstar International Momentum Index ETF	0.60%
First Asset Morningstar Canada Value Index ETF	0.60%
First Asset Morningstar US Value Index ETF	0.60%
First Asset Morningstar International Value Index ETF	0.60%
First Asset Morningstar National Bank Québec Index ETF	0.50%
First Asset MSCI Canada Low Risk Weighted ETF	0.60%
First Asset MSCI USA Low Risk Weighted ETF	0.60%
First Asset MSCI Europe Low Risk Weighted ETF	0.60%
First Asset MSCI World Low Risk Weighted ETF	0.60%
First Asset MSCI International Low Risk Weighted ETF	0.60%

To encourage very large investments in a First Asset ETF and to ensure the Management Fee is competitive for these investments, the Manager may at its discretion agree to charge a reduced fee as compared to the fee it otherwise would be entitled to receive from the First Asset ETF with respect to investments in the First Asset ETF by Unitholders that hold, on average during any period specified by the Manager from time to time (currently a quarter), Units of the First Asset ETF having a specified aggregate value. Such a reduction will be dependent upon a number of factors, including the amount invested, the total assets of the First Asset ETF under administration and the expected amount of account activity. An amount equal to the difference between the fee otherwise chargeable and the reduced fee of the applicable First Asset ETF will be distributed quarterly in cash by the First Asset ETF, at the discretion of the Manager, to those Unitholders as Management Fee Distributions.

The availability and amount of Management Fee Distributions with respect to Units of a First Asset ETF will be determined by the Manager. Management Fee Distributions for a First Asset ETF will generally be calculated and applied based on a Unitholder's average holdings of Units of the First Asset ETF over each applicable period as specified by the Manager from time to time. Management Fee Distributions will be available only to beneficial owners of Units of a First Asset ETF and not to the holdings of Units of the First Asset ETF by dealers, brokers or other CDS Participants that hold Units of the First Asset ETF on behalf of beneficial owners. Management Fee Distributions will be paid first out of net income of the First Asset ETF then out of capital gains of the First Asset ETF and thereafter out of capital. In order to receive a Management Fee Distribution for any applicable period, a beneficial owner of Units of a First Asset ETF must submit a claim for a Management Fee Distribution that is verified by a CDS Participant on the beneficial owner's behalf and provide the Manager with such further information as the Manager may require in accordance with the terms and procedures established by the Manager from time to time.

The Manager reserves the right to discontinue or change Management Fee Distributions at any time. The tax consequences of Management Fee Distributions made by a First Asset ETF generally will be borne by the Unitholders of the First Asset ETF receiving these distributions from the Manager.

### *Operating Expenses*

The Manager is responsible for all costs and expenses of the First Asset ETFs except the Management Fee, any expenses related to the implementation and on-going operation of an independent review committee under NI 81-107, brokerage expenses and commissions, the costs of any futures contracts, swaps, forwards or other financial instruments, including derivatives, used to achieve the investment objectives of the First Asset ETFs, income taxes, withholding taxes, any applicable goods and services or other Sales Taxes (including GST/HST), the costs of complying with any new governmental or regulatory requirement introduced after the First Asset ETFs were established, any costs associated with the printing and distribution of any documents that the securities regulatory authorities require be sent or delivered to purchasers of Units of the First Asset ETFs, any transaction costs incurred by the Custodian and any extraordinary expenses. The costs and expenses for which the Manager is responsible include the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers, including the Index Provider(s), retained by the Manager.

### *Expenses of the Issue*

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

### **Fees and Expenses Payable Directly by the Unitholders**

#### *Redemption Fee*

The Manager may charge exchanging or redeeming Unitholders of a First Asset ETF, at its discretion, a redemption fee as a percentage of the exchange or redemption proceeds to offset certain transaction costs associated with the exchange or redemption of Units. As at the date hereof, the Manager has set these discretionary fees as follows:

- First Asset Morningstar Canada Dividend Target 30 Index ETF, First Asset Morningstar US Dividend Target 50 Index ETF, First Asset Morningstar Canada Momentum Index ETF, First Asset Morningstar US Momentum Index ETF, First Asset Morningstar Canada Value Index ETF, First Asset Morningstar US Value Index ETF, First Asset Morningstar National Bank Québec Index ETF, First Asset MSCI Canada Low Risk Weighted ETF and First Asset MSCI USA Low Risk Weighted ETF – up to 0.05% of proceeds.
- First Asset Morningstar International Momentum Index ETF, First Asset Morningstar International Value Index ETF, First Asset MSCI Europe Low Risk Weighted ETF, First Asset MSCI World Low Risk Weighted ETF and First Asset MSCI International Low Risk Weighted ETF – up to 0.25% of proceeds.

The Manager will publish the current redemption fees, if any, on its website, [www.firstasset.com](http://www.firstasset.com). The redemption fee will not be charged to a Unitholder in connection with selling Units of a First Asset ETF on the TSX.

### **ANNUAL RETURN, MANAGEMENT EXPENSE RATIO AND TRADING EXPENSE RATIO**

The following chart provides the annual return, management expense ratio and trading expense ratio for the Existing First Asset ETFs, as disclosed in each Existing First Asset ETF's most recently filed management report of fund performance for the period ended December 31, 2016. As the New First Asset ETF is a newly established investment fund, information related to its annual return, management expense ratio and trading expense ratio does not yet exist. The indicated rates of return are historical total returns. These returns assume the reinvestment of distributions, which increases returns, but do not take in to account customary brokerage commissions for buying or selling Units on the TSX, redemption fees or income taxes payable by any Unitholder that would have reduced the returns. Where a First Asset ETF was in distribution for less than a full financial year, the management expense ratio indicated has been annualized.

<b><u>First Asset Morningstar Canada Dividend Target 30 Index ETF</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Units</b>					
Annual Return (%)	19.70	-15.10	4.10	17.50	-1.10 <sup>(3)</sup>
MER (%) <sup>(1)</sup>	0.67	0.67	0.68	0.66	0.64
TER (%) <sup>(2)</sup>	0.07	0.06	0.05	0.11	0.10
<b><u>First Asset Morningstar US Dividend Target 50 Index ETF</u></b>					
<b>Units</b>					
Annual Return (%)	7.60	-3.80	13.40	26.80	1.80 <sup>(3)</sup>
MER (%) <sup>(1)</sup>	0.69	0.67	0.66	0.65	0.65
TER (%) <sup>(2)</sup>	0.03	0.05	0.06	0.19	0.20
<b>Unhedged Units</b>					
Annual Return (%)	5.50	14.80	22.50	8.60 <sup>(4)</sup>	n/a
MER (%) <sup>(1)</sup>	0.67	0.67	0.68	0.63	n/a
TER (%) <sup>(2)</sup>	0.03	0.05	0.06	0.19	n/a
<b><u>First Asset Morningstar Canada Momentum Index ETF</u></b>					
<b>Units</b>					
Annual Return (%)	8.90	-9.20	17.50	26.00	10.40 <sup>(5)</sup>
MER (%) <sup>(1)</sup>	0.68	0.67	0.67	0.68	0.62
TER (%) <sup>(2)</sup>	0.13	0.06	0.04	0.17	0.14
<b><u>First Asset Morningstar US Momentum Index ETF</u></b>					
<b>Units</b>					
Annual Return (%)	2.70	-0.50	5.30	9.60 <sup>(4)</sup>	n/a
MER (%) <sup>(1)</sup>	0.69	0.67	0.68	0.63	n/a
TER (%) <sup>(2)</sup>	0.10	0.09	0.13	0.78	n/a
<b>Unhedged Units</b>					
Annual Return (%)	0.70	21.00	14.20	12.50 <sup>(4)</sup>	n/a
MER (%) <sup>(1)</sup>	0.69	0.67	0.68	0.66	n/a
TER (%) <sup>(2)</sup>	0.10	0.09	0.13	0.78	n/a
<b><u>First Asset Morningstar International Momentum Index ETF</u></b>					
<b>Units</b>					
Annual Return (%)	-4.40	21.50	2.40 <sup>(6)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.73	0.69	0.42	n/a	n/a
TER (%) <sup>(2)</sup>	0.28	0.96	1.08	n/a	n/a
<b>Unhedged Units</b>					
Annual Return (%)	-9.90	37.90	1.50 <sup>(6)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.73	0.69	0.41	n/a	n/a
TER (%) <sup>(2)</sup>	0.28	0.96	1.08	n/a	n/a

<b><u>First Asset Morningstar Canada Value Index ETF</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Units</b>					
Annual Return (%)	19.00	-14.80	8.00	26.40	13.70 <sup>(5)</sup>
MER (%) <sup>(1)</sup>	0.69	0.67	0.67	0.68	0.62
TER (%) <sup>(2)</sup>	0.22	0.13	0.02	0.16	0.14
<b><u>First Asset Morningstar US Value Index ETF</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Units</b>					
Annual Return (%)	18.00	-9.00	16.60	9.50 <sup>(4)</sup>	n/a
MER (%) <sup>(1)</sup>	0.69	0.67	0.68	0.64	n/a
TER (%) <sup>(2)</sup>	0.16	0.10	0.10	0.67	n/a
<b>Unhedged Units</b>					
Annual Return (%)	15.70	11.00	26.60	12.40 <sup>(4)</sup>	n/a
MER (%) <sup>(1)</sup>	0.69	0.66	0.68	0.66	n/a
TER (%) <sup>(2)</sup>	0.16	0.10	0.10	0.67	n/a
<b><u>First Asset Morningstar International Value Index ETF</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Units</b>					
Annual Return (%)	7.80	5.00	1.00 <sup>(6)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.69	0.67	0.41	n/a	n/a
TER (%) <sup>(2)</sup>	0.08	0.77	1.23	n/a	n/a
<b>Unhedged Units</b>					
Annual Return (%)	4.10	18.30	-0.10 <sup>(6)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.66	0.65	0.42	n/a	n/a
TER (%) <sup>(2)</sup>	0.08	0.77	1.23	n/a	n/a
<b><u>First Asset Morningstar National Bank Québec Index ETF</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Units</b>					
Annual Return (%)	11.20	1.30	22.60	31.50	7.10 <sup>(3)</sup>
MER (%) <sup>(1)</sup>	0.58	0.58	0.58	0.58	0.53
TER (%) <sup>(2)</sup>	0.02	0.01	0.02	0.03	0.03
<b><u>First Asset MSCI Canada Low Risk Weighted ETF</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Units</b>					
Annual Return (%)	17.90	-5.90	11.80 <sup>(7)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.67	0.67	0.64	n/a	n/a
TER (%) <sup>(2)</sup>	0.12	0.10	0.06	n/a	n/a
<b><u>First Asset MSCI USA Low Risk Weighted ETF</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Units</b>					
Annual Return (%)	10.20	3.10	23.60 <sup>(8)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.68	0.67	0.66	n/a	n/a
TER (%) <sup>(2)</sup>	0.10	0.24	0.17	n/a	n/a

**Unhedged Units**

Annual Return (%)	7.60	25.40	28.10 <sup>(8)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.69	0.68	0.66	n/a	n/a
TER (%) <sup>(2)</sup>	0.10	0.24	0.17	n/a	n/a

**First Asset MSCI Europe Low Risk Weighted ETF****2016**      **2015**      **2014**      **2013**      **2012****Units**

Annual Return (%)	1.20	11.30	12.40 <sup>(7)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.67	0.66	0.66	n/a	n/a
TER (%) <sup>(2)</sup>	0.09	0.33	0.33	n/a	n/a

**Unhedged Units**

Annual Return (%)	-8.80	25.10	8.10 <sup>(7)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.69	0.68	0.66	n/a	n/a
TER (%) <sup>(2)</sup>	0.09	0.33	0.33	n/a	n/a

**First Asset MSCI World Low Risk Weighted ETF****2016**      **2015**      **2014**      **2013**      **2012****Units**

Annual Return (%)	9.20	5.40	18.40 <sup>(8)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.65	0.64	0.65	n/a	n/a
TER (%) <sup>(2)</sup>	-	0.27	0.28	n/a	n/a

**Unhedged Units**

Annual Return (%)	5.80	19.40	19.50 <sup>(8)</sup>	n/a	n/a
MER (%) <sup>(1)</sup>	0.68	0.69	0.64	n/a	n/a
TER (%) <sup>(2)</sup>	-	0.27	0.28	n/a	n/a

<sup>(1)</sup> Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. Out of its Management Fees, the Manager pays for substantially all of the costs and expenses relating to the operation of the business and affairs of the First Asset ETFs including investment management, administration, legal, accounting, custody, audit, registrar and transfer agency fees and expenses associated with advertising, marketing and promoting the sale of the Units of the First Asset ETFs.

<sup>(2)</sup> Trading expense ratio is based on total commissions and other portfolio transaction costs and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>(3)</sup> Returns for the period from February 6, 2012 (first day of trading) to December 31, 2012.

<sup>(4)</sup> Returns for the period from October 22, 2013 (first day of trading) to December 31, 2013.

<sup>(5)</sup> Returns for the period from February 15, 2012 (first day of trading) to December 31, 2012.

<sup>(6)</sup> Returns for the period from November 13, 2014 (first day of trading) to December 31, 2014.

<sup>(7)</sup> Returns for the period from February 12, 2014 (first day of trading) to December 31, 2014.

<sup>(8)</sup> Returns for the period from February 5, 2014 (first day of trading) to December 31, 2014.

**RISK FACTORS**

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Units which prospective investors should consider before purchasing such Units:

## General Risk Factors

### *No Assurances on Achieving Investment Objective*

There is no assurance that the First Asset ETFs will achieve their investment objectives. The funds available for distributions to Unitholders 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 each 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.

### *Stock Market Risk*

The value of most securities, including the First Asset ETF portfolio securities, changes with stock 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.

### *Passive Investment Risk*

The First Asset ETFs have been designed to replicate, to the extent possible, the performance of an Index, net of expenses. The First Asset ETFs are not actively managed and the Manager will not attempt to take defensive positions in declining markets. Therefore, any adverse financial condition of a Constituent Issuer represented in an Index will not result in the elimination of exposure to its securities, whether direct or indirect, by a First Asset ETF unless the Constituent Securities are removed from that Index.

### *Replication or Tracking Risk*

An investment in a First Asset ETF should be made with an understanding that the First Asset ETFs will not replicate exactly the performance of the Indices. The total return generated by the securities held by a First Asset 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 that First Asset ETF) as well as taxes and other expenses borne by that First Asset 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 a First Asset ETF could occur for a variety of reasons, including if that First Asset ETF uses a sampling methodology or includes certain Other Securities in the portfolio of securities held by that First Asset ETF, or as a result of the costs, risks or other performance impacts of any currency hedging transactions employed by that First Asset ETF. Deviations may also occur if the First Asset 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 applicable Index. In each such case, the First Asset 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 First Asset 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 an Index could affect the underlying market for Constituent Securities of that Index, which in turn would be reflected in the value of the Index. Similarly, subscriptions for Units by the Designated Broker and Dealers may impact the market for Constituent Securities of an Index, as the Designated Broker or Dealer seeks to buy or borrow such securities to constitute Baskets of Securities to deliver to the applicable First Asset ETF as payment for the Units to be issued.

### *Calculation and Termination of the Index*

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

In the event an Index ceases to be calculated or is discontinued, the Manager may terminate the applicable First Asset ETF, change the investment objective of that First Asset 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 Unitholders in the circumstances.

