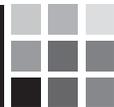


FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND



Interim Management Report of Fund Performance for the period
January 1, 2011 to June 30, 2011

Fund: First Asset Canadian Dividend Opportunity Fund

Securities: Trust Units – Listed TSX: DOF.UN

Period: January 1, 2011 to June 30, 2011

Manager & Trustee:

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Notes:

1. This Interim Management Report of Fund Performance contains financial highlights but does not contain the complete Interim Financial Statements of the Fund. You can get a copy of the Interim Financial Statements at your request, and at no cost, by contacting us (contact information above) or on SEDAR at www.sedar.com. Securityholders may also contact us to request a free copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.
2. This report may contain forward looking statements. Forward looking statements involve risks and uncertainties and are predictive in nature and actual results could differ materially from those contemplated by the forward looking statements.
3. Unless otherwise indicated all information is as at June 30, 2011.
4. None of the websites that are referred to in this Interim Management Report of Fund Performance, nor any of the information on any such websites, are incorporated by reference in this Interim Management Report of Fund Performance.

Results of Operations

For the six-month period ending June 30, 2011, the Net Assets per unit was \$10.57 after payment of distributions to securityholders compared to \$9.92 on December 31, 2010. The Fund paid cash distributions of \$0.30 to securityholders during the period. Total return for the Fund for the period ending June 30, 2011 was 9.8% compared to the S&P/TSX Composite Total Return Index, which returned 0.2%.

The Fund's Net Assets were \$160.4 million as at June 30, 2011, an increase from \$150.9 million as at December 31, 2010. The largest factors contributing to this increase were: (i) net investment income of \$2.7 million; (ii) realized gain on sale of investments of \$8.2 million; and (iii) an increase in the unrealized value of investments of \$3.6 million. This was partially offset by distributions to unitholders of \$4.6 million and units repurchased for cancellation of \$0.3 million.

Investment income and expenses both increased as compared to the prior period as the prior period reflects a partial period as the Fund was launched on March 22, 2010.

The Manager noted that at the beginning of 2011, markets were buoyed by positive U.S. economic data. Even when Japan was devastated by an earthquake and tsunami in March, the stock market was surprisingly resilient. By late March, investors had returned to the market, confident that global growth had resumed. But in May and June, market sentiment turned more bearish as investors focused on the implications of Asian monetary tightening, the sovereign debt crisis in Europe, and a tepid recovery in the United States, as well as the inability of U.S. policymakers to raise the government's debt ceiling.

Overall, the Fund showed strong performance, with the pipeline sub-sector of the portfolio up 10.85% over the period, led by Keyera Corporation (+20.13%). The telecommunications sub-sector was up 5.68%, led by Telus (+11.66%), and the diversified business sub-sector was up +3.96%, with the largest contribution coming from Boardwalk Real Estate Investment Trust (+11.03%). The power sub-sector of the portfolio was up 2.55% over the period, led by Brookfield Renewable Power Fund (+10.09%).

The Fund adopted a more defensive posture as concerns over European sovereign credit risk and possible U.S. credit rating downgrade dominated the markets. The Fund increased its cash weighting to 5.08% of Net Asset Value, from 0.59% at the beginning of the period. After the recent run-up in pipelines the Manager has reduced the Fund's weighting in the pipeline sub-sector to 21.96%, from 29.16%, and has redeployed the funds in the power sub-sector, where valuations are currently more compelling.

BORROWING

The Fund may borrow against the assets of the Fund to a maximum of 25% of Net Asset Value. The Fund has obtained such leverage by way of a prime brokerage account. The prime broker provides the Fund with margin to execute trades and for working capital purposes. The prime broker is the custodian of the Fund's portfolio, which is held as collateral for amounts loaned on margin. Interest on amounts borrowed is based on a floating rate. There were no borrowings during the period ending June 30, 2011.

Recent Developments

The Manager continues to monitor the unfolding sovereign credit situation in Europe and the United States. While there is no direct linkage to the underlying investments of the Fund, the unexpected downgrading of a particular sovereign credit would have big implications to equity markets.

Other developments relating to the Fund that were announced or that occurred during the period include:

May 19, 2011: The Fund renewed its normal course issuer bid with the TSX. The bid commenced on May 24, 2011, and will terminate on May 23, 2012. Under the previous bid, which ran from May 19, 2010 to May 18, 2011, the Fund purchased 217,000 units at an average price of \$9.25 per unit.

