

FIRST ASSET CORE CANADIAN EQUITY ETF



Annual Management Report of Fund Performance for the period
January 12, 2015 to December 31, 2015

Fund:

First Asset Core Canadian Equity ETF

Securities:

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

Advisor Units - Listed TSX: CED.A

Period:

January 12, 2015 to December 31, 2015

Manager, Trustee & Investment Advisor:

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

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Notes:

1. This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the annual 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 December 31, 2015.
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.

Investment Objectives and Strategies

The Fund's investment objective is to seek to provide holders with: (i) long term capital appreciation with an attractive risk-adjusted rate of return; and (ii) consistent dividend income.

The Fund uses a multi-factor portfolio optimization strategy to allocate the Fund's assets to gain exposure to equity securities of primarily large capitalization Canadian issuers in order to try to create a well-diversified portfolio with strong fundamentals, attractive levels of dividend income and a historical risk adjusted rate of return greater than a broad capitalization weighted Canadian equity fund. In order to achieve the investment objectives, the Fund may invest directly in equity securities and/or indirectly in such securities through other exchange traded funds (ETFs), including those managed by First Asset.

Risks

There were no changes to the Fund over the period of this report that materially affected the overall level of risk associated with an investment in the Fund. Holders should still refer to the prospectus of the Fund dated January 15, 2016 as it contains a detailed discussion of risk and other considerations relating to an investment in the Fund. The prospectus is available free of charge on our website at www.firstasset.com and on SEDAR at www.sedar.com. Readers are also directed to note 5 and the Fund Specific Notes of the Fund's 2015 annual financial statements, which discusses management of financial risks.

Results of Operations

The Fund's Common Units and Advisor Class Units commenced operations on January 20, 2015 with an initial net asset value of \$20.00 and subscriptions totaling \$1.5 million for Common Units and \$0.5 million for Advisor Class Units. The largest factor contributing to the increase between gross proceeds raised and total net assets at December 31, 2015 of \$14.0 million was additional net subscriptions of \$16.2 million. This was offset, in part, by net losses on investments of \$1.9 million. For the period, the Fund's Common Units generated a total return of -8.0%. The following tables highlight the performance of the Fund's Common Units and Advisor Class Units on a net asset value basis and market price basis.

Net Asset Value	December 31, 2015	January 20, 2015	Return
CED	\$18.00	\$20.00	(8.0)%
CED.A	\$18.00	\$20.00	(8.7)%

Market Value	December 31, 2015	January 20, 2015	Return
CED	\$17.89 ⁽¹⁾	\$20.00	(8.5)%
CED.A	\$18.98 ⁽²⁾	\$20.00	(4.1)%

(1) Closing market price taken from last trade on December 30, 2015.

(2) Closing market price taken from last trade on November 30, 2015.

The above returns, whether based on net asset value or market price, assume the reinvestment of all distributions. The Fund's Common Units and Advisor Class Units had per unit distributions of \$0.44 and \$0.29, respectively, during the period.

A number of macro-economic events dominated headlines during the 12-month period ended December 31, 2015, all of which drove negative market sentiment. These included a slowdown in global growth, volatility in the energy markets, eurozone uncertainty and U.S. monetary policy. Credit markets had a dismal year, with credit spreads driven wider by poor equity market performance and elevated default risks, especially from the energy sector.

Greece was in the headlines again after the left-leaning Syriza party won Greek elections with a pledge to citizens of relief from austerity while remaining in the eurozone. Initial proposals by the Greek government to reduce austerity measures fell short of European Central Bank expectations and raised concerns that Greece would be forced to exit the eurozone. The Greek debt crisis was averted when the government agreed to austerity measures in exchange for more debt to pay off its current obligations.

The price of oil collapsed over 50.0% from mid-year highs of US\$60 per barrel to close 2015 around US\$30. Crude inventories continued to rise even as rig counts declined in both Canada and the U.S. Sentiment for oil prices remained soft as the Organization of the Petroleum Exporting Countries ("OPEC") maintained production quotas to protect market share along with elevated Iranian supply potentially hitting the market in early

2016. Primarily as a result of the pullback in energy prices and its impact on the economy, the Bank of Canada ("BoC") cut interest rates twice in 2015, further weakening the Canadian dollar, which finished down 16.5% versus the U.S. dollar. Sentiment in the market is for one additional 25 basis point ("bp") cut in rates in 2016.

The Chinese government took several steps to stabilize equity markets and support its economy, including devaluation of the yuan, equity market controls and forced buying by state-owned agencies of equities. These moves all added volatility to the markets. The estimated growth rate for China was downgraded during the year, which did not help sentiment for commodities.