### *Use of the Index*

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

### *Index Investment Strategy Risk*

In general, if a First Asset ETF uses a sampling methodology, or certain Other Securities, to construct its portfolio holdings, then that First Asset ETF will tend to have greater tracking error to the Index versus an exchange traded fund that fully replicates the Index. In selecting securities for the First Asset ETFs, the Manager will not “actively manage” the First Asset ETFs by undertaking any fundamental analysis of the securities it invests in, nor will the Manager buy or sell securities for the First Asset ETFs based on the Manager’s market, financial or economic analysis. Because the Manager will not attempt to take defensive positions in declining markets, the adverse financial condition of an issuer represented in the Index will not necessarily result in the First Asset ETFs ceasing to hold the issuer’s securities, unless such securities are removed from the Index.

### *Regulatory Risk*

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

There can be no assurance that applicable laws in Canada or in foreign jurisdictions, or other domestic or foreign legislation, legal and statutory rights will not be changed in a manner which adversely affects a First Asset ETF or its Unitholders. 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 Unitholders or distributions received by the First Asset ETF or by its Unitholders.

### *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.

### *Corresponding Net Asset Value Risk*

The Units of a First Asset ETF may trade below, at, or above their respective net asset value per Unit. The net asset value per Unit will fluctuate with changes in the market value of a First Asset ETF’s holdings. The trading prices of the Units will fluctuate in accordance with changes in the applicable First Asset ETF’s net asset value per Unit, as well as market supply and demand on the TSX. However, given that Dealers may subscribe for or exchange a PNU of any First Asset ETF at the applicable net asset value per Unit, the Manager expects that large discounts or premiums to the net asset value per Unit will not be sustained.

### *Designated Broker/Dealer Risk*

As a First Asset ETF will only issue Units directly to the Designated Broker 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.



### *Potential Conflicts of Interest*

The Manager and its directors and officers and their respective affiliates and associates may engage in the promotion, management or investment management of other accounts, funds or trusts that invest primarily in the securities held by one or more of the First Asset ETFs.

Although officers, directors and professional staff of the Manager will devote as much time to the First Asset ETFs as is deemed appropriate to perform the Manager's duties, the staff of the Manager may have conflicts in allocating their time and services among the First Asset ETFs and the other funds managed by the Manager.

### *Exchange Risk*

In the event that the TSX closes early or unexpectedly on any day that it is normally open for trading, Unitholders will be unable to purchase or sell Units 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 Units may be suspended until the TSX reopens.

### *Cease Trading of Securities Risk*

If the securities of a Constituent Issuer of an Index are cease-traded by order of the relevant securities regulatory authority or are halted from trading by the relevant stock exchange, the applicable 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 Constituent Issuers of an Index, not just one. If portfolio securities of the First Asset ETFs 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 ETFs 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 ETFs 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 PNU for a Basket of Securities until such time as the cease-trade order is lifted.

### *Income Trust Investment Risk*

Real estate, royalty, income and other investment trusts are investment vehicles in the form of trusts rather than corporations. To the extent that claims, whether in contract, in tort or as a result of tax or statutory liability, against an investment trust are not satisfied by the trust, investors in the investment trust, including the First Asset ETFs, could be held liable for such obligations. Investment trusts generally seek to make this risk remote in the case of contract by including provisions in their agreements that the obligations of the investment trust will not be binding on investors personally. However, investment trusts could still have exposure to damage claims such as personal injury and environmental claims. Certain jurisdictions have enacted legislation to protect investors in investment trusts from the possibility of such liability.

### *Rebalancing and Adjustment Risk*

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

### *Tax Risk*

It is anticipated that each First Asset ETFs will qualify, or will be deemed to qualify, as "mutual fund trusts" within the meaning of the Tax Act. For a First Asset ETF to qualify as a "mutual fund trust", it must comply on a continuous basis with certain requirements relating to the qualification of its Units for distribution to the public, the number of Unitholders of a particular class of Units of the First Asset ETF and the dispersal of ownership of that class of its Units.

Currently, a trust will be deemed not to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents unless, at that time, all or substantially all of its property is property other than 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). The current law does not provide any means of rectifying a loss of mutual fund trust status if this requirement is not met.

Provided a First Asset ETF complies with its investment restrictions set forth under the heading “Investment Restrictions”, no more than 10% of the fair market value of that First Asset ETF’s assets will at any time consist of 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). The Declaration of Trust for each First Asset ETF also contains a restriction on the number of permitted non-resident Unitholders of that First Asset ETF.

The New First Asset ETF is expected to meet all the requirements to qualify as a “mutual fund trust” for the purposes of the Tax Act before the 91st day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to “loss restriction events”). Assuming the New First Asset ETF meets these requirements before such day, it will file an election to qualify as a mutual fund trust from its inception in 2017.

If a First Asset ETF were to cease to qualify as a mutual fund trust, the income tax considerations as described under “Income Tax Considerations” would in some respects be materially and adversely different.

There can be no assurance that Canadian federal and provincial income tax laws respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the Unitholders.

Pursuant to rules in the Tax Act, a First Asset ETF that experiences a “loss restriction event” (i) will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the First Asset ETF’s net income and net realized capital gains, if any, at such time to Unitholders so that the First Asset ETF is not liable for non-refundable income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, a First Asset ETF will be subject to a loss restriction event if a person becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the First Asset ETF, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of a First Asset ETF is a beneficiary in the income or capital, as the case may be, of the First Asset ETF whose beneficial interests, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the First Asset ETF. Please see “Income Tax Considerations – Taxation of Holders” for the tax consequences of an unscheduled (or other) distribution to Unitholders. Trusts that qualify as “investment funds” as defined in the rules in the Tax Act relating to loss restriction events are generally excepted from the application of such rules. An “investment fund” for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a “mutual fund trust” for purposes of the Tax Act, not using any property in the course of carrying on a business and complying with certain asset diversification requirements. If a First Asset ETF were not to qualify as an “investment fund”, it could potentially have a loss restriction event and thereby become subject to the related tax consequences described above.

The Tax Act contains rules concerning the taxation of publicly traded Canadian trusts and partnerships that own certain types of property defined as “non-portfolio property”. A trust that is subject to these rules is subject to trust level taxation, at rates comparable to those that apply to corporations, on the trust’s income earned from “non-portfolio property” to the extent that such income is distributed to its unitholders. The First Asset ETFs will not be subject to tax under these rules as long as the First Asset ETFs comply with their investment restrictions in this regard. If a First Asset ETF is subject to tax under these rules, the after-tax return to Unitholders could be reduced, particularly in the case of a Unitholder who is exempt from tax under the Tax Act or is a non-resident of Canada.

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 the First Asset ETFs being required to pay increased amounts of GST or HST.

Certain First Asset ETFs may invest in global equity securities. Many foreign countries preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital (“**Tax Treaties**”) to impose tax on dividends paid or credited to persons who are not resident in such countries. While the First Asset ETFs intend to make investments in such a manner as to minimize the amount of foreign taxes incurred under foreign tax laws and subject to any applicable Tax Treaties, investments in global equity securities may subject the

First Asset ETFs to foreign taxes on dividends paid or credited to them or any gains realized on the disposition of such securities. Any foreign taxes incurred by a First Asset ETF will generally reduce the value of its portfolio. To the extent that such foreign tax paid by a First Asset ETF exceeds 15% of the amount included in the First Asset ETF's income from such investments, such excess may generally be deducted by the First Asset ETF in computing its net income for the purposes of the Tax Act. To the extent that foreign tax paid does not exceed 15% of such amount and has not been deducted in computing the First Asset ETF's income and the First Asset ETF designates its income from a foreign source in respect of a Unitholder of the First Asset ETF, the Unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the Unitholder's proportionate share of foreign taxes paid by the First Asset ETF in respect of such income as foreign taxes paid by the Unitholder. The availability of foreign tax credits to a Unitholder of a First Asset ETF is subject to the detailed rules in the Tax Act.

#### *Withholding Tax Risk*

As a First Asset ETF's portfolio may consist of securities issued by foreign issuers, distributions received by the First Asset ETF on the securities in the First Asset ETF's portfolio may be subject to foreign withholding tax. The return on a First Asset ETF's portfolio will be net of such foreign withholding tax, unless the terms of the securities in the First Asset ETF's portfolio require the issuers of such securities to "gross-up" distributions and gains, as applicable, so that a holder of such securities receives the amount that it would have received in the absence of such withholding tax. There can be no assurances that (i) distributions and gains on securities held in a First Asset ETF's portfolio will not be subject to foreign withholding tax or (ii) the terms of securities held in the First Asset ETF's portfolio will provide for the gross-up referred to above. As described under "Tax Risk" above, in certain circumstances, a foreign tax credit or deduction in respect of foreign taxes will be available to the Unitholder or the relevant First Asset ETF although no assurance can be provided in that regard.

#### *Illiquid Securities*

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.

#### *Exchange Traded Funds Risk*

The First Asset ETFs 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.

#### *Securities Lending, Repurchase and Reverse Repurchase Transaction Risk*

The First Asset ETFs are 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, a 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:

- when entering into securities lending, repurchase and reverse repurchase transactions, a 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 their investment;
- when recovering its investment on default, a 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, a 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.

The First Asset ETFs may engage in securities lending. When engaging in securities lending, the First Asset ETFs will receive collateral in excess of the value of the securities loaned, and although such collateral is marked to market, the First Asset ETFs 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.

#### *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 a 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 a 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, a 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 becomes 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.

#### *Liability of Unitholders*

The Declaration of Trust provides that no Unitholder will be subject to any personal liability whatsoever for any wilful or negligent acts or omissions or otherwise to any party in connection with the assets of the First Asset ETFs or the affairs of the First Asset ETFs. The Declaration of Trust also provides that the First Asset ETFs must indemnify and hold each Unitholder harmless from and against any and all claims and liabilities to which such Unitholder may become subject, by reason of being or having been a Unitholder and must reimburse such Unitholder for all legal and other expenses reasonably incurred in connection with any such claim or liability. Despite the foregoing, there can be no absolute certainty, outside of Ontario, that a claim will not be made against a Unitholder for liabilities which cannot be satisfied out of the assets of the First Asset ETFs.

#### *Reliance on Key Personnel*

Unitholders will be dependent on the abilities of the Manager to effectively manage the First Asset ETFs in a manner consistent with their investment objectives, investment strategies and investment restrictions. Implementation of the First Asset ETFs' 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 the First Asset ETFs will continue to be employed by the Manager.

#### *Concentration Risk*

To the extent that a First Asset ETF's investments are concentrated in a particular sector, region or asset class, that First Asset ETF may be susceptible to loss due to adverse occurrences affecting that sector, region or asset class.

#### *Multi-Class Structure Risk*

The Units are available in more than one class. If a First Asset ETF cannot pay the expenses or satisfy the obligations entered into by that First Asset ETF for the sole benefit of one of those classes of Units using that class of Unit's proportionate share of the assets, that First Asset ETF may have to pay those expenses or satisfy those obligations out of another class of Unit's proportionate share of the assets, which would lower the investment return of such other class of Units. In addition, a creditor of the First Asset ETFs may seek to satisfy its claim from the assets of a particular First Asset ETF as a whole, even though its claim or claims relate only to a particular class of Units.

### *Foreign Investment Risk*

A First Asset ETF's investments in non-Canadian and non-United States issuers may expose that First Asset ETF to 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.

### *Global Investing Risk*

Generally, investments in foreign markets are subject to certain risks and a First Asset ETF participating in such markets may be adversely affected by, among other things, political upheaval, financial troubles, natural disasters, reduced government oversight as compared to Canada, difficulty in enforcing contractual obligations, currency volatility and government intervention in markets. The value of a First Asset ETF's portfolio that may be exposed to Russian securities, if any, involves certain risks associated with the settlement of portfolio transactions and loss of the First Asset ETF's ownership rights in its portfolio securities, as a result of the system of share registration and custody in Russia. Canada, the United States and the European Union have imposed economic sanctions on certain Russian individuals and institutions, and could also institute broader sanctions on Russia. These sanctions, or even the threat of further sanctions, may result in the decline of the value and liquidity of Russian securities, a weakening of the ruble or other adverse consequences of the Russian economy. These sanctions could also result in the immediate freeze of Russian securities, impairing the ability of a First Asset ETF to buy, sell, receive or deliver those securities. Sanctions could also result in Russia taking counter measures or retaliatory actions which may further impair the value and liquidity of Russian securities.

### *Foreign Markets Risk*

Participation in transactions by a First Asset ETF may involve the execution and clearing of trades on or subject to the rules of a foreign market. None of the Canadian securities regulatory authorities or Canadian exchanges regulates activities of any foreign markets, including the execution, delivery and clearing of transactions, or has the power to compel enforcement of any rule of a foreign market or any applicable foreign law. Generally, any foreign transaction will be governed by applicable foreign laws. This is true even if the foreign market is formally linked to a Canadian market so that a position taken on a market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, entities such as the First Asset ETFs may not be afforded certain of the protective measures provided by Canadian legislation or Canadian exchanges. In particular, funds received from investors for transactions by a First Asset ETF on foreign exchanges may not be provided the same protection as funds received in respect of transactions by a First Asset ETF on Canadian exchanges.

### *Currency Exposure Risk*

As a portion of the portfolio of a First Asset ETF may be invested in securities traded in foreign currencies, the net asset value of such First Asset ETF, when measured in Canadian dollars, will, to the extent this has not been hedged against, be affected by changes in the value of the U.S. dollar and other foreign currencies relative to the Canadian dollar. A First Asset ETF may not be fully hedged, and the Unhedged Units will not be hedged at all, and accordingly no assurance can be given that the portfolio of a First Asset ETF will not be adversely impacted by changes in foreign exchange rates or other factors. Except in respect of the Unhedged Units of a First Asset ETF, the First Asset ETFs will seek to hedge at least 90% of their economic exposure to foreign currency by entering into currency forward transactions with financial institutions that have an "approved credit rating" as defined in NI 81-102, however, there is no assurance that these currency forward transactions will be effective. Some deviations from the returns of the applicable Index are expected to occur as a result of the entering into of the currency forward transactions.

The use of hedges 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's 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.

### *Absence of an Active Market and Lack of Operating History*

The New First Asset ETF is a newly organized exchange-traded fund with no operating history. Although Units of the New First Asset ETF may be listed on the TSX, there can be no assurance that an active public market for Units of the New First Asset ETF will develop or be sustained.

## **DISTRIBUTION POLICY**

Any cash distributions of income on Units of a First Asset ETF are expected to be made at least quarterly. Depending on the underlying investments of a First Asset ETF, distributions on Units may consist of ordinary income sourced from dividends or distributions received by the First Asset ETF, but may also include net realized capital gains, in any case, less the expenses of that First Asset ETF and may include returns of capital. The date of the quarterly cash distribution of each First Asset ETF will be announced in advance by issuance of a press release.

### **Year-End Distributions**

If, in any taxation year, after the ordinary distributions, there would remain in a First Asset ETF additional net income or net realized capital gains, the First Asset ETF will, (1) where such taxation year ends on December 15, after December 15 but on or before December 31 of the calendar year in which such taxation year ends or (2) in any other case, at the end of the taxation year, be required to pay or make payable such net income and net realized capital gains as one or more special year-end distributions in such year to Unitholders as is necessary to ensure that the First Asset ETF will not be liable for income tax on such amounts under Part I of the Tax Act (after taking into account all available deductions, credits and refunds). Such special distributions may be paid in the form of Units of the relevant class of the First Asset ETF and/or cash. Any special distributions payable in Units of the relevant class of a First Asset ETF will increase the aggregate adjusted cost base of a Unitholder's Units of that class. Immediately following payment of such a special distribution in Units, the number of Units of that class outstanding will be automatically consolidated such that the number of Units of that class outstanding after such distribution will be equal to the number of Units of that class outstanding immediately prior to such distribution, except in the case of a non-resident Unitholder to the extent tax is required to be withheld in respect of the distribution. See "Income Tax Considerations".