FUND CONVERSION

Unitholders of the Fund are reminded that on or about the second anniversary of the closing of the Fund's initial public offering (i.e., April 19, 2012) the Fund will, subject to all regulatory approvals required by legislation then in force, automatically either (i) convert to an open-end mutual fund or (ii) merge with an open-end mutual fund on a tax-deferred basis (in either case, the "**Open-End Fund**") to be managed by the Manager or an affiliate of the Manager (the "**Conversion**"). The Open-End Fund will invest in an actively managed portfolio comprised primarily of Canadian Utility Issuers, Pipeline Issuers and Telecom Issuers. The Fund shall confirm by way of press release whether the Conversion will be effected by way of a conversion or a merger in advance of the Conversion.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

On January 12, 2011, the Canadian Accounting Standards Board made a decision to extend the deferral of the adoption of International Financial Reporting Standards ("**IFRS**") by investment companies for an additional year to January 1, 2013. This results in a two-year deferral of IFRS adoption by investment companies compared to other publicly accountable entities. Consequently, IFRS would be applicable to the Fund for the fiscal year beginning January 1, 2013. At the transition date, the prior fiscal year financial statements will require restatement to IFRS for comparative purposes.

The Fund is continuing with its orderly transition plan to meet the requirements to change over to IFRS. The Fund has reviewed the existing body of IFRS against its current policies under Canadian GAAP and has noted certain policy differences. The major changes identified include the classification of unitholder's equity (puttable instruments) as a liability unless certain conditions are met, as well as more extensive note disclosure requirements. These changes will not have an impact on the Fund's results of operations or financial position.

The process of evaluating the potential impact of IFRS on the financial statements is ongoing, as the International Accounting Standards Board and the Canadian Standards Board continue to issue new standards and recommendations.

Related Party Transactions

The Manager and Fund are deemed to be related parties. Please refer to the section titled "Management Fees," which outlines the fees paid to the Manager. The Manager and Fund were not party to any other related party transactions during the period ending June 30, 2011.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since inception.

THE FUND'S NET ASSETS PER UNIT ⁽¹⁾

	For the Six Months Ending June 30	For the Year Ending December 31
	2011	2010 ⁽²⁾
Net Assets, beginning of period ⁽³⁾	\$9.92	\$9.44
Increase (decrease) from operations		
Total revenue	0.27	0.38
Total expenses	(0.09)	(0.12)
Realized gains (losses) for the period	0.53	(0.13)
Unrealized gains (losses) for the period	0.24	0.78
Total increase from operations ⁽⁴⁾	0.95	0.91
Distributions		
From income (excluding dividends)	0.00	0.00
From dividends	(0.12)	(0.14)
From capital gains	(0.18)	0.00
Return of capital	0.00	(0.28)
Total Annual Distributions ⁽⁵⁾	(0.30)	(0.42)
Net Assets, end of period ⁽⁶⁾	\$10.57	\$9.92

Notes:

- ⁽¹⁾ This information is derived from the Fund's audited annual and unaudited interim financial statements. The Net Assets per unit presented in the financial statements differs from the Net Asset Value per unit calculated for fund pricing purposes because of the provisions of CICA Handbook Section 3855. An explanation of the differences can be found in the notes to the financial statements.
- ⁽²⁾ Results for the period from March 22, 2010 (inception date) to December 31, 2010.
- ⁽³⁾ Net Assets per unit reflects the issue price of \$10.00 less share issue expenses.
- ⁽⁴⁾ Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
- ⁽⁵⁾ Distributions were paid in cash.
- ⁽⁶⁾ This is not a reconciliation of the beginning and ending Net Assets per unit.

RATIOS AND SUPPLEMENTAL DATA

	2011	2010
Net Asset Value (000s) ⁽¹⁾	\$160,637	\$151,036
Number of units outstanding ⁽¹⁾	15,173,000	15,208,000
Management expense ratio before share issue expenses ⁽²⁾	1.82%	1.65%
Management expense ratio ⁽²⁾	1.82%	7.79%
Management expense ratio before waivers or absorptions ⁽²⁾	1.82%	7.79%
Portfolio turnover rate ⁽³⁾	47.34%	124.18%
Trading expense ratio ⁽⁴⁾	0.26%	0.62%
Net Asset Value per unit	\$10.59	\$9.93
Closing market price	\$10.12	\$9.60

Notes:

- ⁽¹⁾ This information is provided as at December 31 of the year shown, except 2011, which is provided as at June 30.
- ⁽²⁾ 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. The MER for the period ending December 31, 2010 annualizes expenses incurred from the inception date to the end of the period and also includes Agents' fees and other offering expenses, which are one-time expenses and therefore are not annualized.
- ⁽³⁾ The Fund's portfolio turnover rate indicates how actively the Fund's investment adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
- ⁽⁴⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value during the period.

