

FIRST ASSET MSCI EUROPE LOW RISK WEIGHTED ETF



Interim Management Report of Fund Performance for the period
January 27, 2014 to June 30, 2014

Fund:

First Asset MSCI Europe Low Risk Weighted ETF

Securities:

Common Units - Listed Toronto Stock Exchange ("TSX"): RWE

Advisor Class Units - Listed TSX: RWE.A

Unhedged Common Units - Listed TSX: RWE.B

Unhedged Advisor Class Units - Listed TSX: RWE.D

Period:

January 27, 2014 to June 30, 2014

Manager, Trustee & Investment Advisor:

First Asset Investment Management Inc. ("First Asset")

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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. Holders 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, 2014.
4. None of the websites that are referred to in this report, nor any of the information on any such websites, are incorporated by reference in this report.
5. MSCI is a trademark of MSCI Inc. The Fund and the securities referred to herein are not sponsored, endorsed or promoted by MSCI Inc. or any of its affiliates (collectively, "MSCI") and MSCI bears no liability with respect to any such fund or securities or any index on which such fund or securities are based. The Fund's prospectus contains a more detailed description of the limited relationship MSCI has with First Asset and any related funds.

Investment Objectives and Strategies

The Fund's investment objective is to replicate, to the extent possible, the performance of the MSCI Europe Risk Weighted Top 100 Index (the "Index"), net of expenses. The investment strategy of the Fund is to invest in and hold the constituent securities of the Index.

The Index is based on a traditional market capitalization weighted parent index, 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 Index 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.

Results of Operations

The Fund's Common Units, Advisor Class Units, Unhedged Common Units and Unhedged Advisor Class Units commenced operations on February 11, 2014 with an initial net asset value per unit of \$20.00 and new subscriptions totaling \$1.5 million for Common Units, \$0.5 million for Advisor Class Units, \$2.5 million for Unhedged Common Units and \$0.5 million for Unhedged Advisor Class Units. The largest factors contributing to the increase between the initial proceeds raised and total net assets as at June 30, 2014 of \$22.8 million were additional net subscriptions of \$17.1 million and net gains on investments of \$1.0 million. For the period, the Fund's Unhedged Common Units returned 8.4% compared to the unhedged Index which returned 9.4%. The difference in the performance of the Fund relative to the Index can be attributed primarily to the fees and expenses incurred by the Fund.

The following tables highlight the performance of the Fund's Common Units, Advisor Class Units, Unhedged Common Units and Unhedged Advisor Class Units on a net asset value basis and market price basis.

Net Asset Value	June 30, 2014	February 11, 2014	Return
RWE	\$21.79	\$20.00	9.9%
RWE.A	\$21.79	\$20.00	9.5%
RWE.B	\$21.51	\$20.00	8.4%
RWE.D	\$21.51	\$20.00	8.1%

Market Value	June 30, 2014	February 11, 2014	Return
RWE	\$21.84	\$20.00	10.1%
RWE.A	\$21.77	\$20.00	9.4%
RWE.B	\$21.45	\$20.00	8.1%
RWE.D	\$21.50	\$20.00	8.0%

The above returns, whether based on net asset value or market price, assume the reinvestment of all distributions. The Fund's Common Units, Advisor Class Units, Unhedged Common Units and Unhedged Advisor Class Units had per unit distributions of \$0.1768, \$0.1073, \$0.1760 and \$0.1068, respectively, during the period.

During the period, financial markets were generally strong as both equity and fixed income markets performed well, despite weaker-than-expected U.S. growth in the first quarter and global geopolitical concerns. Oil and natural gas prices were high largely as a result of tensions in Ukraine and Iraq. Global central banks maintained their accommodative policies, which supported equity markets. European equity markets posted strong gains in the first half of the year, benefiting the Fund.

The Fund's exposure to consumer non-cyclical companies (+4.7%) and communications companies (+1.5%) contributed to performance. Individual contributors to performance included Verizon Communications Inc. (+0.4%), Lindt & Spruengli AG PC (+0.3%) and British American Tobacco PLC (+0.3%). Individual detractors from performance included Vodafone Group PLC (-0.4%) and Babcock International Group PLC (-0.2%).

As the Fund is designed to replicate, to the extent possible, the performance of the Index, any changes to the Fund were related to the Index's rebalancing.