### **Distribution Reinvestment Plan**

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

Any eligible Unitholder may enrol in the Reinvestment Plan by notifying the CDS Participant through which the Unitholder holds its Units of such Unitholder's intention to participate in the Reinvestment Plan. Under the Reinvestment Plan, cash distributions will be used to acquire Plan Units 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 Unitholder 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 Unitholder will not participate in the Reinvestment Plan for that distribution.

The tax treatment to Unitholders of a First Asset ETF of reinvested distributions is discussed under the heading "Income Tax Considerations".

***Fractional Units***

No fractional Plan Units 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 Units 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***

Plan Participants may voluntarily terminate or modify their participation in the Reinvestment Plan. Plan Participants who no longer wish to participate in the Reinvestment Plan must notify their CDS Participant through which the Plan Participants hold their Units 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 Unitholders. The Manager may terminate the Reinvestment Plan with respect to any First Asset ETF 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 Units, (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 First Asset ETF 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 Plan Participants hold their Units, (ii) the Plan Agent, and (iii) the TSX (if applicable). The Reinvestment Plan will terminate automatically with respect to any First Asset ETF upon the termination of such 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 Unitholders 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 Plan Participant to complete an income tax return with respect to amounts paid or payable by the First Asset ETF to the Plan Participant in the preceding taxation year.

**PURCHASES OF UNITS****Initial Investment in the First Asset ETFs**

In compliance with NI 81-102, the Existing First Asset ETFs did not issue Units to the public until subscriptions aggregating not less than \$500,000 had been received and accepted by the Existing First Asset ETFs from investors other than persons or companies related to First Asset or its affiliates. No Units of the New First Asset ETF will be issued to the public until subscriptions aggregating not less than \$500,000 have been received and accepted by the New First Asset ETF from investors other than persons or companies related to First Asset or its affiliates.

### **Issuance of Units of a First Asset ETF**

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

#### ***To Designated Brokers and Dealers***

All orders to purchase Units directly from a First Asset ETF must be placed by the Designated Broker or Dealers. Each First Asset ETF reserves the absolute right to reject any subscription order placed by the Designated Broker and/or a Dealer. No fees will be payable by a First Asset ETF to the Designated Broker or a Dealer in connection with the issuance of Units of the First Asset ETF. On the issuance of Units, 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 Units.

On any Trading Day, a Designated Broker or a Dealer may place a subscription order for the PNU or integral multiple PNU 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 (in the case of the First Asset Morningstar International Momentum Index ETF, First Asset Morningstar International Value Index ETF, First Asset MSCI Europe Low Risk Weighted ETF and First Asset MSCI World Low Risk Weighted ETF at or before 4:00 p.m. (Toronto time) on the Trading Day that immediately precedes such Trading Day), or such other time prior to the Valuation Time on such Trading Day as the Manager may determine, and accepted by the Manager, the First Asset ETF will generally issue to the Dealer or Designated Broker the PNU (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 Units 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.

On April 27, 2017, the Canadian securities regulators (other than the British Columbia Securities Commission) published for comment draft amendments to NI 81-102. If the draft amendments come into force in their current form (the “**Draft Amendments**”), from the coming-into-force date onwards the reference to “three Trading Days” in the previous paragraph should be read as “two Trading Days”.

Unless the Manager shall otherwise agree or the Declaration of Trust shall otherwise provide, as payment for a PNU 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 PNU 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 PNU of the First Asset ETF 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, applicable in respect of any First Asset ETF 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](http://www.firstasset.com). The Cash Creation Fee, if any, will accrue to the applicable First Asset ETF.

The Manager will usually publish the applicable PNU for a First Asset ETF following the close of business on each Trading Day on its website, [www.firstasset.com](http://www.firstasset.com). The Manager may, at its discretion, increase or decrease the applicable PNU from time to time.

#### ***To Designated Brokers in Special Circumstances***

Units may be issued by a First Asset ETF to the applicable Designated Broker in connection with the rebalancing of and adjustments to the First Asset ETF as described under “Investment Strategies – Rebalancing Events” and when cash redemptions of Units occur as described below under “Exchange and Redemption of Units – Redemption of Units of a First Asset ETF for Cash”.



### ***To Unitholders of the First Asset ETF as Reinvested Distributions***

In addition to the issuance of Units as described above, distributions may be made by way of issuance of Units and Units of a First Asset ETF may be issued to Unitholders of a First Asset ETF on the automatic reinvestment of certain distributions in accordance with the distribution policy of the First Asset ETFs. See “Distribution Policy”.

### **Buying and Selling Units of a First Asset ETF**

Units of the Existing First Asset ETFs are currently listed on the TSX, and investors can buy or sell such Units on the TSX through registered brokers and dealers in the province or territory where the investors reside.

The Units, including the Unhedged Units, of the New First Asset ETF have been conditionally approved for listing on the TSX. Subject to satisfying the TSX’s original listing requirements, Units of the New First Asset ETF will be listed on the TSX and investors will be able to buy or sell such Units on the TSX through registered brokers and dealers in the province or territory where the investors reside.

Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or any First Asset ETF in connection with the buying or selling of Units on the TSX.

### ***Special Considerations for Unitholders***

The provisions of the so-called “early warning” requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units 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 Unitholder of that First Asset ETF to acquire more than 20% of the Units 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 Unitholder, and any person acting jointly or in concert with such Unitholder, undertakes to the Manager not to vote more than 20% of the Units of that First Asset ETF at any meeting of Unitholders of that First Asset ETF.

Units of each of the First Asset 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 Units of a First Asset 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 Units of the First Asset 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 Units of a First Asset ETF should be made solely in reliance on the above statements.

## **EXCHANGE AND REDEMPTION OF UNITS**

### ***Exchange of Units at Net Asset Value per Unit for Baskets of Securities and/or Cash***

Unitholders of a First Asset ETF may exchange the applicable PNU (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 PNU be exchanged. To effect an exchange of Units of a First Asset ETF, a Unitholder 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 (in the case of the First Asset Morningstar International Momentum Index ETF, First Asset Morningstar International Value Index ETF, First Asset MSCI Europe Low Risk Weighted ETF and First Asset MSCI World Low Risk Weighted ETF at or before 4:00 p.m. (Toronto time) on the Trading Day that immediately precedes such Trading Day) or such other time prior to the Valuation Time on such Trading Day as the Manager may determine from time to time. The exchange price will be equal to the net asset value of each PNU 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. The Units will be redeemed in the exchange. The Manager will also make available to Dealers and the Designated Broker the applicable PNU to redeem Units of a First Asset ETF 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.

Upon the request of a Unitholder, the Manager may, in its complete discretion, satisfy an exchange request by delivering cash only in an amount equal to the net asset value of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request provided that the Unitholder agrees to pay the Cash Exchange Fee, if applicable.

The Cash Exchange Fee, if any, applicable in respect of any First Asset ETF 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](http://www.firstasset.com).

If an exchange request is not received by the applicable cut-off time, the exchange request 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 the Draft Amendments come into force, from the coming-into-force date onwards the reference to “third Trading Day” in the previous sentence should be read as “second Trading Day”.

If any Constituent Securities or other 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 Dealer or Designated Broker on an exchange in the PNU 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, Units 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 Units. Beneficial owners of Units should ensure that they provide redemption instructions to the CDS Participant through which they hold such Units 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 Units of a First Asset ETF for Cash*

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

In order for a cash redemption to be effective on a Trading Day, a cash redemption request with respect to the applicable 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 (in the case of the First Asset Morningstar International Momentum Index ETF, First Asset Morningstar International Value Index ETF, First Asset MSCI Europe Low Risk Weighted ETF and First Asset MSCI World Low Risk Weighted ETF at or before 4:00 p.m. (Toronto time) on the Trading Day that immediately precedes 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. If the Draft Amendments come into force, from the coming-into-force date onwards the reference to “third Trading Day” in the previous sentence should be read as “second Trading Day”. The cash redemption request forms may be obtained from any registered broker or dealer.

Unitholders 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 Units of a First Asset ETF, the First Asset ETF will generally dispose of securities or other financial instruments.

#### *Conversion of Units*

Unitholders may convert Units of any class of a First Asset ETF (the “**Converting Units**”) into whole Units of any other class of the same First Asset ETF (the “**Converted Units**”) in any month. To do so, the Converting Units must be surrendered and the Unitholder’s CDS Participant must deliver to CDS (at its office in the City of Toronto) on behalf of the Unitholder a written notice of the Unitholder’s intention to convert during the period from the first day of a month until 5:00 p.m. (Toronto time) on the last business day prior to the 16th day of such month. Converting Units surrendered for conversion will be converted on the last Trading Day of that month (the “**Monthly Conversion Date**”). For a Unitholder’s Converting Units so converted, the Unitholder will receive a number of

whole Converted Units equal to the net asset value per Converting Unit as of the Monthly Conversion Date, multiplied by the number of Converting Units so converted divided by the net asset value per Converted Unit as of the Monthly Conversion Date. As no fractional Units will be issued upon conversion, any remaining fraction of a Converting Unit will be redeemed at its net asset value.

Unitholders who desire to convert their Units should ensure that the CDS Participant is provided with notice of his or her intention to do so sufficiently in advance of the relevant notice period so as to permit the CDS Participant to deliver notice to CDS and so as to permit CDS to deliver notice to the Registrar and Transfer Agent in advance of the required time.

#### *Suspension of Exchanges and Redemptions*

The Manager may suspend the exchange or redemption of Units of a First Asset ETF or payment of redemption proceeds of a 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 Unitholders 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 Unitholders 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 Unitholders a redemption fee of up to 0.05% (0.25% in the case of First Asset Morningstar International Momentum Index ETF, First Asset Morningstar International Value Index ETF, First Asset MSCI Europe Low Risk Weighted ETF, First Asset MSCI World Low Risk Weighted ETF) of the exchange or redemption proceeds to offset certain transaction costs associated with the exchange or redemption of Units. The Manager will publish the current redemption fee, if any, on its website, [www.firstasset.com](http://www.firstasset.com).

#### *Allocations of Capital Gains to Redeeming or Exchanging Unitholders*

Pursuant to the Declaration of Trust, a First Asset ETF may allocate and designate as payable any capital gains realized by the First Asset ETF as a result of any disposition of property of the First Asset ETF undertaken to permit or facilitate the redemption or exchange of Units to a Unitholder whose Units are being redeemed or exchanged. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming Unitholder.

#### **Book-Entry Only System**

Registration of interests in, and transfers of, Units of a First Asset ETF will be made only through the book-entry only system of CDS. Units of a First Asset ETF must be purchased, transferred and surrendered for redemption only through a CDS Participant. All rights of an owner of Units 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 Units. Upon buying Units of a First Asset ETF, the owner will receive only the customary confirmation. References in this prospectus to a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest of such Units.

Neither a First Asset ETF nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in Units 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 Units of a First Asset ETF to pledge such Units or otherwise take action with respect to such owner's interest in such Units (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 Units through the book-entry only system in which case certificates for Units in fully registered form will be issued to beneficial owners of such Units or to their nominees.

### Short-Term Trading

Unlike conventional open-end mutual fund trusts 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 unitholder 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 Units of the First Asset ETFs that do not occur on the secondary market involve Designated Brokers and Dealers, who can only purchase or redeem Units in a PNU 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.

### TRADING PRICE AND VOLUME

The following chart provides the price ranges and volume of Units traded on the TSX for the Existing First Asset ETFs for each month, or if applicable partial month, during the 12 months preceding the date of this prospectus:

#### *First Asset Morningstar Canada Dividend Target 30 Index ETF - DXM*

Month	Unit Price Range (\$) (Units)	Volume of Units Traded (Units)
<b><u>2016</u></b>		
July	9.71 - 9.95	18,894
August	9.79 - 10.02	62,921
September	9.84 - 10.13	42,453
October	9.89 - 10.11	122,217
November	9.62 - 9.99	50,144
December	9.96 - 10.34	88,707
<b><u>2017</u></b>		
January	10.21 - 10.46	26,142
February	10.18 - 10.55	51,832
March	10.25 - 10.44	79,542
April	10.30 - 10.52	54,888
May	10.30 - 10.59	48,772
June	10.37 - 10.60	52,499
July	10.17 - 10.38	24,684

*First Asset Morningstar US Dividend Target 50 Index ETF - UXM*

Month	Unit Price Range (\$)  (Units)	Unit Price Range (\$)  (Unhedged Units)	Volume of Units Traded  (Units)	Volume of Units Traded  (Unhedged Units)
<b>2016</b>				
July	13.07 - 13.63	14.27 - 15.20	36,140	28,811
August	13.41 - 13.71	14.70 - 15.11	45,305	36,705
September	13.11 - 13.55	14.46 - 14.91	66,579	43,400
October	12.73 - 13.13	14.19 - 14.52	53,639	39,140
November	12.43 - 13.17	14.00 - 15.01	38,651	28,689
December	12.81 - 13.31	14.46 - 15.00	64,739	14,323
<b>2017</b>				
January	13.06 - 13.23	14.37 - 14.88	32,866	36,299
February	13.05 - 13.55	14.42 - 15.03	45,244	47,437
March	13.23 - 13.61	14.99 - 15.37	519,172	75,303
April	13.19 - 13.53	14.87 - 15.62	36,414	44,458
May	13.25 - 13.62	15.38 - 15.71	30,222	89,830
June	13.65 - 13.96	15.01 - 15.70	36,929	3,722
July	13.61 - 13.93	14.70 - 14.95	44,393	21,396

*First Asset Morningstar Canada Momentum Index ETF - WXM*

Month	Unit Price Range (\$)  (Units)	Volume of Units Traded (Units)
<b>2016</b>		
July	14.30 - 14.89	470,470
August	14.78 - 15.22	562,280
September	14.64 - 15.17	248,529
October	14.61 - 15.02	3,395,344
November	14.38 - 15.20	235,913
December	14.86 - 15.17	226,572
<b>2017</b>		
January	14.86 - 15.39	206,621
February	15.08 - 15.53	293,529
March	14.93 - 15.52	340,992
April	15.44 - 15.78	212,629
May	15.14 - 15.91	131,629
June	14.83 - 15.48	219,048
July	14.61 - 15.13	104,348

*First Asset Morningstar US Momentum Index ETF - YXM*

Month	Unit Price Range (\$)  (Units)	Unit Price Range (\$)  (Unhedged Units)	Volume of Units Traded  (Units)	Volume of Units Traded  (Unhedged Units)
<b>2016</b>				
July	10.97 - 11.50	14.01 - 14.97	677,096	16,723

