

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND



Interim Financial Statements for the period
January 1, 2015 to June 30, 2015

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

NOTICE TO READER:

These interim financial statements and related notes for the six-month period ended June 30, 2015 have been prepared by First Asset Investment Management Inc. The external auditors of the Fund have not audited or reviewed these interim financial statements.

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

STATEMENTS OF FINANCIAL POSITION (Unaudited)

As at

	June 30, 2015 \$	December 31, 2014 \$
ASSETS		
Current assets		
Investments, at fair value (note 2)	64,579,258	82,514,959
Cash and cash equivalents	11,907,328	7,322,816
Subscriptions receivable	5,550	-
Dividends receivable	166,677	159,536
Interest receivable	128	-
Prepaid expenses	89	-
	<u>76,659,030</u>	<u>89,997,311</u>
LIABILITIES		
Current liabilities		
Unrealized loss on forward foreign currency contracts	884,928	726,154
Accounts payable and accrued liabilities	56,621	124,810
Management fee payable	122,187	146,426
Redemptions payable	217,291	429,374
Distributions payable to holders of redeemable securities (note 8)	223,885	272,241
	<u>1,504,912</u>	<u>1,699,005</u>
Net assets attributable to holders of redeemable securities	<u>75,154,118</u>	<u>88,298,306</u>
Net assets attributable to holders of redeemable securities per class		
Class A	71,874,750	85,870,907
Class F	3,279,368	2,427,399
Net assets attributable to holders of redeemable securities per security		
Class A	\$11.15	\$11.25
Class F	\$10.85	\$10.90

See accompanying notes to financial statements.

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

For the six months ended June 30

	2015 \$	2014 \$
INCOME		
Net gains (losses) on investments		
Dividends	884,086	1,297,967
Interest for distribution purposes	9,704	25,996
Change in unrealized depreciation of investments	(534,777)	(5,541,806)
Net realized gain on sale of investments	3,768,588	11,816,025
Change in unrealized appreciation (depreciation) on forward foreign currency contracts	(158,774)	338,006
Net realized loss on forward foreign currency contracts	(1,960,701)	(927,543)
Net gains (losses) on investments⁽¹⁾	2,008,126	7,008,645
Securities lending income ⁽²⁾	5,830	6,646
Net realized foreign exchange gain	770,343	375,298
Change in unrealized appreciation (depreciation) on other assets	16,677	(2,133)
	2,800,976	7,388,456
EXPENSES		
Management fee (notes 7 and 11) ⁽³⁾	741,783	1,131,012
Harmonized Sales Tax	97,116	132,307
Securityholder reporting costs	96,589	98,087
Transaction costs (note 7) ⁽⁴⁾	79,363	233,371
Withholding Tax (note 9)	69,593	211,074
Custodial and fund valuation fees	13,329	13,159
Legal fees	12,393	40,012
Audit fees	9,360	8,080
Independent Review Committee fees (note 11)	2,029	3,340
Interest expense	281	73
	1,121,836	1,870,515
Increase in net assets attributable to holders of redeemable securities from operations (excluding distributions)	1,679,140	5,517,941
Increase in net assets attributable to holders of redeemable securities from operations (excluding distributions) per class		
Class A	1,587,747	5,343,390
Class F	91,393	174,551
Increase in net assets attributable to holders of redeemable securities from operations (excluding distributions) per security (note 2)		
Class A	\$0.23	\$0.52
Class F	\$0.31	\$0.51

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

STATEMENTS OF COMPREHENSIVE INCOME (Unaudited) (continued)

For the six months ended June 30

(1) Comprised of:

	2015	2014
	\$	\$
Financial assets and liabilities designated at FVTPL	4,127,601	7,598,182
Financial assets and liabilities classified as held for trading	(2,119,475)	(589,537)
	2,008,126	7,008,645

(2) Securities lending

The value of securities loaned and collateral received from securities lending at June 30 is as follows:

	2015	2014
	\$	\$
Value of securities loaned	7,630,749	13,710,018
Value of collateral received	8,020,636	14,464,699

(3) Management fee rates (note 7 and 11)

	Management Fee
Class A	2.00%
Class F	1.00%

(4) Brokerage commissions and soft dollar (note 7)

	2015	2014
	\$	\$
Total soft dollar commissions	720	20,755

See accompanying notes to financial statements.

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SECURITIES (Unaudited)

For the six months ended June 30, 2015

	Class A \$	Class F \$	Total \$
Net assets attributable to holders of redeemable securities, beginning of period	85,870,907	2,427,399	88,298,306
Increase in net assets attributable to holders of redeemable securities from operations (excluding distributions)	1,587,747	91,393	1,679,140
Distributions to holders of redeemable securities (note 8)			
From capital gains	(1,642,476)	(72,155)	(1,714,631)
Return of capital	(416,062)	(19,248)	(435,310)
	(2,058,538)	(91,403)	(2,149,941)
Redeemable securities transactions (note 6)⁽¹⁾			
Issuance of securities	356,524	1,669,738	2,026,262
Redemption of securities	(14,519,621)	(886,902)	(15,406,523)
Reinvestment of distributions	637,731	69,143	706,874
	(13,525,366)	851,979	(12,673,387)
Net increase (decrease) in net assets attributable to holders of redeemable securities	(13,996,157)	851,969	(13,144,188)
Net assets attributable to holders of redeemable securities, end of period	71,874,750	3,279,368	75,154,118