The U.S. Federal Reserve Board ("Fed") waited until its December meeting before raising the federal funds rate by 25 bps, basing the decision primarily on improving employment numbers. There is some debate on the pace of future rate hikes, but with recent economic trends pointing to a slowing in the U.S. and global economy, the pace of future hikes is expected to be measured.

The Fund's absolute performance is driven by its exposure to Canadian large- and mid-capitalization stocks, currently achieved through holding a basket of First Asset ETFs. The Fund's underlying basket includes the First Asset Morningstar Canada Momentum Index ETF, First Asset Morningstar Canada Value Index ETF, First Asset Morningstar Canada Dividend Target 50 Index ETF and the First Asset MSCI Canada Low Risk Weighted ETF. Fund performance will track that of the underlying ETFs held by the Fund.

Recent Developments

Looking forward, First Asset expects moderating domestic growth in the U.S. Earnings growth will likely prove challenging, depending more on continued cost cutting and share buybacks, as organic growth slows to match the economic pace. U.S. interest rates are expected to eventually move higher, with more rate hikes priced in, albeit potentially slower than previously expected. In Canada, the reverse is true, as markets are now pricing in a good probability for another interest rate cut by the BoC. Low energy prices will continue to be a challenge, and the supply/demand imbalance could persist through the year. The effects, particularly in Canada, seem likely to worsen before stabilizing.

On October 23, 2015, CI Financial Corp. announced that it had agreed to acquire First Asset Capital Corp. The transaction, which closed on November 30, 2015, resulted in a change of control of First Asset.

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. F.A. Administration Services Inc., an affiliate of First Asset, administers the Fund's relationship with the Fund's Independent Review Committee ("IRC") on behalf of First Asset, however, it receives no compensation for doing so.

The Fund has received standing instructions from its IRC with respect to the certain related party transactions: (a) since November 30, 2015, trades in securities of CI Financial Corp. (referred to as "Related Issuer Trades"), which indirectly owns and controls First Asset; (b) purchases or sales of securities of an issuer from or to another investment fund managed by First Asset (referred to as "Inter-Fund Trades"); (c) purchases or sales by the Fund of securities of another investment fund managed by First Asset (referred to as "Related Fund Trades"); and (d) mergers of funds with another fund that is subject to National Instrument 81-102 ("Fund Mergers").

The applicable standing instructions require that related party transactions be conducted in accordance with First Asset's policies and procedures. First Asset is required to advise the IRC of any material breach of a condition of the standing instructions. The standing instructions require, among other things, that the investment decision in respect to related party transactions (a) are made by First Asset free from any influence by any entities related to First Asset and without taking into account any consideration to any affiliate of First Asset; (b) represent the business judgment of First Asset uninfluenced by considerations other than the best interests of the Fund; and (c) are made in compliance with First Asset's policies and procedures. Transactions made by First Asset in respect of the Fund under the standing instructions are subsequently reviewed by the IRC on a semi-annual basis to monitor compliance.

Except as otherwise noted below, First Asset and the Fund were not party to any related party transactions during the year ended December 31, 2015.

Related Fund Trades – During the period, the Fund engaged in Related Fund Trades or held positions in Related Funds at the end of the period. The Related Fund Trades were executed by an unrelated broker and through the facilities of the TSX at prevailing market prices on the days of the transactions. No related parties received any fees in connection with the trades. The trades were executed in reliance on a standing instruction issued by both funds' IRC.

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 SECURITY⁽¹⁾

	Common Units 2015 ⁽²⁾
Net Assets, beginning of period	\$20.00
Increase (decrease) from operations	
Total revenue	0.56
Total expenses	(0.06)
Realized gains (losses) for the period	(0.53)
Unrealized gains (losses) for the period	(3.55)
Total decrease from operations⁽³⁾	(3.58)
Distributions	
From income (excluding dividends)	0.00
From dividends	(0.24)
From capital gains	0.00
Return of capital	(0.20)
Total Distributions⁽⁴⁾	(0.44)
Net Assets, end of period⁽⁵⁾	\$18.00

	Advisor Class Units 2015 ⁽²⁾
Net Assets, beginning of period	\$20.00
Increase (decrease) from operations	
Total revenue	0.49
Total expenses	(0.23)
Realized gains (losses) for the period	(0.43)
Unrealized gains (losses) for the period	(1.55)
Total decrease from operations⁽³⁾	(1.72)
Distributions	
From income (excluding dividends)	0.00
From dividends	(0.11)
From capital gains	0.00
Return of capital	(0.18)
Total Distributions⁽⁴⁾	(0.29)
Net Assets, end of period⁽⁵⁾	\$18.00

Notes:

- (1) This information is derived from the Fund's audited annual 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 12, 2015 (inception date) to December 31, 2015.
- (3) Net assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of securities 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 security.