Month	Unit Price Range (\$)	Unit Price Range (\$)	Volume of Units Traded	Volume of Units Traded
	(Units)	(Unhedged Units)	(Units)	(Unhedged Units)
August	11.11 - 11.41	14.19 - 14.80	60,273	47,421
September	10.85 - 11.29	13.92 - 14.92	97,275	22,794
October	10.67 - 11.20	14.38 - 14.56	9,182	5,189
November	10.56 - 11.81	14.04 - 15.78	54,027	26,310
December	11.52 - 12.03	15.37 - 16.06	30,466	7,310
<b>2017</b>				
January	11.70 - 12.05	15.16 - 15.94	20,672	8,559
February	11.77 - 12.45	15.35 - 16.21	19,737	31,316
March	11.86 - 12.19	15.65 - 16.25	692,120	25,401
April	11.79 - 12.26	15.55 - 16.53	51,160	16,854
May	11.83 - 12.24	16.12 - 16.57	31,477	12,381
June	12.05 - 12.29	15.87 - 16.37	30,514	24,265
July	12.09 - 12.63	15.53 - 15.95	19,418	6,657

*First Asset Morningstar International Momentum Index ETF - ZXM*

Month	Unit Price Range (\$)	Unit Price Range (\$)	Volume of Units Traded	Volume of Units Traded
	(Units)	(Unhedged Units)	(Units)	(Unhedged Units)
<b>2016</b>				
July	21.79 - 23.36	24.09 - 25.75	103,856	54,021
August	22.79 - 23.42	25.10 - 25.86	50,001	18,622
September	22.81 - 23.40	25.22 - 26.18	7,961	16,440
October	23.04 - 23.57	25.38 - 26.09	17,827	9,617
November	22.26 - 23.11	24.55 - 25.40	24,587	9,963
December	22.55 - 23.00	23.86 - 24.40	9,391	7,495
<b>2017</b>				
January	23.20 - 23.78	24.50 - 25.00	18,848	38,973
February	23.47 - 24.37	25.35 - 25.81	13,954	27,174
March	24.26 - 24.76	26.07 - 26.80	40,429	26,182
April	24.27 - 25.53	26.62 - 28.17	15,804	4,444
May	25.61 - 26.28	28.59 - 29.05	18,963	10,390
June	26.30 - 26.75	28.69 - 29.76	45,576	12,577
July	25.85 - 26.45	27.57 - 27.91	9,840	8,008

*First Asset Morningstar Canada Value Index ETF - FXM*

Month	Unit Price Range (\$)	Volume of Units Traded
	(Units)	(Units)
<b>2016</b>		
July	12.80 - 13.45	175,308
August	12.99 - 13.52	198,614
September	12.78 - 13.23	224,047
October	12.90 - 13.41	241,947
November	12.64 - 14.01	228,114

<b>Month</b>	<b>Unit Price Range (\$)</b> <b>(Units)</b>	<b>Volume of Units Traded</b> <b>(Units)</b>
December	13.90 - 14.57	2,995,645
<b><u>2017</u></b>		
January	14.19 - 14.85	337,524
February	14.25 - 14.99	368,913
March	14.39 - 14.93	597,845
April	14.29 - 14.75	133,736
May	14.08 - 14.77	184,483
June	13.81 - 14.40	164,370
July	13.94 - 14.42	110,548

*First Asset Morningstar US Value Index ETF – XXM*

<b>Month</b>	<b>Unit Price Range (\$)</b> <b>(Units)</b>	<b>Unit Price Range (\$)</b> <b>(Unhedged Units)</b>	<b>Volume of Units Traded</b> <b>(Units)</b>	<b>Volume of Units Traded</b> <b>(Unhedged Units)</b>
<b><u>2016</u></b>				
July	11.57 - 12.59	14.77 - 15.85	64,865	59,978
August	11.59 - 12.14	14.74 - 15.57	93,437	84,155
September	11.16 - 11.88	14.75 - 15.43	107,493	111,549
October	11.50 - 12.00	15.14 - 15.66	55,889	31,419
November	11.25 - 12.87	14.93 - 17.10	96,512	56,390
December	12.72 - 13.73	16.88 - 18.17	59,650	60,558
<b><u>2017</u></b>				
January	13.43 - 13.93	17.18 - 18.10	130,261	108,864
February	13.50 - 14.07	17.38 - 18.16	91,544	114,797
March	12.81 - 14.02	17.03 - 18.55	132,546	93,847
April	12.90 - 13.52	16.96 - 18.17	53,687	35,611
May	12.41 - 13.17	16.54 - 17.84	102,372	72,231
June	12.59 - 13.02	16.49 - 17.26	120,933	104,481
July	12.66 - 13.26	16.12 - 16.87	122,449	59,234

*First Asset Morningstar International Value Index ETF – VXM*

<b>Month</b>	<b>Unit Price Range (\$)</b> <b>(Units)</b>	<b>Unit Price Range (\$)</b> <b>(Unhedged Units)</b>	<b>Volume of Units Traded</b> <b>(Units)</b>	<b>Volume of Units Traded</b> <b>(Unhedged Units)</b>
<b><u>2016</u></b>				
July	16.85 - 18.83	19.15 - 21.13	44,088	21,790
August	18.18 - 19.22	20.93 - 21.67	17,160	26,499
September	19.04 - 19.64	21.80 - 22.58	10,581	25,912
October	19.42 - 20.46	21.85 - 23.11	5,974	956,819
November	19.90 - 21.15	22.81 - 23.21	24,726	69,688
December	20.94 - 22.31	22.71 - 23.77	15,343	3,009,377
<b><u>2017</u></b>				
January	22.08 - 22.49	23.52 - 24.27	36,256	36,139
February	22.15 - 22.96	23.99 - 24.76	23,206	18,806

<b>Month</b>	<b>Unit Price Range (\$)</b> <b>(Units)</b>	<b>Unit Price Range (\$)</b> <b>(Unhedged Units)</b>	<b>Volume of Units Traded</b> <b>(Units)</b>	<b>Volume of Units Traded</b> <b>(Unhedged Units)</b>
March	22.97 - 23.53	24.89 - 25.76	35,031	297,458
April	22.54 - 23.50	24.83 - 26.51	40,355	37,882
May	23.50 - 24.25	26.63 - 27.18	45,530	1,436,283
June	23.81 - 24.23	26.11 - 27.54	58,657	75,737
July	24.07 - 24.64	26.00 - 26.42	20,434	729,023

*First Asset Morningstar National Bank Québec Index ETF – QXM*

<b>Month</b>	<b>Unit Price Range (\$)</b> <b>(Units)</b>	<b>Volume of Units Traded</b> <b>(Units)</b>
<b><u>2016</u></b>		
July	16.80 - 17.62	16,551
August	17.50 - 18.00	43,650
September	17.57 - 18.15	22,630
October	17.53 - 17.90	46,207
November	17.29 - 18.05	32,058
December	17.72 - 18.03	18,690
<b><u>2017</u></b>		
January	17.83 - 18.17	18,470
February	17.87 - 18.50	31,193
March	17.78 - 18.22	30,013
April	18.05 - 18.58	16,298
May	18.09 - 18.79	18,390
June	18.47 - 19.05	29,964
July	18.64 - 19.01	22,636

*First Asset MSCI Canada Low Risk Weighted ETF – RWC*

<b>Month</b>	<b>Unit Price Range (\$)</b> <b>(Units)</b>	<b>Volume of Units Traded</b> <b>(Units)</b>
<b><u>2016</u></b>		
July	10.77 - 10.98	2,170
August	11.20 - 11.22	2,722
September	10.97 - 11.27	3,079
October	11.17 - 11.19	577
November	11.17 - 11.35	2,687
December	11.48 - 11.51	4,700
<b><u>2017</u></b>		
January	11.47 - 11.58	10,696
February	11.62 - 11.81	9,082
March	11.55 - 11.70	6,483
April	11.66 - 11.90	3,806
May	11.62 - 11.90	21,529
June	11.66 - 11.83	3,103
July	11.52 - 11.66	7,091



*First Asset MSCI USA Low Risk Weighted ETF – RWU*

<b>Month</b>	<b>Unit Price Range (\$)</b> <b>(Units)</b>	<b>Unit Price Range (\$)</b> <b>(Unhedged Units)</b>	<b>Volume of Units Traded</b> <b>(Units)</b>	<b>Volume of Units Traded</b> <b>(Unhedged Units)</b>
<b>2016</b>				
July	13.36 - 13.57	15.86 - 16.36	15,074	69,678
August	13.29 - 13.45	15.72 - 16.21	22,880	29,105
September	13.02 - 13.40	15.71 - 16.06	19,979	19,934
October	12.80 - 12.97	15.54 - 15.91	8,121	63,924
November	12.74 - 13.17	15.58 - 16.37	14,682	64,320
December	13.28 - 13.49	15.91 - 16.68	22,580	48,129
<b>2017</b>				
January	13.37 - 13.50	15.96 - 16.52	13,908	47,957
February	13.55 - 13.98	16.09 - 17.25	5,478	32,522
March	14.06 - 14.25	17.15 - 17.53	20,682	34,091
April	14.00 - 14.26	17.25 - 17.84	29,558	47,162
May	14.07 - 14.38	17.52 - 17.95	16,990	22,568
June	14.42 - 14.67	17.19 - 18.08	11,245	41,555
July	14.25 - 14.57	16.63 - 17.23	66,060	95,275

*First Asset MSCI Europe Low Risk Weighted ETF – RWE*

<b>Month</b>	<b>Unit Price Range (\$)</b> <b>(Units)</b>	<b>Unit Price Range (\$)</b> <b>(Unhedged Units)</b>	<b>Volume of Units Traded</b> <b>(Units)</b>	<b>Volume of Units Traded</b> <b>(Unhedged Units)</b>
<b>2016</b>				
July	22.75 - 24.08	23.01 - 24.45	159,701	41,937
August	23.66 - 24.46	23.95 - 24.51	36,159	23,239
September	23.76 - 24.60	24.20 - 24.88	46,244	79,431
October	23.48 - 24.31	23.30 - 24.41	56,803	41,850
November	22.47 - 23.50	22.40 - 23.53	148,289	40,531
December	22.43 - 23.62	22.31 - 23.14	58,866	94,173
<b>2017</b>				
January	23.35 - 23.76	22.72 - 23.12	32,962	40,568
February	23.37 - 24.22	22.88 - 23.65	27,760	34,193
March	24.25 - 24.85	23.92 - 24.65	35,198	19,119
April	24.79 - 25.55	24.44 - 26.05	29,910	15,265
May	25.39 - 26.60	26.13 - 27.29	41,885	42,789
June	25.71 - 26.87	25.90 - 27.76	46,039	71,281
July	25.50 - 26.01	25.26 - 25.78	57,642	56,838

*First Asset MSCI World Low Risk Weighted ETF – RWW*

<b>Month</b>	<b>Unit Price Range (\$)</b> <b>(Units)</b>	<b>Unit Price Range (\$)</b> <b>(Unhedged Units)</b>	<b>Volume of Units Traded</b> <b>(Units)</b>	<b>Volume of Units Traded</b> <b>(Unhedged Units)</b>
<b>2016</b>				

Month	Unit Price Range (\$)  (Units)	Unit Price Range (\$)  (Unhedged Units)	Volume of Units Traded  (Units)	Volume of Units Traded  (Unhedged Units)
July	25.66 - 26.57	28.00 - 28.90	301,256	4,864
August	25.73 - 26.11	27.80 - 28.64	93,395	6,858
September	25.20 - 25.98	27.72 - 28.22	57,378	5,777
October	24.92 - 25.38	27.51 - 28.00	33,659	2,151,774
November	24.59 - 25.44	27.72 - 28.30	161,522	3,485
December	25.05 - 25.97	27.55 - 28.50	45,825	8,960
<b>2017</b>				
January	25.47 - 26.07	28.12 - 28.51	19,118	20,996
February	25.71 - 26.81	27.86 - 29.27	43,744	18,993
March	26.75 - 27.23	29.73 - 30.06	32,679	33,431
April	26.79 - 27.59	29.65 - 30.81	96,022	8,328
May	27.00 - 27.79	30.49 - 30.96	108,964	18,998
June	27.32 - 28.21	29.81 - 31.15	39,882	14,228
July	27.16 - 27.51	28.98 - 29.78	30,509	37,377

### 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 Units of a First Asset ETF by a Unitholder of the First Asset ETF who acquires Units of the First Asset ETF pursuant to this prospectus. This summary only applies to a Unitholder or prospective Unitholder 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 Units of the First Asset ETF as capital property (a "**Holder**").

Generally, Units of a First Asset ETF will be considered to be capital property to a Holder provided that the Holder does not hold such Units 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. Assuming that a First Asset ETF is a "mutual fund trust" for purposes of the Tax Act, certain Holders who might not otherwise be considered to hold Units of the First Asset ETF as capital property may, in certain circumstances, be entitled to have such Units 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 Units or any Basket of Securities disposed of in exchange for Units.

This summary is based on the assumption that at all times each First Asset ETF has complied and will continue to comply with its investment restrictions, that none of the securities in the portfolio of a First Asset ETF will be foreign affiliates of the First Asset ETF or of any Holder and that none of the securities in the portfolio of a First Asset ETF is or will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act.

Further, this summary assumes that none of the securities in the portfolio of a First Asset ETF will be an "offshore investment fund property" (or an interest in a partnership that holds such property) that would require the First Asset ETF (or the partnership) to include significant amounts in income pursuant to section 94.1 of the Tax Act, or an interest in a trust (or a partnership which holds such an interest) which would require the First Asset ETF (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 an interest in a non-resident trust other than an "exempt foreign trust" as defined in section 94 of the Tax Act (or a partnership which holds such an interest).

This summary is also based on the assumption that no First Asset ETF will at any time be subject to the tax for SIFT trusts for purposes of the Tax Act.

This summary is based on the current provisions of the Tax Act and an 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 Units of a First Asset ETF. This summary does not address the deductibility of interest on any funds borrowed by an investor to purchase Units of a First Asset ETF. The income and other tax consequences of investing in Units will vary depending on an investor's particular circumstances including the province or territory in which the investor resides or carries on business. 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 investor in Units 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 Units of a First Asset ETF based on their particular circumstances.**

### **Status of the First Asset ETFs**

This summary is based on the assumptions that each First Asset ETF qualifies or will qualify, as the case may be, or be deemed to qualify at all times as a “mutual fund trust” within the meaning of the Tax Act, that each Existing First Asset ETF has validly elected and the New First Asset ETF will validly elect under the Tax Act to be a mutual fund trust from the date it was established, and that each First Asset ETF has not been established and has not been and will not be maintained primarily for the benefit of non-residents at any time unless, 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).

To qualify as a mutual fund trust (i) a First Asset ETF must be a Canadian resident “unit trust” for purposes of the Tax Act, (ii) the only undertaking of the First Asset ETF must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the First Asset ETF, or (c) any combination of the activities described in (a) and (b), and (iii) the First Asset ETF must comply with certain minimum requirements respecting the ownership and dispersal of Units of a particular class (the “**minimum distribution requirements**”). In this connection, (i) the Manager intends to cause each First Asset ETF to qualify as a unit trust throughout the life of the First Asset ETF, (ii) each First Asset ETF's undertaking conforms with the restrictions for mutual fund trusts, and (iii) the Manager has no reason to believe that any of the First Asset ETFs will not comply with the minimum distribution requirements at all relevant times. The Manager has filed the necessary election so that each First Asset ETF qualified as a mutual trust from its inception.

If a First Asset ETF were not to qualify or be deemed to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different in respect of that First Asset ETF.