For the six months ended June 30, 2014

	Class A \$	Class F \$	Total \$
Net assets attributable to holders of redeemable securities, beginning of period	125,794,672	3,913,343	129,708,015
Increase in net assets attributable to holders of redeemable securities from operations (excluding distributions)	5,343,390	174,551	5,517,941
Distributions to holders of redeemable securities (note 8)			
From capital gains	(3,012,509)	(100,564)	(3,113,073)
	(3,012,509)	(100,564)	(3,113,073)
Redeemable securities transactions (note 6)⁽¹⁾			
Issuance of securities	3,676,519	655,410	4,331,929
Redemption of securities	(24,325,995)	(1,565,690)	(25,891,685)
Reinvestment of distributions	847,155	48,690	895,845
	(19,802,321)	(861,590)	(20,663,911)
Net decrease in net assets attributable to holders of redeemable securities	(17,471,440)	(787,603)	(18,259,043)
Net assets attributable to holders of redeemable securities, end of period	108,323,232	3,125,740	111,448,972

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS
OF REDEEMABLE SECURITIES (Unaudited) (continued)

For the six months ended June 30, 2015

(¹) Redeemable securities issued and outstanding

	2015		2014	
	Class A #	Class F #	Class A #	Class F #
Securities outstanding, beginning of period	7,630,967	222,697	10,764,303	348,627
Issuance of securities	31,332	154,414	317,506	58,633
Reinvested distributions	56,234	6,277	73,140	4,366
Redemption of securities	(1,274,991)	(81,162)	(2,094,962)	(140,576)
Securities outstanding, end of period	6,443,542	302,226	(9,059,987)	271,050

See accompanying notes to financial statements.

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

STATEMENTS OF CASH FLOWS (Unaudited)

For the six months ended June 30

	2015 \$	2014 \$
OPERATING ACTIVITIES		
Increase in net assets attributable to holders of redeemable securities from operations (excluding distributions)	1,679,140	5,517,941
Adjustments to reconcile cash flows from operating activities		
Proceeds from sale of investments	42,125,196	103,989,878
Purchases of investments	(20,955,686)	(78,334,432)
Change in due from broker	-	(1,359,654)
Change in other assets and liabilities	(83,107)	130,348
Net realized (gain) loss on sale of investments	(3,768,588)	(11,816,025)
Change in unrealized (appreciation) depreciation of investments	534,777	5,541,806
Change in unrealized (appreciation) depreciation on forward foreign currency contracts	158,774	(338,006)
Change in unrealized (appreciation) depreciation on other assets	(16,677)	2,133
Cash flows from operating activities	19,673,829	23,333,989
FINANCING ACTIVITIES		
Subscriptions received	2,020,712	4,269,131
Distributions to securityholders	(1,491,423)	(2,300,312)
Redemption of securities	(15,618,606)	(25,116,837)
Cash flows used in financing activities	(15,089,317)	(23,148,018)
Net increase (decrease) in cash and cash equivalents during the period	4,584,512	185,971
Cash and cash equivalents, beginning of period	7,322,816	4,768,560
Cash and cash equivalents, end of period	11,907,328	4,954,531
Interest received, net of withholding tax	9,576	25,918
Dividends received, net of withholding tax	876,947	1,352,592
Interest paid	(282)	(73)

See accompanying notes to financial statements.

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

SCHEDULE OF INVESTMENT PORTFOLIO (Unaudited)

As at June 30, 2015

	Number of shares and units	Description	Average Cost \$	Fair Value \$	% of Net Assets
LIMITED PARTNERSHIP UNITS					
USD	53,800	The Blackstone Group LP	1,467,177	2,745,099	
Total limited partnership units			1,467,177	2,745,099	3.65%
EQUITIES					
Canada					
	296,700	Absolute Software Corporation	2,092,767	2,667,333	
	29,000	Alimentation Couche-Tard Inc., Class 'B'	1,283,822	1,549,470	
	35,400	Bank of Nova Scotia	2,108,549	2,282,238	
	23,000	Brookfield Asset Management Inc.	1,031,449	1,003,720	
	15,000	Canadian Imperial Bank of Commerce	1,515,732	1,381,650	
	22,800	Canadian Real Estate Investment Trust	1,096,148	967,860	
	36,100	CGI Group Inc.	1,291,195	1,763,485	
	28,500	CI Financial Corporation	977,459	957,600	
	8,600	Concordia Healthcare Corp.	731,000	776,150	
	98,000	Crombie Real Estate Investment Trust	1,275,833	1,222,060	
	29,000	DH Corp.	1,116,893	1,157,680	
	173,000	Element Financial Corporation	2,320,320	3,416,750	
	30,000	Enbridge Inc.	1,584,661	1,752,300	
	130,000	First Asset Morningstar Canada Dividend Target 30 Index ETF	1,187,677	1,353,300	
	174,300	First Asset Morningstar US Dividend Target 50 Index ETF	1,769,217	2,215,353	
	164,600	First Asset Tech Giants Covered Call ETF	1,648,722	1,945,572	
	25,000	Gibson Energy Inc.	621,634	563,750	
	21,652	Gildan Activewear Inc.	724,435	898,341	
	50,000	Granite Oil Corp.	339,250	314,500	
	29,000	Loblaw Cos. Ltd.	1,774,579	1,829,320	
	12,000	Manulife Financial Corporation	285,360	278,520	
	159,500	Northland Power Inc.	2,650,068	2,523,290	
	20,000	Pengrowth Corporation	62,600	62,400	
	5,000	Progressive Waste Solutions Ltd.	176,378	167,500	
	275,000	Pure Industrial Real Estate Trust	1,285,694	1,295,250	
	29,000	Royal Bank of Canada	2,187,415	2,215,020	
	91,100	Superior Plus Corporation	1,312,925	1,144,216	
	54,700	The Toronto-Dominion Bank	2,473,263	2,901,288	
	25,000	TORC Oil & Gas Ltd.	297,225	217,500	
	158,300	Tricon Capital Group, Inc.	1,259,051	1,727,053	
	84,000	Whitecap Resources, Inc.	1,164,839	1,107,120	
USD	57,000	WPT Industrial Real Estate Investment Trust	763,436	871,730	
Total Canada			40,409,596	44,529,319	59.26%
Ireland					
USD	20,000	Medtronic PLC	1,855,929	1,850,203	
Total Ireland			1,855,929	1,850,203	2.46%
United States					
USD	55,000	Air Lease Corp.	2,205,494	2,327,735	
USD	14,900	Apple Inc.	1,592,614	2,333,144	
USD	115,000	Bank of America Corp.	2,150,650	2,443,591	
USD	31,800	Citigroup Inc.	1,459,469	2,193,067	
USD	7,500	Constellation Brands, Inc.	1,000,844	1,086,339	

