



Independent Review Committee

Report to Securityholders for the Year-Ended December 31, 2014

This Report to Securityholders is prepared and delivered by the Independent Review Committee (the “**IRC**”) for the First Asset family of investment funds (see Schedule “A” hereto) (each, a “**Fund**”; collectively, the “**Funds**”) in accordance with Section 4.4 of National Instrument 81-107. A securityholder of any of the Funds may request a copy of this report free of charge by calling (416) 642-1289 or 1-877-642-1289, or by emailing info@firstasset.com or by visiting www.firstasset.com or www.sedar.com.

All information contained herein is for the period January 1, 2014 to December 31, 2014.

(a) Members of the IRC

Required Disclosure - The name of each member of the IRC at the date of the report, with (i) the member’s length of service on the IRC; (ii) the name of any other fund family on whose IRC the member serves; and (iii) if applicable, a description of any relationship that may cause a reasonable person to question the member’s independence and the basis upon which the IRC determined that the member is independent.

| Name | (i) Service | (ii) Other IRC(s) | (iii) Independence |
|---------------------|---------------|-------------------|--------------------|
| Douglas A. S. Mills | May 1, 2007 † | None. | N/A |
| Carl M. Solomon | Same | Same | Same |
| Henry J. Knowles | Same | Same | Same |

† For funds in existence on May 1, 2007. For Funds launched after May 1, 2007, on the date that the initial public offering was completed. The IRC members were appointed on May 1, 2007, however, the IRC did not become functional until November 1, 2007. For First Asset Global Dividend Fund, the current IRC was constituted on August 1, 2009 following acquisition by First Asset of Criterion Investments.

(b) Ownership of Securities

Required Disclosure - The percentage of securities of each class or series of voting or equity securities beneficially owned, directly or indirectly, in aggregate by all members of the IRC: (i) in the investment fund if the aggregate level of ownership exceeds 10%; (ii) in the manager; or (iii) in any person or company that provides services to the investment fund or the manager.

| Name | Funds | Managers | Service Providers |
|--------------------|-------|----------|-------------------|
| Douglas A.S. Mills | Nil | Nil | Nil |
| Carl M. Solomon | Nil | Nil | Nil |
| Henry J. Knowles | Nil | Nil | Nil |

(c) Chair

Required Disclosure – The Identity of the Chair of the IRC.

Douglas A. S. Mills.

(d) Changes in Composition

Required Disclosure – Any changes in the composition or membership of the IRC during the period.

None.

(e) Compensation

Required Disclosure – The aggregate compensation paid to the IRC and any indemnities paid to members of the IRC by the investment funds during the period.

| | |
|------------------------------|--------------------------------------|
| Aggregate Compensation Paid: | \$133,500.00 (plus applicable taxes) |
| Indemnities Paid: | Nil |

(f) Compensation Criteria

Required Disclosure – A description of the process and criteria used by the IRC to determine the appropriate level of compensation of its members and any instance when, in setting the compensation of its members, the IRC did not follow the recommendation of the manager, including (i) a summary of the manager’s recommendation, and (ii) the IRC’s reasons for not following the recommendation.

Compensation remained unchanged for the year-ended December 31, 2014.

(g) Conflict of Interest Matters

Required Disclosure – If known, a description of each instance when the manager acted in a conflict of interest matter referred to the IRC for which the IRC did not give a positive recommendation, including (i) a summary of the recommendation, and (ii) if known, the manager’s reasons for proceeding without following the recommendation of the IRC and the result of the proceeding.

The IRC is not aware of any such instances.

(h) Managers Failure to Meet Conditions

Required Disclosure – If known, a description of each instance when the manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its recommendation or approval, including (i) the nature of the condition, (ii) if known, the manager’s reasons for not meeting the condition, and (iii) whether the IRC is of the view that the manager has taken, or proposes to take, appropriate action to deal with the matter.

The IRC is not aware of any such instances.

(i) Managers Reliance on Recommendations/Approvals

Required Disclosure – A brief summary of any recommendations and approvals the manager relied upon during the period.

During the period January 1, 2014 to December 31, 2014, the Manager acted in reliance on positive recommendations and/or approvals (including those granted by way of Standing Instructions), as applicable, granted by the IRC relating to certain conflicts of interest matters referred to the IRC as set out in Schedule “B” hereto.

DATED as of this 9th day of March, 2015.

(signed) “Douglas A. S. Mills”

Douglas A. S. Mills
Chair, Independent Review Committee



SCHEDULE "A"

FUND AND MANAGERS

First Asset Investment Management Inc. ("FAIMI") served as Manager of all of the Funds between January 1, 2014 and December 31, 2014.