Provided the Units of a First Asset ETF are listed on a “designated stock exchange” (within the meaning of the Tax Act) or the First Asset ETF qualifies as a “mutual fund trust” within the meaning of the Tax Act, the Units of that First Asset ETF will be qualified investments under the Tax Act for a trust governed by an RRSP, an RRIF, a DPSP, an RDSP, an RESP or a TFSA (the “**Plans**”). See “Income Tax Considerations – Taxation of Registered Plans” for the consequences of holding Units in the Plans.

### **Taxation of the First Asset ETFs**

Each Existing First Asset ETF has elected to have a taxation year that ends on December 15 of each calendar year. The New First Asset ETF will elect to have a taxation year that ends on December 15 of each calendar year commencing with its 2017 taxation year. Each First Asset ETF must pay tax on its net income (including net realized taxable capital gains) for a taxation year, less the portion thereof that it deducts in respect of the amount

paid or payable to its Unitholders in the calendar year in which the taxation year-end falls. An amount will be considered to be payable to a Unitholder of a First Asset ETF in a calendar year if it is paid to the Unitholder in that year by the First Asset ETF or if the Unitholder is entitled in that year to enforce payment of the amount. The Declaration of Trust of each First Asset ETF requires that sufficient amounts be paid or made payable each year so that the First Asset ETF is not liable for any non-refundable income tax under Part I of the Tax Act.

A First Asset ETF will be required to include in its income for each taxation year any dividends received (or deemed to be received) by it in such year on a security held in its portfolio.

In general, a First Asset ETF will realize a capital gain (or capital loss) upon the actual or deemed disposition of a security included in its portfolio to the extent the proceeds of disposition net of any reasonable costs of disposition exceed (or are less than) the adjusted cost base of such security unless the First Asset ETF were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the First Asset ETF has acquired the security in a transaction or transactions considered to be an adventure or concern in the nature of trade. Each First Asset ETF purchases the securities in its portfolio with the objective of receiving distributions and income thereon and takes the position that gains and losses realized on the disposition of its securities are capital gains and capital losses. Each Existing First Asset ETF has made and the New First Asset will make an election under subsection 39(4) of the Tax Act, if applicable, so that all securities held by each First Asset ETF that are “Canadian securities” (as defined in the Tax Act) are deemed to be capital property to the First Asset ETF.

In general, one-half of any capital gain (a “**taxable capital gain**”) realized in a taxation year by a First Asset ETF on the disposition of securities that are capital property of such First Asset ETF must be included in computing such First Asset ETF’s income for the year, and one-half of any capital loss (an “**allowable capital loss**”) realized by a First Asset ETF in a taxation year must be deducted against any taxable capital gains realized by such First Asset ETF in the year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year may be carried back and deducted by the First Asset ETF in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net realized taxable capital gains in accordance with the provisions of the Tax Act.

A First Asset ETF is entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units of the First Asset ETF during the year (the “**Capital Gains Refund**”). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of a First Asset ETF for such taxation year which may arise upon the sale or other disposition of securities included in the portfolio in connection with the redemption of Units of the First Asset ETF.

In general, gains and losses realized by a First Asset ETF from derivative transactions 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 or losses will be recognized for tax purposes at the time they are realized by the First Asset ETF in accordance with the CRA’s published administrative practice. Pursuant to Tax Amendments released on March 22, 2017, an election to realize gains and losses on “eligible derivatives” (as defined in such Tax Amendments) of a First Asset ETF on a mark-to-market basis may be available. The Manager will consider whether such election, if available, would be advisable for any First Asset ETF.

A loss realized by a First Asset ETF on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the First Asset ETF, or a person affiliated with the First Asset ETF, 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 First Asset ETF, or a person affiliated with the First Asset ETF, owns the substituted property 30 days after the original disposition. If a loss is suspended, the First Asset ETF cannot deduct the loss from the First Asset ETF’s capital gains until the substituted property is disposed of and is not reacquired by the First Asset ETF, or a person affiliated with the First Asset ETF, within 30 days before and after the disposition.

The First Asset ETFs may enter into transactions denominated in currencies other than the Canadian dollar. The cost and proceeds of disposition of securities, dividends 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 will likely constitute capital gains and capital losses to the First Asset ETF if the securities in the First Asset ETF's portfolio are capital property to the First Asset ETF and provided there is sufficient linkage. Certain Tax Amendments, if enacted as proposed, would clarify that the DFA Rules generally would not apply to such foreign currency hedges.

The Tax Act contains rules (the "**DFA Rules**") that target financial arrangements (described in the DFA Rules 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 foreign currency contracts (subject to the Tax Amendments discussed in the preceding paragraph)). If the DFA Rules were to apply in respect of derivatives 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.

The First Asset ETFs 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. To the extent that such foreign tax paid by a First Asset ETF exceeds 15% of the amount included in the First Asset ETF's income from such investments, such excess may generally be deducted by the First Asset ETF in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such amount and has not been deducted in computing a First Asset ETF's income, the First Asset ETF may designate in respect of a Holder a portion of its foreign source income that can reasonably be considered to be part of the First Asset ETF's income distributed to such Holder so that such income and a portion of the foreign tax paid by the First Asset ETF may be regarded as foreign source income of, and foreign tax paid by, the Holder for the purposes of the foreign tax credit provisions of the Tax Act.

To the extent a First Asset ETF holds trust units issued by a trust resident in Canada that is not at any time in the relevant taxation year a "SIFT trust" and held as capital property for purposes of the Tax Act, the First Asset ETF will be required to include in the calculation of its income for a taxation year the net income, including net taxable capital gains, paid or payable to the First Asset ETF by such trust in the calendar year in which that taxation year ends, notwithstanding that certain of such amounts may be reinvested in additional units of the trust. Provided that appropriate designations are made by such trust, net taxable capital gains realized by the trust, foreign source income of the trust and taxable dividends from taxable Canadian corporations received by the trust that are paid or payable by the trust to the First Asset ETF will effectively retain their character in the hands of the First Asset ETF. The First Asset ETF will be required to reduce the adjusted cost base of units of such trust by any amount paid or payable by the trust to the First Asset ETF except to the extent that the amount was included in calculating the income of the First Asset ETF or was the First Asset ETF's share of the non-taxable portion of capital gains of the trust, the taxable portion of which was designated in respect of the First Asset ETF. If the adjusted cost base to the First Asset ETF of such units becomes a negative amount at any time in a taxation year of the First Asset ETF, that negative amount will be deemed to be a capital gain realized by the First Asset ETF in that taxation year and the First Asset ETF's adjusted cost base of such units will be increased by the amount of such deemed capital gain to zero.

Each issuer in a First Asset ETF's portfolio that is a "SIFT trust" (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) will be subject to a special tax in respect of (i) income from business carried on in Canada, and (ii) certain income and capital gains in respect of "non-portfolio properties" (collectively, "**Non-Portfolio Income**"). Non-Portfolio Income that is distributed by a SIFT trust to its unitholders 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. Non-Portfolio Income that becomes payable by an issuer that is a SIFT trust will generally be taxed as though it were a taxable dividend from a taxable Canadian corporation and will be deemed to be an "eligible dividend" eligible for the enhanced gross-up and tax credit rules.

A First Asset ETF will be entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing Units. Such issue expenses paid by a First Asset ETF and not reimbursed will be deductible by the First Asset ETF ratably over a five-year period subject to reduction in any taxation year which is less than 365 days. In computing its income under the Tax Act, the First Asset ETF may deduct reasonable administrative and other expenses incurred to earn income.

Losses incurred by a First Asset ETF in a taxation year cannot be allocated to Holders, but may be deducted by the First Asset ETF in future years in accordance with the Tax Act.

## Taxation of Holders

A Holder will generally be required to include in computing income for a particular taxation year of the Holder such portion of the net income of a First Asset ETF, including the taxable portion of any net realized capital gains, as is paid or becomes payable to the Holder in that particular taxation year (whether in cash or in Units, whether such amount is automatically reinvested in additional Units of the First Asset ETF pursuant to the Reinvestment Plan or whether as a Management Fee Distribution). Amounts paid or payable by a First Asset ETF to a Holder after December 15 and before the end of the calendar year are deemed to have been paid or become payable to the Holder on December 15.

Under the Tax Act, a First Asset ETF is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions of income for the calendar year, to the extent necessary to enable the First Asset ETF to use, in that taxation year, losses from prior years without affecting the ability of the First Asset ETF to distribute its income annually. In such circumstances, the amount distributed to a Holder but not deducted by the First Asset ETF will not be included in the Holder's income. However, the adjusted cost base of the Holder's Units of the First Asset ETF will be reduced by such amount (other than the non-taxable portion of the First Asset ETF's net realized capital gains discussed in the next sentence). The non-taxable portion of a First Asset ETF's net realized capital gains for a taxation year, the taxable portion of which was designated in respect of a Holder in the calendar year in which that taxation year ends, that is paid or becomes payable to the Holder in the calendar year in which that taxation year ends will not be included in computing the Holder's income for the year. Any other amount in excess of a Holder's share of the net income of a First Asset ETF for a taxation year that is paid or becomes payable to the Holder in the calendar year in which that taxation year ends (i.e. returns of capital) will not generally be included in the Holder's income for the year, but will reduce the adjusted cost base of the Holder's Units of the First Asset ETF. To the extent that the adjusted cost base of a Unit of a First Asset ETF to a Holder would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Holder will be increased by the amount of such deemed capital gain to zero.

Provided that appropriate designations are made by a First Asset ETF, such portion of the net realized taxable capital gains of the First Asset ETF, the taxable dividends received or deemed to be received by the First Asset ETF on shares of taxable Canadian corporations and foreign source income as is paid or becomes payable to a Holder will effectively retain its character and be treated as such in the hands of the Holder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply.

Any loss of a First Asset ETF for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Holder.

On the disposition or deemed disposition of a Unit of a First Asset ETF, including on a redemption, a Holder will realize a capital gain (or capital loss) to the extent that the Holder's proceeds of disposition (which do not include any amount of capital gains payable by the First Asset ETF to the Holder which represents capital gains realized by the First Asset ETF in connection with dispositions to fund the redemption), net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit of the First Asset ETF. For the purpose of determining the adjusted cost base of a Holder's Units of a particular class of a First Asset ETF, when additional Units of that class of the First Asset ETF are acquired by the Holder (as a result of a distribution by the First Asset ETF in the form of Units, or pursuant to the Reinvestment Plan or otherwise), the cost of the newly acquired Units of that class of the First Asset ETF will be averaged with the adjusted cost base of all Units of the same class of the First Asset ETF owned by the Holder as capital property immediately before that time. For this purpose, the cost of Units that have been issued on a distribution will generally be equal to the amount of the distribution. A consolidation of Units of a First Asset ETF following a distribution paid in the form of additional Units of the First Asset ETF will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base of Units of the First Asset ETF to a Holder.

The redemption of any fraction of a Unit will result in a capital gain (or capital loss) for the redeeming Holder. A conversion of Unhedged Units into Units that are currency hedged or a conversion of Units that are currency hedged into Unhedged Units will likely constitute a disposition of the Units being converted for purposes of the Tax Act.

In the case of an exchange of Units of a First Asset ETF for a Basket of Securities, a Holder's proceeds of disposition of Units would generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received, less any capital gain realized by the First Asset ETF on the disposition of such

distributed property. The cost to a Holder of any property received from the First Asset ETF upon the exchange will generally be equal to the fair market value of such property at the time of the distribution. In the case of an exchange of Units of a First Asset ETF for a Basket of Securities, the investor may receive securities that are not qualified investments under the Tax Act for Plans. If such securities are not qualified investments for Plans, such Plans (and, in the case of certain Plans, the annuitants, beneficiaries or subscribers thereunder or holders thereof) may be subject to adverse tax consequences including, in the case of RESPs, revocation of such Plans. However, pursuant to Tax Amendments released on March 22, 2017, an RESP would no longer be revocable if it holds securities that are not a qualified investment for the RESP. Investors should consult their own tax counsel for advice on whether or not such securities would be qualified investments for Plans.

Pursuant to the Declaration of Trust, a First Asset ETF may allocate and designate as payable any capital gains realized by the First Asset ETF as a result of any disposition of property of the First Asset ETF undertaken to permit or facilitate the redemption or exchange of Units of the First Asset ETF to a Holder whose Units are being redeemed or exchanged. Any such allocations and designations will reduce the redemption price otherwise payable to the Holder and therefore the Holder's proceeds of disposition.

In general, one-half of any capital gain (a "**taxable capital gain**") realized by a Holder on the disposition of Units of a First Asset ETF or a taxable capital gain designated by a First Asset ETF in respect of the Holder in a taxation year of the Holder will be included in computing the Holder's income for that year and one-half of any capital loss (an "**allowable capital loss**") realized by the Holder in a taxation year of the Holder must be deducted from taxable capital gains realized by the Holder in the taxation year or designated by the First Asset ETF in respect of the Holder in the taxation year in accordance with the detailed provisions 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 provisions of the Tax Act.

Each Holder who delivers subscription proceeds consisting of a Basket of Securities will be disposing of securities in exchange for Units of a First Asset ETF. Assuming that such securities are held by the Holder as capital property for purposes of the Tax Act, the Holder will generally realize a capital gain (or a capital loss) in the taxation year of the Holder in which the disposition of such securities takes place to the extent that the proceeds of disposition for such securities, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such securities to the Holder. For this purpose, the proceeds of disposition to the Holder of securities disposed of will equal the aggregate of the fair market value of the Units of the First Asset ETF received for the securities. The cost to a Holder of Units of a First Asset ETF acquired in exchange for a Basket of Securities and cash (if any) will be equal to the aggregate of the cash paid (if any) to the First Asset ETF plus the fair market value of the securities disposed of in exchange for Units at the time of disposition, which sum would generally be equal to or would approximate the fair market value of the Units received in exchange for a Basket of Securities and cash (if any).

A Holder will be required to compute all amounts, including the adjusted cost base of Units and proceeds of disposition, in Canadian dollars in accordance with the detailed rules in the Tax Act.

Amounts designated by a First Asset ETF to a Holder as taxable capital gains or dividends from taxable Canadian corporations, and taxable capital gains realized on the disposition of Units may increase the Holder's liability for alternative minimum tax.

### **Taxation of Registered Plans**

Amounts of income and capital gains included in a Plan's income are generally not taxable under Part I of the Tax Act provided the Units are "qualified investments" for the Plan for purposes of the Tax Act.

Holders should consult their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Plan.

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 Units held by such TFSA, RRSP or RRIF, as the case may be, if such Units are a "prohibited investment" for such Plans for purposes of the Tax Act.

The Units 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, (i) does not deal at arm's

length with the First Asset ETF for purposes of the Tax Act, or (ii) has a “significant interest” as defined in the Tax Act in the First Asset ETF. Generally, a holder or annuitant, as the case may be, will not have a significant interest in a First Asset ETF unless the holder or annuitant, as the case may be, owns interests as a beneficiary under the First Asset ETF that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the First Asset ETF, either alone or together with persons and partnerships with which the holder or annuitant, as the case may be, does not deal at arm’s length. In addition, the Units will not be a “prohibited investment” if such Units are “excluded property” as defined in the Tax Act for a trust governed by a TFSA, RRSP or RRIF.

Pursuant to the Tax Amendments released on March 22, 2017, the rules in respect of “prohibited investment” are also proposed to apply to (i) RDSPs and the holders thereof and (ii) RESPs and the subscribers thereof.