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

SCHEDULE OF INVESTMENT PORTFOLIO (Unaudited) (continued)

As at June 30, 2015

Number of shares and units	Description	Average Cost \$	Fair Value \$	% of Net Assets
EQUITIES (continued)				
USD 5,000	Energizer Holdings, Inc.	854,701	821,168	
USD 21,100	JPMorgan Chase & Co.	1,088,667	1,784,954	
USD 20,700	Union Pacific Corp.	2,455,150	2,464,639	
Total United States		12,807,589	15,454,637	20.56%
Total equities		55,073,114	61,834,159	82.28%
Adjustment for transaction costs		(58,987)	–	–%
Total investments		56,481,304	64,579,258	85.93%
Total unrealized loss on forward foreign currency contracts			(884,928)	(1.18)%
Other assets, net of liabilities			11,459,788	15.25%
Net assets attributable to holders of redeemable securities			75,154,118	100.00%

UNREALIZED LOSS ON FORWARD FOREIGN CURRENCY CONTRACTS

Settlement Date	Currency Buy	Position	Currency Sell	Position	Contract Rates	Counterparty	Credit Rating*	Unrealized Loss (\$)
3-Jul-15	CAD	23,085,312	USD	19,200,000	1.2485	Canadian Imperial Bank of Commerce	A+	(884,928)
								(884,928)

* Credit rating provided by Standard & Poor's.

PORTFOLIO CONCENTRATION

As a percentage of net assets (%)	June 30, 2015	December 31, 2014
Limited Partnership Units	3.65	3.05
Equities		
Canada	59.26	69.52
Ireland	2.46	–
United States	20.56	20.88
Total unrealized loss on forward foreign currency contracts	(1.18)	(0.82)
Other assets, net of liabilities	15.25	7.37

See accompanying notes to financial statements.

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

FUND SPECIFIC NOTES TO FINANCIAL STATEMENTS (Unaudited)

June 30, 2015

(A) THE FUND

First Asset Canadian Dividend Opportunity Fund (the "Fund") was formed as a closed-end investment trust under the laws of the Province of Ontario on March 22, 2010. On April 19, 2012, the Fund converted into an open-end mutual fund (the "Conversion"). As part of the conversion process, the units were re-designated as Class A units as of the close of business on April 19, 2012. Also, Class F units of the Fund were created as of April 19, 2012.

The Fund's investment objectives are to provide holders with monthly distributions and the opportunity for capital appreciation, by investing in an actively managed portfolio comprised primarily of high-quality dividend paying Canadian equity securities of Canadian utility issuers, pipeline issuers and telecommunications issuers and select higher yielding equity securities. The portfolio also includes securities of dividend issuers like banks and financial services issuers that have strong track records of maintaining and raising distributions.

The Manager, Trustee and Investment Advisor of the Fund is First Asset Investment Management Inc. ("First Asset").

(B) FAIR VALUE OF FINANCIAL INSTRUMENTS

The following tables show financial instruments recorded at fair value, analyzed between those whose fair value is based on quoted market prices (Level 1), those involving valuation techniques where all the model inputs are observable in the market (Level 2) and those where the valuation technique involves the use of non-observable market inputs (Level 3).

As at June 30, 2015

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Limited partnership units	2,745,099	–	–	2,745,099
Equities	61,834,159	–	–	61,834,159
Short-term notes	–	6,700,000	–	6,700,000
	64,579,258	6,700,000	–	71,279,258
Financial liabilities				
Derivatives	–	884,928	–	884,928
	–	884,928	–	884,928

As at December 31, 2014

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Limited partnership units	2,695,832	–	–	2,695,832
Equities	79,819,127	–	–	79,819,127
	82,514,959	–	–	82,514,959
Financial liabilities				
Derivatives	–	726,154	–	726,154
	–	726,154	–	726,154

Financial assets and liabilities transferred from Level 1 to Level 2 are the result of securities no longer being traded in an active market. For the periods ended June 30, 2015 and December 31, 2014, there were no transfers of financial assets and liabilities from Level 1 to Level 2.