First Asset Family of Closed-End Funds

1. Triax Diversified High-Yield Trust
2. First Asset Energy & Resource Fund
3. First Asset Canadian REIT Income Fund
4. First Asset Pipes & Power Income Fund^A
5. Utility Split Trust
6. Preferred Share Investment Trust
7. JFT Strategies Fund
8. First Asset Morningstar US Consumer Defensive Index Fund
9. First Asset Hamilton Capital European Bank Fund
10. First Asset Diversified Convertible Debenture Fund
11. First Asset DCD Portfolio Fund
12. First Asset Yield Opportunity Trust^B
13. First Asset Global Bond Trust^C
14. Canadian Advantaged Convertibles Fund
15. Canadian Convertibles Fund
16. North American Advantaged Convertibles Fund
17. Convertibles Portfolio Fund
18. First Asset CanBanc Split Corp.
19. CanBanc Income Corp.
20. Can-60 Income Corp.
21. Can-Financials Income Corp.
22. CanBanc 8 Income Corp.

First Asset Family of Mutual Funds

1. First Asset Resource Fund Inc.
2. First Asset Global Dividend Fund
3. First Asset Canadian Convertible Bond Fund
4. First Asset REIT Income Fund
5. First Asset Utility Plus Fund
6. First Asset Canadian Convertible Debenture Fund
7. First Asset Canadian Energy Convertible Debenture Fund
8. First Asset Canadian Dividend Opportunity Fund
9. First Asset Canadian Dividend Opportunity Fund II

First Asset Family of Exchange Traded Funds

1. First Asset Can-60 Covered Call ETF
2. First Asset Can-Financials Covered Call ETF
3. First Asset Can-Energy Covered Call ETF
4. First Asset Can-Materials Covered Call ETF
5. First Asset Canadian Convertible Bond ETF
6. First Asset Tech Giants Covered Call ETF
7. First Asset Morningstar Canada Dividend Target 30 Index ETF
8. First Asset Morningstar US Dividend Target 50 Index ETF
9. First Asset Morningstar National Bank Quebec Index ETF
10. First Asset Morningstar Canada Momentum Index ETF

11. First Asset Morningstar Canada Value Index ETF
12. First Asset Morningstar Emerging Markets Composite Bond Index ETF
13. First Asset Morningstar Emerging Markets Bond Fund
14. First Asset Morningstar US Momentum Index ETF
15. First Asset Morningstar US Value Index ETF
16. First Asset Morningstar International Value Index
17. First Asset Morningstar International Momentum Index
18. First Asset Morningstar Emerging Markets Value Index
19. First Asset Morningstar Emerging Markets Momentum Index
20. First Asset Government Bond Barbell Index ETF
21. First Asset Corporate Bond Barbell Index ETF
22. First Asset All Canada Barbell Index ETF
23. First Asset Provincial Bond Index ETF
24. First Asset 1-5 Year Laddered Government Strip Bond Index ETF
25. First Asset MSCI Canada Low Risk Weighted ETF
26. First Asset MSCI USA Low Risk Weighted ETF
27. First Asset MSCI Europe Low Risk Weighted ETF
28. First Asset MSCI World Low Risk Weighted ETF
29. First Asset U.S. & Canada Lifeco ETF
30. First Asset Hamilton Capital European Bank ETF
31. First Asset Active Canadian Dividend ETF
32. First Asset Active Canadian REIT ETF

Notes

- A. Fund converted into an exchange-trade fund on January 16, 2015
- B. Fund was terminated on January 16, 2015
- C. Fund was terminated on December 23, 2014



SCHEDULE "B"

MANAGER'S RELIANCE ON RECOMMENDATIONS/APPROVALS

| Conflict of Interest Matter | Related Policy & Procedure |
|--|--|
| X Valuing Portfolio Securities | Valuation of Portfolio Securities |
| X Best Execution of Trades | Best Execution of Trades |
| X Use of Soft Dollars | Soft Dollar Standards |
| X Allocation of Orders | Allocation of Orders and Standard of Fairness |
| X Inter-Fund Trades | Inter-Fund Trade Policy |
| X Investments in Related Funds | Related Fund Investment Policy |
| Investments in Employee Entities | Investments in Employee Entities |
| X Correcting Errors | Trade Errors and Trade Modification Policy |
| Proxy Voting Conflicts | Proxy Voting Conflicts |
| X Use of External Managers | Supervision of External Portfolio Managers |
| Internalizing 3 rd Party Agreements | Internalizing 3 rd Party Agreements |
| X Launching/Marketing New Funds | Policy on Launching/Marketing New Funds |
| X Allocating Expenses Among Funds | Allocating Expenses Among Funds |
| X Issuing Treasury Securities | Issuing Treasuries at Less than NAV |
| X Payment of Operating Expenses | Payment of Operating Expenses |
| X Merger Policy | Merger Policy |
| X Personal Trading by Portfolio Managers | Portfolio Management Conflicts Policy |

"X" indicates that the Manager relied on the particular policy.