Recent Developments

First Asset expects the European economy to continue to improve over the coming period and that continued strength in European equity markets should support positive performance from European mid- and large-capitalization stocks.

Related Party Transactions

First Asset is deemed to be a related party to the Fund. Please refer to the "Management Fee" section below which outlines fees paid to First Asset.

First Asset and the Fund were not party to any other related party transactions during the period ended June 30, 2014. F.A. Administration Services Inc., an affiliate of First Asset, administers the Fund's relationship with the Fund's Independent Review Committee on behalf of First Asset, however, it receives no compensation for doing so.

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⁾

	2014 ⁽²⁾ Common Units	2014 ⁽²⁾ Unhedged Common Units	2014 ⁽²⁾ Advisor Class Units	2014 ⁽²⁾ Unhedged Advisor Class Units
Net Assets, beginning of period	\$20.00	\$20.00	\$20.00	\$20.00
Increase (decrease) from operations				
Total revenue	0.59	0.59	0.52	0.61
Total expenses	(0.06)	(0.06)	(0.12)	(0.13)
Realized gains (losses) for the period	(0.32)	(0.33)	(0.36)	(0.38)
Unrealized gains (losses) for the period	1.34	0.75	1.46	1.53
Total increase from operations⁽³⁾	1.55	0.95	1.50	1.63
Distributions				
From income (excluding dividends)	(0.00)	(0.00)	(0.00)	(0.00)
From dividends	(0.18)	(0.18)	(0.11)	(0.11)
From capital gains	(0.00)	(0.00)	(0.00)	(0.00)
Return of capital	(0.00)	(0.00)	(0.00)	(0.00)
Total Distributions⁽⁴⁾	(0.18)	(0.18)	(0.11)	(0.11)
Net Assets, end of period⁽⁵⁾	\$21.79	\$21.51	\$21.79	\$21.51

Notes:

- (1) This information is derived from the Fund's unaudited interim financial statements. The term "net assets" used in this report and the term "net assets attributable to holders of redeemable securities" used in the Fund's financial statements are interchangeable.
- (2) Results for the period from January 27, 2014 (inception date) to June 30, 2014.
- (3) 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.
- (4) Distributions were paid in cash.
- (5) This is not a reconciliation of the beginning and ending net assets per unit.

RATIOS AND SUPPLEMENTAL DATA

	2014 Common Units	2014 Unhedged Common Units	2014 Advisor Class Units	2014 Unhedged Advisor Class Units
Total net asset value (000s) ⁽¹⁾	\$13,402	\$8,066	\$763	\$538
Number of units outstanding ⁽¹⁾	615,000	375,000	35,000	25,000
Management expense ratio ⁽²⁾	0.63 %	0.62 %	1.37 %	1.39 %
Management expense ratio before waivers or absorptions ⁽²⁾	0.63 %	0.62 %	1.37 %	1.39 %
Portfolio turnover rate ⁽³⁾	11.39 %	11.39 %	11.39 %	11.39 %
Trading expense ratio ⁽⁴⁾	0.28 %	0.28 %	0.28 %	0.28 %
Net asset value per unit	\$21.79	\$21.51	\$21.79	\$21.51
Closing market price	\$21.84	\$21.45	\$21.77	\$21.50

Notes:

- (1) This information is provided as at June 30 of the year shown.
- (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.
- (3) The Fund's portfolio turnover rate indicates how actively First Asset manages the Fund's 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 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 Fee

First Asset manages and administers the business operations and affairs of the Fund, and is also responsible for providing all investment advisory and portfolio management services required by the Fund. As compensation for the services it provides to the Fund, the Fund pays First Asset an annual management fee on the Common Units, Advisor Class Units, Unhedged Common Units and Unhedged Advisor Class Units at the maximum annual rate set out below. The fee is based on the net asset value of the relevant class, and is calculated daily and paid monthly in arrears, except for the portion of the Advisor Class and Unhedged Advisor Class management fee that is in respect of the service fee payable to dealers which is calculated daily and paid quarterly in arrears. Out of the management fees received, First Asset pays for general administration and profit. General administration covers most costs and expenses relating to the operation of the Fund including investment management, administration, legal, accounting, custody, audit, registrar and transfer agency fees, index licensing fees (if applicable) and expenses associated with the advertising, marketing and promoting the sale of the units of the Fund. Other services provided by First Asset to the Fund include authorizing the payment of operating expenses, determining the amount of distributions by the Fund, and ensuring the Fund complies with its continuous disclosure and reporting requirements obligations under applicable law.