Financial assets and liabilities transferred from Level 2 to Level 1 are the result of securities now being traded in an active market. For the periods ended June 30, 2015 and December 31, 2014, there were no transfers of financial assets and liabilities from Level 2 to Level 1.

The Funds did not hold any significant positions of Level 3 investments at the beginning of, during, or at the end of the reporting periods.

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

FUND SPECIFIC NOTES TO FINANCIAL STATEMENTS (Unaudited)

(C) INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SECURITIES FROM OPERATIONS (EXCLUDING DISTRIBUTIONS) PER SECURITY

The increase (decrease) in net assets attributable to holders of redeemable securities per security for the periods ended June 30, 2015 and 2014 is calculated as follows:

	June 30, 2015	
	Class A	Class F
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	\$1,587,747	\$91,393
Weighted average securities outstanding during the period	6,959,328	299,338
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions) per security	\$0.23	\$0.31

	June 30, 2014	
	Class A	Class F
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	\$5,343,390	\$174,551
Weighted average securities outstanding during the period	10,188,376	343,573
Increase (decrease) in net assets attributable to holders of redeemable securities per security	\$0.52	\$0.51

(D) MANAGEMENT OF FINANCIAL RISKS

Currency risk

The tables below indicate the foreign currencies to which the Fund has significant exposure in Canadian dollar terms, including the underlying principal amount of forward foreign currency contracts. The tables also illustrate the potential impact on the net assets attributable to holders of redeemable securities of the Fund, all other variables held constant, as a result of a 5% change in these currencies relative to the Canadian dollar.

As at June 30, 2015

Currency	Investments	Cash	Other	Forward Foreign Currency Contracts	Total	Impact on Net Assets
United States dollar	\$20,921,669	\$4,914,055	\$16,733	(\$23,085,312)	\$2,767,145	\$138,357
Total	\$20,921,669	\$4,914,055	\$16,733	(\$23,085,312)	\$2,767,145	\$138,357
As a % of Net Assets	27.8%	6.5%	0.0%	(30.7)%	3.7%	0.2%

As at December 31, 2014

Currency	Investments	Cash	Other	Forward Foreign Currency Contracts	Total	Impact on Net Assets
United States dollar	\$21,133,393	\$6,310,568	\$10,190	(\$24,757,040)	\$2,697,111	\$134,855
Total	\$21,133,393	\$6,310,568	\$10,190	(\$24,757,040)	\$2,697,111	\$134,855
As a % of Net Assets	23.9%	7.1%	0.0%	(28.0)%	3.1%	0.2%

Other price risk

The table below indicates how net assets attributable to holders of redeemable securities would have increased or decreased had the value of the Fund's benchmark increased or decreased by 10%. This change is estimated based on the historical correlation between the return of the Fund's securities as compared to the return of the benchmark as at period end, with all other variables held constant. Regression analysis has been utilized to estimate the historical correlation. The analysis uses daily data points from April 20, 2010 to the applicable period end. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets attributable to holders of redeemable securities could be different.

Benchmark	Impact on net assets attributable to redeemable securities	
	June 30, 2015	December 31, 2014
S&P/TSX Composite Total Return Index	\$ 4,153,769	\$ 5,164,631

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

FUND SPECIFIC NOTES TO FINANCIAL STATEMENTS (Unaudited)

(E) RELATED PARTY TRANSACTIONS

As at June 30, 2015, the Fund held 130,000 units of the First Asset Morningstar Canada Dividend Target 30 Index ETF, 174,300 units of the First Asset Morningstar US Dividend Target 50 Index ETF and 164,600 units of the First Asset Tech Giants Covered Call ETF, each such investment fund managed by First Asset, having a combined fair value of \$5,515,225 and representing 7.34% of the Fund's net assets. The trades were executed by an unrelated broker and through the facilities of the Toronto Stock Exchange ("TSX") at prevailing market prices on the days of the transactions. None of the related parties received any fees in connection with the trades. The trades were executed in reliance on a standing instruction issued by both funds' Independent Review Committee.

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

June 30, 2015

1. GENERAL INFORMATION

These notes are an integral part of these financial statements, and contain important information about the following First Asset open-end mutual funds (individually, a Fund, and collectively, the Funds):

- First Asset Canadian Convertible Bond Fund
- First Asset Canadian Dividend Opportunity Fund
- First Asset Canadian Dividend Opportunity Fund II
- First Asset Canadian Energy Convertible Debenture Fund
- First Asset Global Dividend Fund
- First Asset REIT Income Fund
- First Asset Resource Fund Inc.
- First Asset Utility Plus Fund
- First Asset Canadian Convertible Debenture Fund

Refer to section A of the Fund Specific Notes for details of the organization of the Funds, investment objectives and strategies and inception dates of each Fund.

The manager of each Fund is First Asset Investment Management Inc. (First Asset).

Each Fund's registered office is at 95 Wellington Street West, Suite 1400, Toronto, Canada.

The Schedule of Investment Portfolio for each Fund is as at June 30, 2015. The Statements of Financial Position for each Fund are as at June 30, 2015 and December 31, 2014, where applicable. The Statements of Comprehensive Income, Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities and Statements of Cash Flows for each Fund are for the six-month period ended June 30, 2015 and 2014, except for Funds or classes established during the period, in which case the information for that Fund or class is provided for the period from Inception Date of the Fund or Launch Date of the class to June 30 of the applicable year.