Holders, annuitants and subscribers should consult their own tax advisors with respect to whether Units of a First Asset ETF would be prohibited investments, including with respect to whether such Units would be excluded property.

### **Tax Implications of the First Asset ETFs’ Distribution Policy**

The net asset value per Unit of a First Asset ETF will, in part, reflect any income and gains of the First Asset ETF that have accrued or been earned or been realized, but have not been made payable at the time Units of the First Asset ETF were acquired. Accordingly, a Holder who acquires Units of a First Asset ETF, including on a reinvestment of distributions or a distribution of Units of the First Asset ETF, may become taxable on the Holder’s share of such income and gains of the First Asset ETF. In particular, an investor who acquires Units of a First Asset ETF at any time in the year but prior to a distribution being paid or made payable will have to pay tax on the entire distribution (to the extent it is a taxable distribution) notwithstanding that such amounts may have been reflected in the price paid by the Holder for the Units. Further, where a Holder acquires Units in a calendar year after December 15 of such year, such Holder may become taxable on income earned or capital gains realized in the taxation year ending on December 15 of such calendar year but that had not been made payable before the Units were acquired.

## **ORGANIZATION AND MANAGEMENT DETAILS OF THE FIRST ASSET ETFs**

### **Manager and Portfolio Adviser of the First Asset ETFs**

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

### **Duties and Services to be Provided by the Manager**

Pursuant to the Declaration of Trust, the Manager is responsible for execution of each of the First Asset ETF’s investment strategy and will also provide and arrange for the provision of required administrative services to the First Asset ETFs including, without limitation: providing investment advisory and portfolio management services, implementing the First Asset ETFs’ investment strategies, negotiating contracts with certain third-party service providers, including, but not limited to, investment managers, custodians, registrars, transfer agents, auditors and printers; authorizing the payment of operating expenses incurred on behalf of the First Asset ETFs; maintaining accounting records; preparing the reports to Unitholders and to the applicable securities regulatory authorities; calculating the amount and determining the frequency of distributions by the First Asset ETFs; preparing financial statements, income tax returns and financial and accounting information as required; ensuring that Unitholders are provided with financial statements and other reports or documents as are required from time to time by applicable law; ensuring that the First Asset ETFs comply with all other regulatory requirements including continuous disclosure obligations under applicable securities laws; administering purchases, redemptions and other transactions in Units; arranging for any payments required upon termination of the First Asset ETFs; and dealing and communicating with Unitholders. The Manager will provide office facilities and personnel to carry out these services, if not otherwise furnished by any other service provider to the First Asset ETFs. The Manager will also



monitor the investment strategy of each First Asset ETF to ensure that each First Asset ETF complies with its investment objective, investment strategies and investment restrictions and practices.

No manager of a First Asset ETF shall be a person who (i) is not a resident of Canada for purposes of the Tax Act, or (ii) does not agree to carry out its functions of managing the First Asset ETF in Canada.

Pursuant to the Declaration of Trust, the Manager has full authority and responsibility to manage and direct the business and affairs of the First Asset ETFs, to make all decisions regarding the business of the First Asset ETFs and to bind the First Asset ETFs. The Manager may delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the First Asset ETFs to do so.

The Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Unitholders of the First Asset ETFs, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that the Manager will not be liable to a First Asset ETF or to any Unitholder or any other person for any loss or damage relating to any matter regarding that First Asset ETF, including any loss or diminution of value of the assets of the First Asset ETF if it has satisfied its standard of care set forth above.

The Manager and each of its directors, officers, employees and agents may be indemnified out of the assets of a First Asset ETF from and against all claims whatsoever, including costs, charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done or omitted in or in relation to the execution of its duties to the First Asset ETF as long as the person acted honestly and in good faith with a view to the best interests of the First Asset ETF.

The Manager may resign upon 90 days' prior written notice to the Trustee or upon such lesser notice period as the Trustee may accept. The Manager may also be removed by the Trustee on at least 90 days' written notice to the Manager. The Trustee shall make every effort to select and appoint a successor manager prior to the effective date of the Manager's resignation.

The Manager is entitled to fees for its services as manager under the Declaration of Trust as described under "Fees and Expenses" and will be reimbursed for all reasonable costs and expenses incurred by the Manager on behalf of the First Asset ETFs. The Manager may, in its discretion, terminate a First Asset ETF without the approval of Unitholders if, in its opinion, it is no longer economically feasible to continue the First Asset ETF and/or it would otherwise be in the best interests of Unitholders to terminate the First Asset ETF.

The administration and management services of the Manager under the Declaration of Trust are not exclusive and nothing in the Declaration of Trust 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 the First Asset ETFs) or from engaging in other activities.

### **Directors and Executive Officers of the Manager**

The name, municipality of residence, position and principal occupation of each of the directors and executive officers of the Manager are as follows:

<i><b>Name and Municipality of Residence</b></i>	<i><b>Date Individual became a Director</b></i>	<i><b>Position with the Manager</b></i>	<i><b>Principal Occupation</b></i>
ROHIT D. MEHTA Toronto, Ontario	May 1, 2017	Director and President (acting as Chief Executive Officer)	President, First Asset (since May 2017); Executive Vice-President, Distribution and Strategy, First Asset (since October 2009)
DOUGLAS J. JAMIESON Toronto, Ontario	November 30, 2015	Director and Chief Financial Officer	Chief Financial Officer, First Asset (since May 2017); Executive Vice-President and Chief Financial Officer, CI Financial Corp. (since 2008) and CI Investments Inc. (since

<i>Name and Municipality of Residence</i>	<i>Date Individual became a Director</i>	<i>Position with the Manager</i>	<i>Principal Occupation</i>
			1995)
EDWARD KELTERBORN Toronto, Ontario	May 1, 2017	Director	Senior Vice-President and General Counsel, CI Investments Inc. (since September 2016); Senior Vice-President, Legal and Operations, First Asset (July 2012 – September 2016)
Z. EDWARD AKKAWI Toronto, Ontario	N/A	Chief Operating Officer, General Counsel and Corporate Secretary	Chief Operating Officer, General Counsel and Corporate Secretary, First Asset (since 2000)
SHERYL J. CHIDDENTON Campbellville, Ontario	N/A	Chief Compliance Officer	Chief Compliance Officer, First Asset (since 2013); Chief Compliance Officer and Vice-President, Compliance & Investment Services, Creststreet Asset Management Limited (2001-2012)

Where a person has held multiple positions within a company, the above table generally sets out only the current or most recently-held position or positions held at that company, while the start dates generally refer to the date of the first position held at that company or the first of the listed positions held by the person at that company. Each director will hold his position until the next annual general meeting of the Manager at which time he may be re-elected. All companies listed above are or were principally engaged in the business of investment fund management.

### **Portfolio Management Team**

The Manager's portfolio management team is responsible for executing the Fund'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. Investment decisions made by the portfolio management team are not subject to the oversight, approval or ratification of a committee.

<i>Name</i>	<i>Title</i>
LEE GOLDMAN	Senior Vice-President and Portfolio Manager
MANASH GOSWAMI	Senior Vice-President and Portfolio Manager
CRAIG ALLARDYCE	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 in the capacity of Portfolio 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.

### **Designated Brokers**

The Manager, on behalf of each First Asset ETF, has entered into a Designated Broker Agreement with a Designated Broker pursuant to which the Designated Broker has agreed to perform certain duties relating to that First Asset ETF including, without limitation: (i) to subscribe for a sufficient number of Units of that First Asset ETF to satisfy the TSX's original listing requirements; (ii) to subscribe for Units of that First Asset ETF on an ongoing basis, and (iii) to post a liquid two way market for the trading of Units of that First Asset ETF on the TSX. Payment for Units of a First Asset ETF must be made by the Designated Broker, and those Units will be issued, by no later than the third Trading Day after the subscription notice has been delivered. If the Draft Amendments come into force, from the coming-into-force date onwards the reference to "third Trading Day" in the previous sentence should be read as "second Trading Day".

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

Units do not represent an interest or an obligation of such Designated Broker or Dealers or any affiliate thereof and a Unitholder 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 Broker or Dealers.

### **Brokerage Arrangements**

The Manager has established policies and procedures for selecting markets, brokers and investment dealers for the execution of transactions in respect of the First Asset ETFs' investments and for seeking to obtain the best price and execution for those transactions. The First Asset ETFs are responsible to pay any commissions negotiated in relation to these brokerage arrangements. The Manager will evaluate and review on an ongoing and periodic basis, and not less than annually, each broker's ability to deliver best execution on an aggregate basis over time.

The Manager's allocation of brokerage business for effecting portfolio transactions on behalf of the First Asset ETFs 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 allocate brokerage business to affiliates. The allocation of business among brokers is based on a number of factors including, but not limited to, the quality of service and the terms offered for specific transactions including price, volume, speed and certainty of execution, the competitiveness of commission terms and prices, the range of brokerage services provided, the quality of research provided, total transaction cost, the broker's capital strength and stability and the Manager's knowledge of any actual or apparent operational problems of the brokers. These same factors are used by the Manager in making a good-faith determination as to the reasonableness of the commission rate and such other benefits that may be derived by the First Asset ETFs.

In addition, the Manager may, consistent with its duty to seek best price and execution, utilize the services of soft dollar brokerage firms. A portion of the commissions generated through the use of soft dollar brokerage accounts are used to pay for order execution and research goods and services which may include, but are not limited to, order management systems, trading software and raw market data, custody, clearance and settlement services, databases, analytical software and research reports. The order execution and research goods and services may be provided directly from the soft dollar brokerage firm, or indirectly from a third party.

Since the date of the First Asset ETFs' last prospectus, certain brokerage transactions have been directed to soft dollar brokers in return for the provision of market data feeds and research reports. None of these services were provided by an affiliated entity.

The name of any broker or third party that provides research and/or order execution goods and services through a soft dollar arrangement with the Manager will be provided upon request by contacting the Manager at 1-877-642-1289 or at [info@firstasset.com](mailto:info@firstasset.com).

### **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 Declaration of Trust 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 Unitholders. 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 Unitholders to exercise good faith and fairness in all dealings affecting the First Asset ETFs. In the event that a Unitholder of a First Asset ETF believes that the Manager has violated its duty to such Unitholder, the Unitholder 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. Unitholders should be aware that the performance by the Manager of its responsibilities to a 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.

A registered dealer acts as a Designated Broker and one or more registered dealers may act as 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 Units. 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 Unitholders.

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 with 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 applicable Designated Broker and Dealers do not act as underwriters of any First Asset ETF in connection with the distribution of Units under this prospectus. Units 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 Unitholder does not have any recourse against any such parties in respect of amounts payable by a First Asset ETF to the applicable Designated Broker or Dealers. The Canadian securities regulators have provided the First Asset ETFs with a decision exempting the First Asset ETFs 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 Unitholders 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.

Mr. Reucassel was appointed to the IRC in September, 2016 to fill a vacancy created when Mr. Henry J. Knowles retired from the IRC.

The IRC will prepare a report, at least annually, of its activities for Unitholders which will be available on the First Asset ETF's website at [www.firstasset.com](http://www.firstasset.com), or at the Unitholder's request at no cost, by contacting the Manager at [info@firstasset.com](mailto: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 (\$53,500), 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.

### **The Trustee**

First Asset is also the trustee of the First Asset ETFs pursuant to the Declaration of Trust. The Trustee may resign and be discharged from all further duties under the Declaration of Trust upon 90 days' prior written notice to the Manager or upon such lesser notice as the Manager may accept. No Trustee of a First Asset ETF shall be a person who (i) is not a resident of Canada for the purposes of the Tax Act, or (ii) does not agree to carry out its functions of managing the First Asset ETF in Canada, and exercise the main powers and discretions of the trustee of the First Asset ETF in Canada. The Manager shall make every effort to select and appoint a successor trustee prior to the effective date of the Trustee's resignation. If the Manager fails to appoint a successor trustee within 90 days after notice is given or a vacancy occurs, the Manager shall call a meeting of Unitholders of the First Asset ETF within 60

days thereafter for the purpose of appointing a successor trustee. If there is no manager, five Unitholders of a First Asset ETF may call a meeting of Unitholders of the First Asset ETF within 31 days after notice is given or a vacancy occurs for the purpose of appointing a successor trustee. In each case, if, upon the expiry of a further 30 days, neither the Manager nor the Unitholders of a First Asset ETF have appointed a successor trustee, the First Asset ETF shall be terminated and the property of the First Asset ETF shall be distributed in accordance with the terms of the Declaration of Trust.

The Trustee is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the First Asset ETFs, and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that the Trustee will not be liable in carrying out its duties under the Declaration of Trust as long as the Trustee has adhered to its standard of care set out above. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties.

The Trustee will not receive any fees from the First Asset ETFs but will be reimbursed for all expenses and liabilities that it properly incurs in carrying out activities on behalf of the First Asset ETFs.

## **Custodians**

### ***Existing First Asset ETFs***

State Street Trust Company Canada is the current Custodian of each Existing 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 an Existing First Asset ETF which is not directly held by the Custodian, including any property of an Existing First Asset ETF that is loaned or pledged to a counterparty.

Under the Custodian Agreement, each Existing 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 Existing 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 been cured or made substantial progress to cure the violation within 90 days of receipt of such written notice.

CIBC Mellon Trust Company will replace State Street Trust Company Canada as the custodian of the Existing First Asset ETFs in or around the fourth quarter of 2017.

### ***New First Asset ETF***

CIBC Mellon Trust Company is the Custodian of the New 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 same degree of care, diligence and skill that a reasonably prudent person would exercise in the same circumstances, or, if higher, the degree of care, diligence and skill that the Custodian exercises in respect of its own property of a similar nature in its custody. 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 the New First Asset ETF which is not directly held by the Custodian, including any property of the New First Asset ETF that is loaned or pledged to a counterparty.

Under the Custodian Agreement, the New 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. The New First Asset ETF shall also indemnify the Custodian or any of its officers, directors, employees or agents for any loss, damage or expense, including reasonable counsel fees and expenses, arising in connection with the Custodian Agreement, except to the

extent caused by a breach by the Custodian of its standard of care or a material breach of the Custodian Agreement. The Manager and the New First Asset ETF will be indemnified in certain circumstances as set out in the Custodian Agreement. Either party may terminate the Custodian Agreement upon at least 90 days written notice or immediately if the other party becomes insolvent, or makes an assignment for the benefit of creditors, or a petition in bankruptcy is filed by or against that party and is not discharged within 30 days, or proceedings for the appointment of a receiver for that party are commenced and not discontinued within 30 days.

### **Valuation Agents**

State Street Fund Services Toronto Inc. currently provides accounting services in respect of the Existing First Asset ETFs pursuant to a valuation services agreement. CIBC Mellon Global Securities Services Company will replace State Street Fund Services Toronto Inc. as the accounting and valuation agent of the Existing First Asset ETFs in or around the fourth quarter of 2017.

CIBC Mellon Global Security Services Company provides accounting services in respect of the New First Asset ETF pursuant to a valuation services agreement.

### **Securities Lending Agents**

State Street Bank and Trust Company currently acts as the securities lending agent for the Existing First Asset ETFs pursuant to a securities lending agreement. State Street Bank and Trust Company is located in Toronto, Ontario. The Manager and the securities lending agent may each terminate the securities lending agreement upon fifteen (15) business days' written notice to the other at any time. The securities lending agent is not an affiliate of the Manager. Under the securities lending agreement, the collateral posted by a securities borrower to an Existing 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 the Existing First Asset ETF, each Existing First Asset ETF also benefits from a borrower default indemnity provided by the securities lending agent. The securities lending agent's indemnity provides for the replacement of a number of securities equal to the number of unreturned loaned securities. The Bank of New York Mellon Company will replace the State Street Bank and Trust Company as the securities lending agent for each of the Existing First Asset ETFs in or around the fourth quarter of 2017.