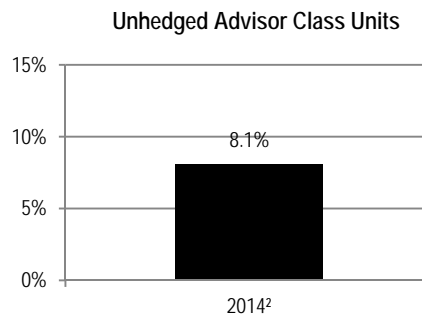
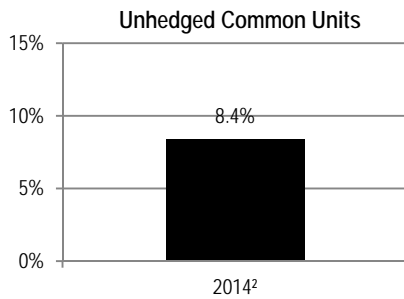
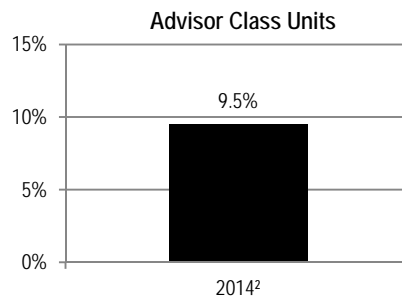
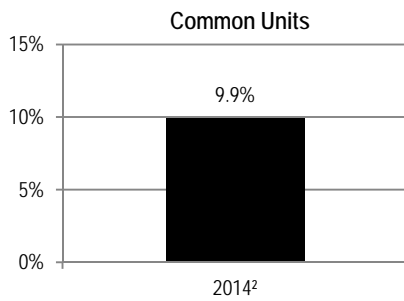
Units	As a percentage of management fee		
	Maximum annual management fee rate	Dealer compensation	General administration and profit
Common Units	0.60%	–	100%
Advisor Class Units	1.35%	56%	44%
Unhedged Common Units	0.60%	–	100%
Unhedged Advisor Class Units	1.35%	56%	44%

Past Performance

Please note that the performance information shown in this section assumes that all distributions made by the Fund in the period 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 charts show the performance for each class of the Fund's units for the period shown. The bar charts show, in percentage terms, how much an investment made on the first day of the financial period would have grown or decreased by the last day of the financial period.



⁽¹⁾ Returns based on net asset value per unit.

⁽²⁾ Return for the period February 5, 2014 to June 30, 2014.

Summary of Investment Portfolio

The following is a summary of the Fund's investment portfolio as at June 30, 2014. This is a summary only and will change due to ongoing portfolio transactions of the Fund. A quarterly update is available on www.firstasset.com.

TOP 25 HOLDINGS AS AT JUNE 30, 2014

Description	% of Net Asset Value
Cash and Cash Equivalents	6.25
Lindt & Spruengli AG	2.45
Schindler Holding AG	2.20
Swiss Prime Site AG	2.07
Royal Dutch Shell PLC	1.94
Nestle SA	1.82
National Grid PLC	1.63
SSE PLC	1.60
Swisscom AG	1.59
Henkel AG & Co. KGaA	1.55
Unilever NV	1.51
Compass Group PLC	1.46
British American Tobacco PLC	1.43
Unilever PLC	1.39
GlaxoSmithKline PLC	1.38
Reckitt Benckiser Group PLC	1.28
Beiersdorf AG	1.28
Diageo PLC	1.27
SES SA	1.26
Barry Callebaut AG	1.23
Novartis AG	1.21
L'Oreal SA	1.19
Tryg A/S	1.19
Centrica PLC	1.18
Air Liquide SA	1.15
Total Net Asset Value	\$22,768,216

SECTOR ALLOCATIONS AS AT JUNE 30, 2014

Industry	% of Net Asset Value
Consumer Staples	31.53
Consumer Discretionary	11.68
Industrials	11.30
Health Care	10.75
Utilities	7.13
Financials	7.01
Telecommunication Services	6.30
Cash and Cash Equivalents	6.25
Materials	6.21
Energy	4.46
Information Technology	1.46
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Other Liabilities, Net of Assets	104.08
	(4.08)
Total Net Asset Value	100.00
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