These interim financial statements of the Funds for the period ended June 30, 2015 were approved and authorized for issuance by the Board of Directors of First Asset on August 26, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Funds have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34) as issued by the International Accounting Standards Board (IASB). The Funds adopted International Financial Reporting Standards (IFRS) on January 1, 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Funds prepared their financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the CPA Canada Handbook (Canadian GAAP).

The financial statements have been prepared on a going concern basis using the historical cost convention except for financial assets and financial liabilities measured at fair value through profit or loss. The Funds' accounting policies for measuring fair value of investments and derivatives are consistent with those used in measuring the net asset value (NAV) for transactions with securityholders.

In applying IFRS, management may make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses during the reporting periods. Significant estimates include the valuation of investments, classification of redeemable securities and classification of the Funds as investment entities. These estimates are based on information available as at the reporting date. Actual results could differ from those estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Funds based their assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Funds. Such changes are reflected in the assumptions when they occur.

Functional and presentation currency

The primary objective of the Funds is to generate returns in Canadian dollars, their capital-raising currency. The liquidity of the Funds is managed on a day-to-day basis in Canadian dollars in order to handle the issuance and redemption of the Funds' redeemable securities. The Funds' performance is evaluated in Canadian dollars. Therefore, First Asset considers Canadian dollars as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Canadian dollars, which is the functional currency of the Funds, and all values are rounded to the nearest dollar.

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

(i) Classification and recognition of financial instruments

The Funds classify financial assets and financial liabilities at initial recognition into the following categories, in accordance with IAS 39, *Financial Instruments: Recognition and Measurement*.

Financial assets and liabilities at fair value through profit or loss

The category of financial assets and liabilities at fair value through profit or loss (FVTPL) is sub-divided into:

Financial assets and liabilities held for trading: Financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. All derivatives and liabilities from short sales of financial instruments are classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. The Funds' policy is not to apply hedge accounting.

Financial instruments designated as fair value through profit or loss upon initial recognition: All investments held by the Funds (other than derivatives and securities sold short) are designated as fair value through profit or loss upon initial recognition. The Funds include equities, bonds, and other interest-bearing investments in this category. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Funds, as set out in each Fund's prospectus.

Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and each Fund's designation of such instruments. Regular way purchases and sales of financial assets and liabilities are recognized at their trade date.

Loans and receivables

If applicable, the Note Receivable (defined in section E of the Fund Specific Notes) is recorded at amortized cost. The fair value of the Note Receivable approximates its carrying value as the amount bears interest from the date of issue at the prime rate of interest.

All other financial assets not measured at FVTPL are measured at amortized cost. Included in this category are subscriptions receivable, accrued income, dividends receivable, interest receivable and due from broker. Financial assets are shown at the amount required to be received, discounted, when appropriate, at the contract's effective interest rate.

Other financial liabilities

All other financial liabilities not measured at FVTPL are measured at amortized cost. Included in this category are due to broker, accounts payable and accrued liabilities, management fee payable, redemption payable and distributions payable to holders of redeemable securities. Financial liabilities are shown at the amount required to be paid, discounted, when appropriate, at the contract's effective interest rate.

(ii) Valuation of financial instruments

Financial assets and financial liabilities at FVTPL are recorded in the Statements of Financial Position at fair value upon initial recognition. All transaction costs, such as brokerage commissions incurred in the purchase and sale of securities for such instruments are recognized directly in profit or loss. All other financial assets and liabilities (other than those classified as FVTPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue. For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Funds recognize the difference in the Statements of Comprehensive Income, unless specified otherwise.

After initial measurement, the Funds measure financial instruments which are classified as FVTPL at fair value. Subsequent changes in the fair value of those financial instruments are recorded as unrealized appreciation (depreciation) on investments in the Statements of Comprehensive Income. Net realized gain (loss) on sale of investments and unrealized appreciation (depreciation) on investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

Other financial assets and liabilities (other than those classified as FVTPL) are measured at amortized cost.

The Funds' obligation for net assets attributable to holders of redeemable securities is presented at the residual amount (total assets less total liabilities of each Fund).

The Funds meet the definition of an investment entity within IFRS 10 *Consolidated Financial Statements* and are required to measure their subsidiaries, if any, at FVTPL rather than consolidate them. The fair values of each specific type of investment and derivative are determined in the following manner:

Portfolio investments

In the case of publicly traded securities, fair value means the close or last traded price when the price falls within the day's bid-ask spread. For bonds and debentures, fair value means the most recent price provided by independent security pricing services. In the circumstance where the close or last traded price falls outside of the bid-ask spread, then fair value is determined by using bid price for long positions and ask price for short positions, or a different point within the bid-ask spread that First Asset determines to be more representative of fair value.

Investments held that are not traded in an active market are recorded at estimated fair value as determined by First Asset using appropriate and accepted industry

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

valuation techniques including valuation models. The fair value of a security determined using valuation models requires the use of inputs and assumptions, which, at times, may not be supported by observable market data.

Derivatives

Certain Funds are permitted to invest in forward foreign currency contracts to hedge foreign currency exposure on the investment portfolio. The value of forward currency contracts is recorded as the unrealized gain or loss that would be realized if the position was to be closed out and recorded as an unrealized appreciation (depreciation) on forward foreign currency contracts in the Statements of Financial Position. Upon maturity of the contracts, the difference between the carrying value and the fair value is included in net realized gain or loss on forward foreign currency contracts in the Statements of Comprehensive Income.