RATIOS AND SUPPLEMENTAL DATA

	2015 Common Units
Total net asset value (000s) ⁽¹⁾	\$13,500
Number of securities outstanding ⁽¹⁾	750,000
Management expense ratio ⁽²⁾	0.99%
Management expense ratio before waivers or absorptions ⁽²⁾	1.34%
Portfolio turnover rate ⁽³⁾	41.56%
Trading expense ratio ⁽⁴⁾	0.06%
Net asset value per security	\$18.00
Closing market price ⁽⁵⁾	\$17.89

	2015 Advisor Class Units
Total net asset value (000s) ⁽¹⁾	\$450
Number of securities outstanding ⁽¹⁾	25,000
Management expense ratio ⁽²⁾	1.83%
Management expense ratio before waivers or absorptions ⁽²⁾	2.17%
Portfolio turnover rate ⁽³⁾	41.56%
Trading expense ratio ⁽⁴⁾	0.06%
Net asset value per security	\$18.00
Closing market price ⁽⁵⁾	\$18.98

Notes:

- (1) This information is provided as at December 31 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.
- (5) If the securities traded during the period, the closing market price on the last trading day during the period that the securities traded, as reported on the TSX.

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 and 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 management fee that is in respect of the service fee payable to dealers which is calculated daily and paid quarterly in arrears. In addition to investment advisory and portfolio management, the services provided by First Asset to the Fund include, without limitation, implementation of the Fund's investment strategies, negotiating contracts with certain third-party service providers, authorizing the payment of operating expenses incurred on behalf of the Fund, maintaining certain accounting and financial records, calculating the amount and determining the frequency of distributions by the Fund, ensuring that securityholders are provided with financial statements and other reports as are required from time to time by applicable law, ensuring that the Fund complies with all other regulatory requirements including continuous disclosure obligations under applicable securities law and administering purchases, redemptions and other transactions in securities. The maximum annual management fee rate set out below does not duplicate fees payable for the same service by any of the underlying funds in which the Fund has invested.

As a percentage of management fee

	Maximum annual management fee rate	Dealer compensation	General administration and profit
Common Units	0.15%	–	100%
Advisor Class Units	0.90%	83%	17%

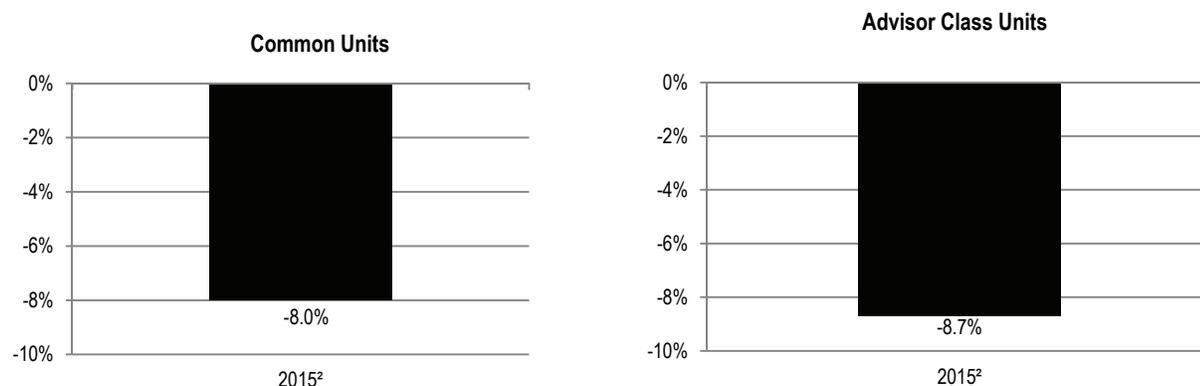
For the year ended December 31, 2015, First Asset waived or absorbed expenses of the fund totaling \$40,125.

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 securities 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 security.

(2) Return for the period January 20, 2015 to December 31, 2015.

ANNUAL COMPOUND RETURNS

As the Fund was not a reporting issuer throughout the entire period, we have not provided a compound annual return or a comparative index.

Summary of Investment Portfolio

The following is a summary of the Fund's investment portfolio as at December 31, 2015. 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.

HOLDINGS AS AT DECEMBER 31, 2015

Description	% of Net Asset Value
First Asset MSCI Canada Low Risk Weighted ETF	30.50
First Asset Morningstar Canada Value Index ETF	25.24
First Asset Morningstar Canada Dividend Target 30 index ETF	23.54
First Asset Morningstar Canada Momentum Index ETF	20.63
Cash and Cash Equivalents	0.20
Total Net Asset Value	\$13,950,204

SECTOR ALLOCATIONS AS AT DECEMBER 31, 2015

Industry	% of Net Asset Value
Investment Fund	99.92
Cash and Cash Equivalents	0.20
	100.12
Other Liabilities, Net of Assets	(0.12)
Total Net Asset Value	100.00