The securities lending agent to the New First Asset ETF, the Bank of New York Mellon, acts as the securities lending agent pursuant to a securities lending agreement. The Bank of New York Mellon is located in New York, New York. The Manager and the securities lending agent may each terminate the securities lending agreement upon thirty (30) business days' written notice to the other at any time. The securities lending agent is not an affiliate of the Manager. Under the securities lending agreement, the collateral posted by a securities borrower to the New 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 the New First Asset ETF, the New First Asset ETF also benefits from a borrower default indemnity provided by the securities lending agent. The securities lending agent's indemnity provides for the replacement of a number of securities equal to the number of unreturned loaned securities.

### **Auditors**

Ernst & Young LLP is the auditor of the First Asset ETFs. The office of the auditors is located at Ernst & Young Tower, 100 Adelaide Street West, P.O. Box 1, Toronto, Ontario, M5H 0B3 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 by each First Asset ETF as of the date of the initial issuance of Units of each First Asset ETF.

### **Promoter**

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.

### **Accounting and Reporting**

Each 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 each 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 each First Asset ETF. A Unitholder of a First Asset ETF or his or her duly authorized representative will have the right to examine the books and records of the First Asset ETF during normal business hours at the offices of the Manager or such other location as the Manager shall determine. Notwithstanding the foregoing, a Unitholder 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 First Asset ETF.

### **CALCULATION OF NET ASSET VALUE**

The net asset value per Unit of a class of a First Asset ETF will be computed by adding up the cash, securities and other assets of the First Asset ETF allocated to the class pro rata, less the liabilities allocated to the class pro rata, and dividing the value of the net assets of that class by the total number of Units of that class that are outstanding. The net asset value per Unit of each class of a First Asset ETF so determined will be adjusted to the nearest cent per Unit of that class and will remain in effect until the time as at which the next determination of the net asset value per Unit of that class of the First Asset ETF is made. The net asset value per Unit of each class of a First Asset ETF will be calculated on each Valuation Day.

Typically, the net asset value per Unit of a First Asset ETF will be calculated at its applicable Valuation Time. The net asset value per Unit of each class 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 each First Asset ETF 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 fair 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 net asset value 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 Unitholders of the First Asset ETF 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 Unit of the First Asset ETF is calculated.

Prior to the calculation of the net asset value of a First Asset ETF, any foreign 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 net asset value 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 net asset value of the First Asset ETF is calculated. If no market value is available for an investment of the 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 the 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 net asset value of a First Asset ETF, Units of the First Asset ETF subscribed for will be deemed to be outstanding immediately following the calculation of the applicable net asset value per Unit that is the issue price of the Units and the amount payable in connection with the issuance shall then be deemed to be an asset of the

First Asset ETF. Units of a First Asset ETF that are being redeemed shall be deemed to remain outstanding until immediately following the calculation of the applicable net asset value per Unit that is the redemption price of the Units and thereafter, the redemption proceeds, 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 Unit of a 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](http://www.firstasset.com).

## **ATTRIBUTES OF THE SECURITIES**

### **Description of the Securities Distributed**

Each First Asset ETF is authorized to issue an unlimited number of redeemable, transferable Units pursuant to this prospectus, each of which represents an undivided interest in the net assets of that First Asset ETF.

The primary difference between the currency hedged Units and the Unhedged Units, if any, of a particular First Asset ETF is that the exposure in relation to the Unhedged Units of such First Asset ETF to currencies other than the Canadian dollar will not be hedged back to the Canadian dollar. Accordingly, the net asset value per Unit and the net asset value per Unhedged Unit will not be the same as a result of the different currency hedging strategy.

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any default, obligation or liability of the trust if, when the default occurs or the liability arises: (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of Ontario. Each First Asset ETF is a reporting issuer under the *Securities Act* (Ontario) and is governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust.

Each Unit of a class of a First Asset ETF entitles the owner to one vote at meetings of Unitholders of the First Asset ETF. Each Unit of a class of a First Asset ETF is entitled to participate equally with all other Units of the same class of the First Asset ETF with respect to all payments made to Unitholders of that class, other than Management Fee Distributions, including distributions of net income and net realized capital gains and, on liquidation, to participate equally in the net assets of that class of the First Asset ETF remaining after satisfaction of any outstanding liabilities that are attributable to that class of Units of the First Asset ETF. Notwithstanding the foregoing, pursuant to the Declaration of Trust, a First Asset ETF may allocate and designate as payable any capital gains realized by the First Asset ETF as a result of any disposition of property of the First Asset ETF undertaken to permit or facilitate the redemption or exchange of Units of the First Asset ETF to a Unitholder whose Units of the First Asset ETF are being redeemed or exchanged. All Units 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. Unitholders of a First Asset ETF are entitled to require the First Asset ETF to redeem their Units of the First Asset ETF as outlined under the heading "Exchange and Redemption of Units".

### **Exchange of Units for Baskets of Securities**

Unitholders of a First Asset ETF may exchange the applicable PNU (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 PNU be exchanged. See "Exchange and Redemption of Units".

### **Redemptions of Units for Cash**

On any Trading Day, Unitholders of a First Asset ETF may redeem Units of the First Asset ETF for cash at a redemption price per Unit equal to 95% of the closing price for the Units on the TSX on the effective day of the redemption. See "Exchange and Redemption of Units".

### **Conversion of Units**

Unitholders may convert Units of any class of a First Asset ETF into whole Units of any other class of the same First Asset ETF in any month. See “Exchange and Redemption of Units – Conversion of Units” and “Income Tax Considerations – Taxation of Holders”.

### **Modification of Terms**

Any amendment to the Declaration of Trust that creates a new class of Units of a First Asset ETF will not require notice to existing Unitholders of the First Asset ETF unless such amendment in some way affects the existing Unitholders’ rights or the value of their investment. An amendment such as the re-designation of a class of Units of a First Asset ETF, or the termination of a class of Units of the First Asset ETF, which has an effect on a Unitholder’s holdings will only become effective after 30 days’ notice to Unitholders of the applicable classes of Units of the First Asset ETF.

All other rights attached to the Units of a First Asset ETF may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See “Unitholder Matters - Amendments to the Declaration of Trust”.

### **Voting Rights in the Portfolio Securities**

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

## **UNITHOLDER MATTERS**

### **Meetings of Unitholders**

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

### **Matters Requiring Unitholder Approval**

NI 81-102 requires a meeting of Unitholders 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 Unitholders is changed in a way that could result in an increase in charges to the First Asset ETF or to its Unitholders, except where:
  - (A) the First Asset ETF is at arm’s length with the person or company charging the fee; and
  - (B) the Unitholders have received at least 60 days’ notice before the effective date of the change;
- (ii) a fee or expense, to be charged to a First Asset ETF or directly to its Unitholders by the First Asset ETF or the Manager in connection with the holding of Units of the First Asset ETF that could result in an increase in charges to the First Asset ETF or its Unitholders, 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 Unit;
- (vi) other than a Permitted Merger for which Unitholder 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 Unitholders of the First Asset ETF 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 Unitholders, 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 Unitholders.

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) Unitholders have received at least 60 days' notice before the effective date of the change.

Approval of Unitholders will be deemed to have been given if expressed by resolution passed at a meeting of Unitholders, 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.

#### **Amendments to the Declaration of Trust**

If a Unitholder meeting is required to amend a provision of the Declaration of Trust, no change proposed at a meeting of Unitholders of a First Asset ETF shall take effect until the Manager has obtained the prior approval of not less than a majority of the votes cast at such meeting of Unitholders of the First Asset ETF or, if separate class meetings are required, at meetings of each class of Unitholders of the First Asset ETF.

Subject to any longer notice requirements imposed under securities legislation, the Trustee is entitled to amend the Declaration of Trust by giving not less than 30 days' notice to Unitholders of each First Asset ETF affected by the proposed amendment in circumstances where:

- (a) the securities legislation requires that written notice be given to Unitholders of that First Asset ETF before the change takes effect;
- (b) the change would not be prohibited by the securities legislation; or
- (c) the Trustee reasonably believes that the proposed amendment has the potential to adversely impact the financial interests or rights of the Unitholders of that First Asset ETF, so that it is equitable to give Unitholders of that First Asset ETF advance notice of the proposed change.

All Unitholders of a First Asset ETF shall be bound by an amendment affecting the First Asset ETF from the effective date of the amendment.

The Trustee may amend the Declaration of Trust without the approval of or prior notice to any Unitholders if the Trustee reasonably believes that the proposed amendment does not have the potential to adversely impact the financial interests or rights of Unitholders of a First Asset ETF or that the proposed amendment is necessary to:

- (a) ensure compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over a First Asset ETF or the distribution of its Units;
- (b) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any applicable laws, regulations or policies affecting a First Asset ETF, the Trustee or its agents;
- (c) make any change or correction in the Declaration of Trust which is a typographical correction or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission or error contained therein;
- (d) facilitate the administration of a First Asset ETF as a mutual fund trust or make amendments or adjustments in response to any existing or proposed amendments to the Tax Act or its administration which might otherwise adversely affect the tax status of a First Asset ETF or its Unitholders;
- (e) protect the Unitholders of a First Asset ETF; or

- (f) make any change or correction which is necessary or desirable for the purpose of bringing the Declaration of Trust into conformity with current market practice within the securities or investment fund industries or curing or correcting any administrative difficulty.

### **Permitted Mergers**

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

The Manager, on behalf of a First Asset ETF, will in accordance with applicable laws furnish to each Unitholder, 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 each First Asset ETF will contain a statement of financial position, a statement of comprehensive income, a statement of changes in net assets attributable to holders of redeemable securities, a statement of cash flows and an accompanying schedule of investment portfolio.

Any tax information necessary for Unitholders 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 ETFs. Neither the Manager nor the Registrar and Transfer Agent are responsible for tracking the adjusted cost base of a Unitholder's Units. Unitholders should consult with their tax or investment adviser in respect of how to compute the adjusted cost base of their Units and in particular how designations made by the First Asset ETF to a Unitholder affect the Unitholder's tax position.

The net asset value per Unit of each 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, the Manager may terminate a First Asset ETF at its discretion. In accordance with the terms of the Declaration of Trust and applicable securities law, Unitholders of a First Asset ETF will be provided 60 days' advance written notice of the termination.

If a First Asset ETF is terminated, the Trustee is empowered to take all steps necessary to effect the termination of the First Asset ETF. Prior to terminating a First Asset ETF, the Trustee may discharge all of the liabilities of the First Asset ETF and distribute the net assets of the First Asset ETF to the Unitholders of the First Asset ETF.

Upon termination of a First Asset ETF, each Unitholder 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 Unitholder's Units at the net asset value per Unit for that class of Units of the First Asset ETF 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 Unitholder's Units that have not otherwise been paid to such Unitholder; 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 Unitholder and drawn on the First Asset ETF's bankers and may be mailed by ordinary post to such Unitholder's last address appearing in the registers of Unitholders of that First Asset ETF or may be delivered by such other means of delivery acceptable to both the Manager and such Unitholder.

**Procedure on Termination**

The Trustee 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 Trustee 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 Unitholders of the First Asset ETF. Out of the moneys so retained, the Trustee is entitled to be indemnified and saved harmless against all costs, charges, expenses, claims and demands.

**PLAN OF DISTRIBUTION**

Units of each First Asset ETF are being offered for sale on a continuous basis by this prospectus and there is no maximum number of Units of a First Asset ETF that may be issued. The Units of a First Asset ETF shall be offered for sale at a price equal to the net asset value of such Units next determined following the receipt of a subscription order.

Units of the Existing First Asset ETFs are currently listed on the Toronto Stock Exchange (“**TSX**”) and investors can buy or sell such Units on the TSX through registered brokers and dealers in the province or territory where the investors reside. The Units, including the Unhedged Units, of the New First Asset ETF have been conditionally approved for listing on the TSX. Subject to satisfying the TSX’s original listing requirements, Units of the New First Asset ETF will be listed on the TSX and investors will be able to buy or sell such Units on the TSX through registered brokers and dealers in the province or territory where the investors reside.

Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or any First Asset ETF in connection with the buying or selling of Units on the TSX.

**Non-Resident Unitholders**

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 Units of a First Asset ETF (on either a number of Units or fair market value basis) and the Manager shall inform the Registrar and Transfer Agent of the First Asset ETF of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units 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 Units of a First Asset ETF then outstanding (on either a number of Units 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 Units of a First Asset ETF (on either a number of Units 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 Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units 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 Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

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 a First Asset ETF as a mutual fund trust 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 First Asset ETF as a mutual fund trust for purposes of the Tax Act.

## RELATIONSHIP BETWEEN THE FIRST ASSET ETFs AND THE DEALERS

The Manager, on behalf of a First Asset ETF, 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 Units of the First Asset ETF as described under “Purchases of Units”. Such registered dealers may be related to the Manager. See “Organization and Management Details of the First Asset ETFs - Conflicts of Interest”.

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 Units of the 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 applicable Designated Broker and Dealers do not act as underwriters of any First Asset ETF in connection with the distribution of Units under this prospectus. See “Organization and Management Details of the First Asset ETFs - Conflicts of Interest”.

## PRINCIPAL HOLDERS OF UNITS

The Manager currently holds one (1) Unit and one (1) Unhedged Unit of the New First Asset ETF, comprising all of the currently issued and outstanding Units of the New First Asset ETF. CDS & Co., the nominee of CDS, is currently the registered owner of the Units of all of the First Asset ETFs, which it holds for various brokers and other persons on behalf of their clients and others.

From time to time, a First Asset ETF or another investment fund managed by the Manager or an affiliate thereof, may beneficially own, directly or indirectly, more than 10% of the Units of a First Asset ETF.

## 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 Unitholders – 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 such 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 the First Asset ETFs. 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 Unitholders 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](http://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 Unitholder on request, at no cost, and will also be available on the internet at [www.firstasset.com](http://www.firstasset.com). Information contained on the 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) **Declaration of Trust.** For additional disclosure related to the Declaration of Trust, see “Organization and Management Details of the First Asset ETF – The Trustee”, “Attributes of Securities – Modification of Terms”, and “Unitholder Matters – Amendments to the Declaration of Trust”;
- (b) **Custodian Agreements.** For additional disclosure related to the Custodian Agreements, see “Organization and Management Details of the First Asset ETF – Custodians”; and
- (c) **License Agreements.** For additional disclosure related to 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, 12<sup>th</sup> 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, have consented to the use of their report dated March 27, 2017 to the securityholders of each of the Existing First Asset ETFs on the statements of financial position as at December 31, 2016 and 2015, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable securities and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information. Ernst & Young LLP have also consented to the use of their report dated August 3, 2017, to the securityholder, Trustee and Manager of the New First Asset ETF on the statement of financial position as at August 3, 2017, 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 ETFs will rely on exemptive relief from the Canadian securities regulatory authorities:

- (a) to permit a Unitholder of the First Asset ETF to acquire more than 20% of the Units of the First Asset ETF through purchases on the TSX without regard to the takeover bid requirements of applicable Canadian securities legislation provided the Unitholder, and any person acting jointly or in concert with such Unitholder, undertakes to the Manager not to vote more than 20% of such Units at any meeting of Unitholders. See “Purchases of Units – Buying and Selling Units”;
- (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 a First Asset ETF’s 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 a First Asset ETF to use references to Lipper Leader ratings and Lipper Awards in sales communications;



- (e) to permit the disclosure and marketing of annual FundGrade A+ Awards and monthly FundGrade Ratings;
- (f) to relieve a First Asset ETF from the requirement contained in paragraph 12.2(2)(a) of NI 81-106 for a person or company that solicits proxies, by or on behalf of management of a First Asset ETF, to send an information circular to each registered holder of securities of a First Asset ETF whose proxy is solicited, and instead allow a 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 decisions); and
- (g) to permit the Manager to call meetings of the First Asset ETFs using the Notice-and-Access Procedure as permitted by the terms of relief.