Other financial assets and liabilities

Other assets and liabilities are short-term in nature and are carried at amortized cost.

(iii) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Income recognition

(i) Interest income for distribution purposes

The interest for distribution purposes shown in the Statements of Comprehensive Income represents the coupon interest received by the Funds accounted for on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. The interest for distribution purposes is the tax basis of calculating the interest received and which is subject to tax.

(ii) Dividend revenue

Dividend revenue is recognized when the Funds' right to receive the payment is established. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the Statements of Comprehensive Income.

(iii) Securities lending

The Funds have entered into a securities lending program with their custodian. These transactions involve the temporary exchange of securities for collateral with a commitment to re-deliver the same securities on a future date. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income from securities lending is included in the Statements of Comprehensive Income and is recognized when earned.

The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the assets of that Fund. Collateral received consists of qualified securities and securities that are immediately convertible into, or exchangeable for securities of the same type, the same term and in the same number as those loaned by each Fund, or cash or letters of credit with market values of at least 102% of the market value of the loaned securities. Aggregate values of securities on loan and related collateral held as at June 30, 2015 and 2014 are disclosed as a footnote to the Statements of Comprehensive Income.

Investment transactions and expense recognition

Expenses directly attributable to a class are charged to that class. Other expense, income, realized gains and losses from investment transactions are allocated proportionately to each class based on the relative NAV of each class. Realized and unrealized gains and losses on forward foreign currency contracts entered into to hedge currency exposure of hedged classes are allocated only to that class.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash and short-term investments with a term to maturity of less than three months from date of purchase. Cash and cash equivalents are categorized as held for trading and therefore are carried at fair value. Short-term investments are valued at cost plus accrued interest, which approximates fair value.

Redeemable participating securities

Redeemable participating securities are classified as financial liabilities and are redeemable at the securityholder's option at prices based on the Fund's NAV per security at the time of redemption.

Foreign currency translation

Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency transaction gains and losses on financial instruments classified as FVTPL are included in the Statements of Comprehensive Income as part of "net realized and unrealized gain (loss) on sale of investments" and foreign exchange gains and losses relating to cash and other assets and liabilities are presented as "net realized foreign exchange gain (loss)".

Increase (decrease) in net assets attributable to holders of redeemable securities per security

Increase / (decrease) in net assets attributable to holders of redeemable securities per security of each class is calculated by dividing the "Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)" as disclosed in the Statements of Comprehensive Income, by the weighted average number of securities outstanding during the period. Refer to section C of the Fund Specific Notes for the calculation.

3. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Funds' financial statements are listed below. The Funds will adopt any applicable standards when they become effective.

IFRS 9, Financial Instruments - Classification and Measurement

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments (IFRS 9), which replaces the guidance in IAS 39, Financial Instruments: Recognition and Measurement (IAS 39). The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers, which clarifies the principles for recognizing revenue and cash flows arising from contracts with customers. The standard is effective for annual periods beginning on or after January 1, 2018, with early application permitted. First Asset is currently assessing the impact of adopting this standard, but it is not expected to have a material impact to the Funds.

4. MANAGEMENT OF FINANCIAL RISKS

In the normal course of business, the Funds are exposed to various financial risks, including credit risk, liquidity risk and market risk (consisting of interest rate risk, currency risk and other price risk). The Funds' overall risk management program seeks to minimize potentially adverse effects of these risks on the Funds' financial performance by employing professional, experienced portfolio advisors, by monitoring daily the Funds' positions and market events and by diversifying the investment portfolio within the constraints of the investment guidelines and periodically may use derivatives to hedge certain risk exposure. To assist in managing risk, First Asset maintains a governance structure that oversees the Funds' investment activities and monitors compliance with the Funds' stated investment strategies, investment guidelines and securities regulations. Refer to section D of the Fund Specific Notes for specific risk disclosures related to each Fund.

(i) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds.

For those funds that invest in fixed income securities or derivative contracts, the value presented on the Schedule of Investment Portfolio includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Funds. The Funds' holdings are continually monitored in regards to credit quality and relative value. In order to mitigate credit risk, First Asset attempts to focus on only highly creditworthy issuers that are less likely to suffer harshly during a downturn in the economic environment. As well, credit risk is managed by selecting Schedule I Banks operating in Canada as counterparties to the forward foreign currency contracts, if applicable, and by regular monitoring of credit exposures. Carrying amounts for accrued income represent minimal credit risk exposure as they will be settled in the short term. Credit ratings are obtained from Standard & Poors. Where more than one rating is obtained for a security, the lowest rating has been used. See the Schedule of Investment Portfolio for the credit ratings of counterparties from over-the-counter derivative contracts, where applicable.

As well, the Funds may enter into securities lending transactions with approved counterparties. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient approved credit rating and the market value of collateral held by the Fund must be at least 102% of the fair value of securities loaned.

All transactions executed by the Funds in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

(ii) Liquidity risk

Liquidity risk is the risk that the Funds may not be able to meet their obligation on time or at a reasonable price.

The Funds' exposure to liquidity risk is concentrated in the daily cash redemptions of securities. Generally, the Funds invest in securities that are considered readily realizable as they are actively traded on public exchanges. Certain securities may be less liquid than other securities and involve the risk that First Asset may not be able to dispose of them at the current market prices. As such, it may be difficult to significantly alter the composition of a Fund's portfolio in a short period of time.