Management Fees

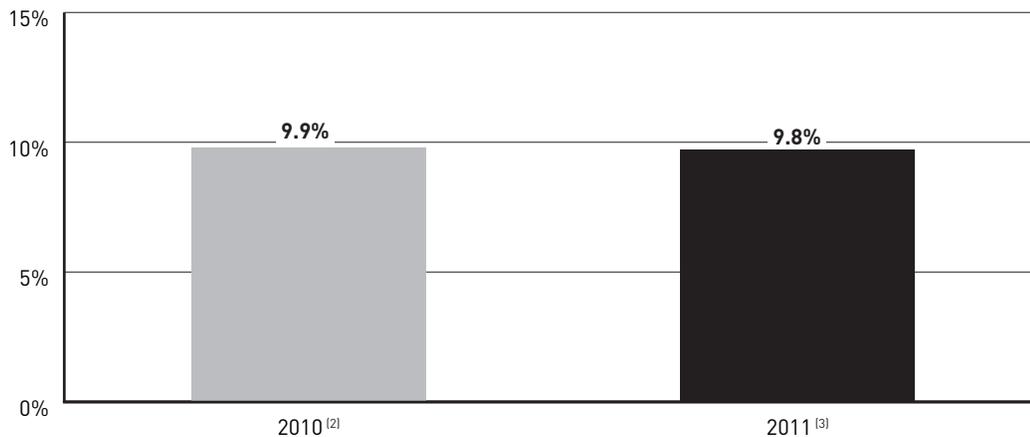
The Manager is responsible for providing or arranging for all investment advisory and portfolio management services required by the Fund including, without limitation, managing the portfolio in a manner consistent with the investment objectives, guidelines and restrictions of the Fund and for arranging for the execution of all portfolio transactions. The Manager is also responsible for the operational and administrative functions of the Fund. As compensation for the management services rendered to the Fund, the Manager is entitled to receive an annual management fee from the Fund in an amount equal to 1.00% of the average daily Net Asset Value of the Fund, which is calculated and paid monthly in arrears.

Past Performance

Please note that the performance information shown in this section assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. Also note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns on performance. The performance of the Fund in the past does not necessarily indicate how it will perform in the future.

YEAR-BY-YEAR RETURNS ⁽¹⁾

The following bar chart shows the Fund's annual performance for the periods shown. The bar chart shows, in percentage terms, how much an investment made on the first day of the period would have grown or decreased by the last day of the period.



⁽¹⁾ Returns based on Net Asset Value per Unit.

⁽²⁾ Return for the period April 19, 2010 (first day of trading) to December 31, 2010.

⁽³⁾ Return for the period January 1, 2011 to June 30, 2011.

Summary of Investment Portfolio

The following is a summary of the Fund's investment portfolio as at June 30, 2011. This is a summary only and will change because of ongoing portfolio transactions of the Fund. A quarterly update is available on www.firstasset.com.

TOP 25 HOLDINGS AS AT JUNE 30, 2011

Description	% of Net Asset Value
Northland Power Inc.	5.45
Enbridge Inc.	5.28
Cash and Cash Equivalents	5.08
TransCanada Corporation	4.90
Brookfield Renewable Power Fund	4.58
Veresen Inc.	3.91
Keyera Corp.	3.70
Just Energy Group Inc.	3.58
Innergex Renewable Energy Inc.	3.20
AT&T Inc.	3.13
Homburg Canada Real Estate Investment Trust	3.03
Inter Pipeline Fund Limited Partnership Cl. A	2.97
Telus Corporation	2.82
Manitoba Telecom Services Inc.	2.80
Rogers Communications, Inc. Cl. B	2.71
Brookfield Infrastructure Partners L.P.	2.66
BCE Inc.	2.51
Verizon Communications Inc.	2.49
Calloway Real Estate Investment Trust	2.23
Boardwalk Real Estate Investment Trust	2.19
Shaw Communications Inc. Cl. B Non-Voting	2.02
Cominar Real Estate Investment Trust	2.00
Chorus Aviation Inc.	1.95
Canadian Real Estate Investment Trust	1.86
TransGlobe Apartment Real Estate Investment Trust	1.85
Total Net Asset Value	\$160,636,858

SECTOR ALLOCATION AS AT JUNE 30, 2011

Industry	% of Net Asset Value
Energy	21.34
Telecommunication Services	17.04
Real Estate	15.61
Utilities	12.84
Industrials	10.33
Power	8.03
Cash and Cash Equivalents	5.08
Consumer Discretionary	4.59
Materials	1.51
Financials	1.30
	97.67
Other Assets, Net of Liabilities	2.33
Total Net Asset Value	100.00



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