Additionally, certain dealers of the First Asset ETFs, including the Designated Brokers and Dealers of the First Asset ETFs, 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 the applicable First Asset ETF to a purchaser if the dealer does not deliver a copy of this prospectus.

## **OTHER MATERIAL FACTS**

### **Management of the First Asset ETFs**

First Asset may, at any time and without seeking Unitholder approval, assign the Declaration of Trust to an affiliate.

### **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 ETF”), 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 Legislation) 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 in which the account holders or such controlling persons are resident, where such countries have agreed to a bilateral information exchange with Canada under the Common Reporting Standard.

Under the CRS Provisions, Unitholders may be required to provide certain information regarding their investment in a First Asset ETF to any applicable Canadian financial institution (for instance completing a Declaration of Tax Residence or similar form) for the purpose of complying with the CRS Provisions and, where applicable, such information exchange (which information is initially required to be provided to the CRA by May 1, 2018), unless the investment is held within a Plan.

### **Index Information - Morningstar® Indexes**

The Manager has entered into the License Agreement dated November 8, 2011, as amended by the first amending agreement dated January 6, 2012 with Morningstar Research Inc. under which it has the right, on and subject to the terms of the License Agreement, to use the Indexes as a basis for the operation of certain of the First Asset ETFs and to use certain trademarks in connection with certain of the First Asset ETFs. The License Agreement is for a term of

five (5) years 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.

#### **Disclaimer**

The First Asset Morningstar Canada Dividend Target 30 Index ETF, First Asset Morningstar US Dividend Target 50 Index ETF, First Asset Morningstar Canada Momentum Index ETF, First Asset Morningstar US Momentum Index ETF, First Asset Morningstar International Momentum Index ETF, First Asset Morningstar Canada Value Index ETF, First Asset Morningstar US Value Index ETF, First Asset Morningstar International Value Index ETF and First Asset Morningstar National Bank Québec Index ETF are not sponsored, endorsed, sold or promoted by Morningstar, Inc. or any of its affiliates (collectively, "**Morningstar**"). Morningstar makes no representation or warranty, express or implied, to the owners of the Units or any member of the public regarding the advisability of investing in securities generally or in the Units in particular or the ability of the Index to track general stock market performance. Morningstar's only relationship to the Manager is the licensing of certain service marks and service names of Morningstar and of the Morningstar® Canada Target Dividend Index™, Morningstar® US Target Dividend Index™, Morningstar® Canada Target Momentum Index™, Morningstar® US Target Momentum Index™, Morningstar® Developed Markets ex-North America Target Momentum Index™, Morningstar® Canada Target Value Index™, Morningstar® US Target Value Index™, Morningstar® Developed Markets ex-North America Target Value Index™ and Morningstar® National Bank Québec Index™ which are determined, composed and calculated by Morningstar without regard to the Manager or the First Asset ETFs. Morningstar has no obligation to take the needs of the Manager or the owners of Units into consideration in determining, composing or calculating the Indices. Morningstar is not responsible for and has not participated in the determination of the prices and amount of the Units or the timing of the issuance or sale of the Units or in the determination or calculation of the equation by which the Units is converted into cash. Morningstar has no obligation or liability in connection with the administration, marketing or trading of the Units.

MORNINGSTAR DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDICES OR ANY DATA INCLUDED THEREIN AND MORNINGSTAR SHALL NOT HAVE LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. MORNINGSTAR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE MANAGER, OWNERS OR USERS OF THE UNITS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDICES OR ANY DATA INCLUDED THEREIN. MORNINGSTAR MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDICES OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL MORNINGSTAR HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

#### **Index Information – MSCI Indices**

The Manager has entered into the License Agreement dated December 1, 2013 with MSCI under which it has the right, on and subject to the terms of the License Agreement, to use the Indices as a basis for the operation of certain of the First Asset ETFs and to use certain trademarks in connection with certain of the First Asset ETFs. The License Agreement is for an initial term of 3 years 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 ETF for any reason, the Manager will no longer be able to operate that First Asset ETF based on the applicable Index.

#### **Disclaimer**

THE FIRST ASSET ETFs ARE 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 INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES 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 ETFs OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THE FIRST ASSET ETFs 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 INDEXES 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 ETFs OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. 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 ETFs TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THE FIRST ASSET ETFs 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 ETFs.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES 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 ETFs, OWNERS OF THE FIRST ASSET ETFs, 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 PARTIES 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 ETFs, 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.

#### **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 Units of a First Asset ETF will not have the right to withdraw from an agreement to purchase the Units 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 Units of a First Asset ETF 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 Units 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 Units of a First Asset ETF 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 of the First Asset ETF, together with the accompanying report of the auditor;
- (b) any interim financial statements of the First Asset ETF filed after those annual financial statements;
- (c) the most recently filed annual management report of fund performance of the First Asset ETF;
- (d) any interim management report of fund performance of the First Asset ETF filed after that most recently filed annual management report of fund performance of the First Asset ETFs; and
- (e) the most recently filed ETF Summary Document of the First Asset ETF.

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 the First Asset ETF’s website at [www.firstasset.com](http://www.firstasset.com). These documents and other information about each of the First Asset ETFs will also be available on the internet at [www.sedar.com](http://www.sedar.com).

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

**First Asset MSCI International Low Risk Weighted ETF**  
*Statement of financial position*  
August 3, 2017  
Together With Independent Auditors' Report

## INDEPENDENT AUDITORS' REPORT

To the Securityholder, Trustee and Manager of  
**First Asset MSCI International Low Risk Weighted ETF**  
(the “**First Asset ETF**”)

We have audited the accompanying statement of financial position of the First Asset ETF as at August 3, 2017 and a summary of significant accounting policies and other explanatory information (together the “**financial statement**”).

### **Management’s Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with those requirements of International Financial Reporting Standards relevant to preparing such a financial statement, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity’s preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statement presents fairly, in all material respects, the financial position of the First Asset ETF as at August 3, 2017 in accordance with those requirements of International Financial Reporting Standards relevant to preparing such a financial statement.

Toronto, Ontario  
August 3, 2017

(Signed) “Ernst & Young LLP”  
Chartered Accountants  
Licensed Public Accountants

**FIRST ASSET MSCI INTERNATIONAL LOW RISK WEIGHTED ETF****STATEMENT OF FINANCIAL POSITION**

As at August 3, 2017

**CURRENT ASSETS**

Cash	<u>\$40</u>
Total	<u>\$40</u>

**Net Assets attributable to holders of redeemable units per class**

1 Unit	\$20
1 Unhedged Unit	\$20

**Net Assets attributable to holders of redeemable units per class per unit**

1 Unit	\$20
1 Unhedged Unit	\$20

Approved on behalf of the Board of Directors of First Asset Investment Management Inc., as Trustee and Manager of the First Asset ETF:

(Signed) "*Douglas J. Jamieson*"  
Director

(Signed) "*Edward Kelterborn*"  
Director

*The accompanying notes are an integral part of the financial statement.*

**FIRST ASSET MSCI INTERNATIONAL LOW RISK WEIGHTED ETF**

(the “**First Asset ETF**”)

**NOTES TO STATEMENT OF FINANCIAL POSITION**

As at August 3, 2017

**(1) General Information**

The First Asset ETF is an exchange traded fund established as an open-end mutual fund trust under the laws of the Province of Ontario by an amended and restated declaration of trust dated August 3, 2017. First Asset Investment Management Inc. (the “**Manager**” or the “**Trustee**”) is the investment fund manager, trustee and portfolio manager of the First Asset ETF.

The First Asset MSCI International Low Risk Weighted ETF (other than the Unhedged Units) has been designed to replicate, to the extent possible, the performance of the MSCI EAFE Risk Weighted Top 175 Index Hedged to CAD, net of expenses. In respect of the Unhedged Units, the First Asset ETF has been designed to replicate, to the extent possible, the performance of the MSCI EAFE Risk Weighted Top 175 Index, net of expenses.

The First Asset ETF’s registered office is at 2 Queen Street East, 12<sup>th</sup> Floor, Toronto, ON M5C 3G7.

The financial statement of the First Asset ETF was approved by the Board of Directors of the Manager on August 3, 2017.

**(2) Summary of Significant Accounting Policies**

The principal accounting policies applied in the preparation of the statement of financial position are set out below.

*Basis of preparation*

The statement of financial position of the First Asset ETF has been prepared in accordance with International Financial Reporting Standards (“**IFRS**”), as published by the International Accounting Standards Board (“**IASB**”), relevant to preparing a statement of financial position. In applying IFRS, management may make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the statement of financial position of the First Asset ETF. These estimates are based on information available as at the date of the statement of financial position. Actual results could differ from those estimates. The statement of financial position of the First Asset ETF has been prepared on a historical cost basis.

*Functional and Presentation Currency*

These financial statements are presented in Canadian dollars, which is the functional currency of the First Asset ETF.

*Financial instruments*

The First Asset ETF recognizes financial instruments at fair value upon initial recognition. Regular way purchases and sales of financial assets are recognized at their trade date.

Cash is comprised of cash on deposit with a Canadian financial institution.



*Classifications of Redeemable Units*

The First Asset ETF's units are redeemable at the unitholders' option and are classified as financial liabilities in accordance with the requirements of International Accounting Standard 32 Financial Instruments Presentation. The liabilities arising from the redeemable units are carried at the redemption amount.

*Capital management*

Units issued and outstanding represent the capital of the First Asset ETF. Units of the First Asset ETF are issued and redeemed at the then current net asset value per class per unit at the option of the unitholder. Unitholders are entitled to distributions when they hold the unit on its distribution record date. The Manager manages the capital of each First Asset ETF in accordance with its investment objective, including managing liquidity in order to fund anticipated redemptions.

**(3) Related Party Transactions***Manager's investment in the First Asset ETF*

As at the date hereof, in order to establish the First Asset ETF, the Manager has initially purchased one Unit and one Unhedged Unit of the First Asset ETF for cash considerations of \$20 and \$20, respectively.

*Management fees and operating expenses*

The 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 the First Asset ETF, calculated daily and payable monthly in arrears, plus applicable taxes. The Management Fee of the First Asset ETF is 0.60% of the net asset value per unit.

*Operating Expenses*

The Manager is responsible for all costs and expenses of the First Asset ETF except the Management Fee, any expenses related to the implementation and on-going operation of an independent review committee under NI 81-107, brokerage expenses and commissions, the costs of any futures contracts, swaps, forwards or other financial instruments, including derivatives, used to achieve the investment objective of the First Asset ETF, income taxes, withholding taxes, any applicable goods and services or other Sales Taxes (including GST/HST), the costs of complying with any new governmental or regulatory requirement introduced after the First Asset ETF was established, any costs associated with the printing and distribution of any documents that the securities regulatory authorities require be sent or delivered to purchasers of units of the First Asset ETF, any transaction costs incurred by the Custodian and any extraordinary expenses. The costs and expenses for which the Manager is responsible include the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers, including the Index Provider(s), retained by the Manager.

*Expenses of the Issue*

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

**(4) Net Assets attributable to unitholders**

The First Asset ETF is authorized to issue an unlimited number of redeemable, transferable units, each of which represents an undivided interest in the net assets of the First Asset ETF.

On any trading day, unitholders of the First Asset ETF may redeem (i) units of the First Asset ETF at a redemption price per unit equal to 95% of the closing price for the units on the Toronto Stock Exchange on the effective day of the redemption less any applicable redemption fee determined by the Manager, or (ii) a prescribed number of units

("PNU") or a multiple PNU of the First Asset ETF for cash equal to the net asset value of that number of units of the First Asset ETF less any applicable redemption fee determined by the Manager.

**FIRST ASSET MORNINGSTAR CANADA DIVIDEND TARGET 30 INDEX ETF  
FIRST ASSET MORNINGSTAR US DIVIDEND TARGET 50 INDEX ETF  
FIRST ASSET MORNINGSTAR CANADA MOMENTUM INDEX ETF  
FIRST ASSET MORNINGSTAR US MOMENTUM INDEX ETF  
FIRST ASSET MORNINGSTAR CANADA VALUE INDEX ETF  
FIRST ASSET MORNINGSTAR US VALUE INDEX ETF  
FIRST ASSET MORNINGSTAR NATIONAL BANK QUÉBEC INDEX ETF  
FIRST ASSET MORNINGSTAR INTERNATIONAL MOMENTUM INDEX ETF  
FIRST ASSET MORNINGSTAR INTERNATIONAL VALUE INDEX ETF  
FIRST ASSET MSCI CANADA LOW RISK WEIGHTED ETF  
FIRST ASSET MSCI USA LOW RISK WEIGHTED ETF  
FIRST ASSET MSCI EUROPE LOW RISK WEIGHTED ETF  
FIRST ASSET MSCI WORLD LOW RISK WEIGHTED ETF**

**(COLLECTIVELY, THE “EXISTING FIRST ASSET ETFS”)**

**CERTIFICATE OF THE EXISTING FIRST ASSET ETFS, THE MANAGER AND PROMOTER**

Dated: August 3, 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 INVESTMENT MANAGEMENT INC.,  
AS MANAGER, TRUSTEE AND PROMOTER OF THE EXISTING FIRST ASSET ETFS**

(Signed) “*Rohit D. Mehta*”

President of First Asset Investment Management Inc., the  
Manager, Trustee and Promoter of the Existing First  
Asset ETFS, and on behalf of the Existing First Asset  
ETFS  
(signed in the capacity of Chief Executive Officer)

(Signed) “*Douglas J. Jamieson*”

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

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

(Signed) “*Edward Kelterborn*”

Director

(Signed) “*Rohit D. Mehta*”

Director

(Signed) “*Douglas J. Jamieson*”

Director

**FIRST ASSET MSCI INTERNATIONAL LOW RISK WEIGHTED ETF  
(THE “NEW FIRST ASSET ETF”)**

**CERTIFICATE OF THE NEW FIRST ASSET ETF, THE MANAGER AND PROMOTER**

Dated: August 3, 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 INVESTMENT MANAGEMENT INC.,  
AS MANAGER, TRUSTEE AND PROMOTER OF THE NEW FIRST ASSET ETF**

(Signed) “*Rohit D. Mehta*”

President of First Asset Investment Management Inc., the  
Manager, Trustee and Promoter of the New First Asset  
ETF, and on behalf of the New First Asset ETF  
(signed in the capacity of Chief Executive Officer)

(Signed) “*Douglas J. Jamieson*”

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

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

(Signed) “*Edward Kelterborn*”

Director

(Signed) “*Rohit D. Mehta*”

Director

(Signed) “*Douglas J. Jamieson*”

Director