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

4. MANAGEMENT OF FINANCIAL RISKS (continued)

First Asset Resource Fund Inc. invests in securities that are not traded in an active market and are illiquid. Such investments are identified as private in the Schedule of Investment Portfolio. In accordance with securities regulations, the Fund must maintain at least 85% of assets in liquid investments.

Each Fund's financial liabilities are short-term in nature and there is sufficient cash, or the ability to raise cash, to settle these amounts as they come due.

The maturity of the Funds' financial liabilities are all between 1 to 3 months, except for the redeemable securities which are redeemable on demand at the holder's option. First Asset does not expect that this contractual maturity is representative of the actual cash outflows, as holders of these instruments typically retain them for a longer period.

(iii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

Certain Funds invest in interest bearing financial instruments. As such, these Funds are exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Prices of longer-term fixed income securities will generally fluctuate more in response to interest rate changes than would shorter-term securities. For portfolios that contain fixed income securities, First Asset reviews the remaining term-to-maturity dates on a regular basis to ensure diverse and balanced exposure.

(iv) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Certain Funds invest a portion of their assets in securities that are denominated in a currency other than the Canadian dollar, which represents the functional currency of the Fund. Consequently, these Funds are exposed to currency risk as the value of the portfolio securities denominated in currencies other than the Canadian dollar will vary due to changes in foreign currency exchange rates. For Funds with hedged classes, currency risk is mitigated by entering into forward foreign currency contracts and, as such, the hedged classes do not have significant exposure to currency risk.

(v) Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

All investments in securities present a risk of loss of capital. The maximum market price risk resulting from these investments is equivalent to their fair value. The value of the portfolios will be influenced by factors which are not within the control of the Funds including the performance of the portfolio securities, the condition of the equity markets generally and other factors. Market price risk is mitigated through the careful selection and diversification of securities within the limits of the Funds' investment objectives and strategies as well as the daily monitoring of the Funds' investment portfolio by First Asset.

5. FAIR VALUE MEASUREMENT HIERARCHY

Funds classify financial instruments into three levels based on inputs used to value the financial instruments. Level 1 securities are valued based on quoted prices in active markets for identical securities. Level 2 securities are valued based on significant observable market inputs, such as quoted prices from similar securities and quoted prices in inactive markets or based on observable inputs to models. Level 3 securities are valued based on significant unobservable inputs that reflect First Asset's determination of assumptions that market participants might reasonably use in valuing the securities.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Funds determine whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

Refer to section B of the Fund Specific Notes for the relevant disclosure.

6. REDEEMABLE SECURITIES

First Asset Canadian Convertible Bond Fund, First Asset Canadian Dividend Opportunity Fund, First Asset Canadian Energy Convertible Debenture Fund, First Asset Global Dividend Fund, First Asset REIT Income Fund and First Asset Utility Plus Fund

The Funds are authorized to issue an unlimited number of classes of units, and may offer and sell an unlimited number of units (referred to as security or securities) of each class. All securities of a Fund have equal rights and privileges and are substantially the same except for the fees and sales and redemption charges associated with a particular class and the existence or absence of currency hedging arrangements. Each class of securities is convertible into any other class of securities on the basis of their respective net asset values.

The Funds are offered for sale on a continuous basis and may be purchased or redeemed on any valuation date at the net asset value per security of a particular class.

First Asset Global Dividend Fund offers four classes of securities. Class A and Class F (currency hedged securities), and Class A1 and Class F1 (non-currency hedged securities). Each of First Asset Canadian Convertible Bond Fund, First Asset Canadian Dividend Opportunity Fund, First Asset Energy Convertible Debenture Fund

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

6. REDEEMABLE SECURITIES (continued)

and First Asset REIT Income Fund currently offers 2 classes of securities: Class A and Class F (both of which are currency-hedged).

First Asset Canadian Convertible Debenture Fund and First Asset Canadian Dividend Opportunity Fund II

The Funds are authorized to issue an unlimited number of transferable units (referred to as security or securities), each of which represents an equal, undivided interest in the net asset value of the respective Fund. These Funds are closed to new purchases.

Securityholders of First Asset Canadian Convertible Debenture Fund are entitled to redeem their securities daily at net asset value less an investor fee equal to the pro rata portion of the Note Receivable then outstanding.

Securityholders for First Asset Canadian Dividend Opportunity Fund II are entitled to redeem their securities daily at net asset value less a redemption fee payable to First Asset as follows:

- From March 8, 2014 until and including February 28, 2015, a redemption fee of \$0.20 per security;
- From March 1, 2015 until and including February 29, 2016, a redemption fee of \$0.15 per security;
- From March 1, 2016 until and including February 28, 2017, a redemption fee of \$0.10 per security; and
- Effective March 1, 2017 and thereafter, no redemption fee.

First Asset Resource Fund Inc.

First Asset Resource Fund Inc. is authorized to issue an unlimited number of common shares and an unlimited number of shares of Class A, B, C, D, E and F, in series. An affiliate of First Asset owns the one issued and outstanding common share of the Fund. The Fund's Class A shares (referred to as security or securities) are offered for sale on a continuous basis and may be purchased or redeemed on any business day at net asset value per security.

7. EXPENSES

First Asset manages and administers the business, operations and affairs of the Funds. For First Asset Resource Fund Inc., First Asset has retained an investment sub-advisor and portfolio manager, respectively, to provide the portfolio management services required by this Fund and is responsible for overseeing those portfolio management services. For all other funds, First Asset is responsible for providing all investment advisory and portfolio management services required by the Funds.

First Asset Canadian Convertible Bond Fund, First Asset Canadian Dividend Opportunity Fund, First Asset Canadian Energy Convertible Debenture Fund, First Asset Global Dividend Fund, First Asset REIT Income Fund and First Asset Utility Plus Fund

The Funds pay First Asset an annual management fee calculated as a percentage of the net asset value of each class of the Funds. This fee is calculated daily and paid monthly in arrears. The entire amount of the service fee paid to registered dealers in respect of the Class A and A1 securities is paid by First Asset out of the management fee.

First Asset Canadian Convertible Debenture Fund and First Asset Canadian Dividend Opportunity Fund II

The Funds pay First Asset an annual management fee calculated as a percentage of the net asset value of the Funds. This fee is calculated daily and paid monthly in arrears. In addition, First Asset is entitled to an amount equal to the service fee payable to registered dealers. This fee is calculated daily and paid quarterly in arrears.

First Asset Resource Fund Inc.

The Fund pays First Asset an annual management fee calculated as a percentage of the net asset value of the Fund. This fee is calculated daily and paid monthly in arrears. First Asset pays the portfolio manager and the dealer service fees out of its management fee.

The annual management fee rates and service fee rates, if applicable, are disclosed in a footnote to the Statements of Comprehensive Income.

The Funds are responsible for all costs relating to their operation and administration.

In addition to covering brokerage services on security transactions, commissions paid to dealers may also cover research services provided to First Asset or the relevant portfolio manager of the Funds. The value of research services included in commissions and other transaction costs during the period is presented as a footnote to the Statements of Comprehensive Income.

8. DISTRIBUTIONS

Except for First Asset Resource Fund Inc., each Fund distributes to its securityholders on a monthly or quarterly basis. The amounts of distributions are based on First Asset's assessment of anticipated cash flow of the Funds from time to time.

If, in any year, after such distributions, there would otherwise remain in the Funds additional net income or net realized capital gains, the Funds will make, on or before December 31 of that year, a special distribution of such portion of the remaining net income or net realized capital gains as is necessary to ensure that the Funds will not be liable for income tax under the Income Tax Act (Canada) (the Tax Act).

9. TAXATION

Except for First Asset Resource Fund Inc. each Fund qualifies as a mutual fund trust under the provisions of the Tax Act, and accordingly, is not subject to tax on its

FIRST ASSET CANADIAN DIVIDEND OPPORTUNITY FUND

NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

9. TAXATION (continued)

net taxable income for the tax year, including net realized capital gains, which is paid or payable to its securityholders as at the end of the tax year which ends December 15. Such distributed income is taxable in the hands of the securityholders. Income tax on net realized capital gains not paid or payable is generally recoverable, as redemptions occur, by virtue of refunding provisions contained in the Tax Act. No provision for income taxes has been recorded in the accompanying financial statements as all income and net realized taxable capital gains are distributed to securityholders.

First Asset Resource Fund Inc. qualifies and intends to continue to qualify as a mutual fund corporation under the Tax Act. Mutual Fund corporations are generally subject to tax in the same manner as other public corporations except that income taxes payable on realized capital gains are refundable on a formula basis when shares of the Fund are redeemed or capital gains dividends are paid by the Fund to its shareholders. The Fund is subject to a special tax at the rate of 33 1/3% on taxable dividends received from taxable Canadian corporations. The tax is refundable to the Fund upon the payment of taxable dividends to its securityholders at the rate of \$1 for every \$3 of dividends paid. The tax year end is December 31 for First Asset Resource Fund Inc.

As at the Funds' taxation year-ends, certain Funds have capital and non-capital loss carryforwards for income tax purposes and are disclosed in a footnote to the Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities. Capital losses may be carried forward indefinitely to be applied against future capital gains. Non-capital losses may be utilized to reduce taxable income of future years and expire in the year(s) indicated in the footnote.

The Funds may be subject to withholding taxes, deducted at the source of the income, imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income. For the purpose of the Statements of Cash Flows, cash flows from investments are presented net of withholding taxes.

10. CAPITAL MANAGEMENT

Each Fund manages its capital in accordance with its investment objectives and strategies outlined in section A of the Fund Specific Notes and the risk management practices disclosed in note 4 and endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet distributions and redemptions. In order to manage their capital structures, the Funds may adjust the amount of any distributions paid to securityholders.

11. RELATED PARTY TRANSACTIONS

First Asset manages and administers the business operations and affairs of the Funds, and, in all cases except for First Asset Resource Fund Inc., is also responsible for providing all investment advisory and portfolio management services required by the Funds. These services are in the normal course of operations and are recorded at the amount of the consideration agreed to by the parties.

An affiliate of First Asset administers the Funds' relationship with the Funds' Independent Review Committee on behalf of First Asset, however, it receives no compensation for doing so. Members of the Independent Review Committee receive fees from the Funds for services rendered to the Funds and are reimbursed for out-of-pocket expenses. For Funds structured as corporations, the independent directors are paid an annual fee and are reimbursed for their out-of-pocket expenses.

The above services are reported in the Statements of Comprehensive Income as management fee, dealer service fees and Independent Review Committee fees, as applicable. Management fee payable are reported in the Statements of Financial Position and the amounts are generally payable to First Asset.

Any other fund specific related party transactions are disclosed in section E of the Fund Specific Notes, if applicable.

