

FIRST ASSET MSCI EUROPE LOW RISK WEIGHTED ETF



Annual Management Report of Fund Performance for the year ended
December 31, 2015

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 1, 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.
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 (other than in respect of the Unhedged Units) is to replicate, to the extent possible, the performance of the MSCI Europe Risk Weighted Top 100 Index Hedged to CAD (the "CAD Hedged Index"), net of expenses, and in respect of the Unhedged Units, 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 applicable index.

Each of the Index and the CAD Hedged Index (collectively, the "Indexes") are based on a traditional market capitalization weighted parent index, the 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 Indexes are determined by ranking 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. Historically the Indexes have exhibited lower realized volatility in comparison to the parent Index, while maintaining reasonable liquidity and capacity.

The only difference between the Index and the CAD Hedged Index is that the CAD Hedged Index is 100% hedged to the Canadian dollar by notionally "selling" each foreign currency forward at the one-month forward exchange rate at the end of each month.

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 October 29, 2015 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

For the year ended December 31, 2015, the Fund's Common Units returned 11.3% compared to the CAD Hedged Index which returned 12.1% and the Fund's Unhedged Common Units returned 25.1% compared to the Index which returned 25.8%. The difference in the performance of the Fund relative to the applicable Indexes can be attributed primarily to the fees and expenses incurred by the Fund, the timing of portfolio related trading such as corporate actions or the reinvestment of dividends as well as the different currency hedging strategies. 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	December 31, 2015	December 31, 2014	Return
RWE	\$23.89	\$21.89	11.3%
RWE.A	\$23.81	\$21.81	10.4%
RWE.B	\$26.00	\$21.20	25.1%
RWE.D	\$25.97	\$21.17	24.1%

Market Value	December 31, 2015	December 31, 2014	Return
RWE	\$23.80	\$21.81	11.3%
RWE.A	\$24.00 ⁽³⁾	\$22.29 ⁽¹⁾	8.9%
RWE.B	\$26.06	\$21.29 ⁽²⁾	24.9%

(1) Closing market price taken from last trade on December 4, 2014.

(2) Closing market price taken from last trade on December 30, 2014.

(3) Closing market price taken from last trade on December 29, 2015.

*Performance not shown for Unhedged Advisor Class Units (RWE.D) as there was no comparable trade on or about December 31, 2015.

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 cash distributions of \$0.47, \$0.27, \$0.49 and \$0.28, respectively, during the year.

The Fund's net assets were \$73.1 million as at December 31, 2015, an increase from \$33.1 million as at December 31, 2014. The largest factors contributing to this increase were net subscriptions of \$36.0 million and net gains on investments of \$5.9 million. This was partially offset by distributions of \$1.3 million.

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 larger weighting in consumer non-cyclicals (+494 bps) contributed to its performance, as did exposure to the information technology (+105 bps) and industrials (+55 bps) sectors. Top individual contributors to performance included Lindt & Spruengli AG (+47 bps), Svenska Cellulosa AG (+43 bps) and Societe BIC SA (+40 bps). It is worth noting that, because of the large number of holdings in this portfolio, no one stock dramatically impacted its performance.

Exposure to the energy sector (-30 bps) detracted from the Fund's performance as a result of continued weakness in oil prices. The largest individual detractors from the Fund's performance included Royal Dutch Shell PLC Class B shares (-29 bps), Royal Dutch Shell PLC Class A shares (-27 bps) and RELX Group NV (-27 bps). In addition, the Fund's management fee of 60 bps detracted from its performance.

As the composition of the Fund's portfolio is based on replicating the constituents of the Index, changes in the economy, markets, or unusual events do not have a direct impact on the way its investment strategies are implemented.

Recent Developments

The Fund has been designed to replicate, to the extent possible, the performance of the MSCI Europe Risk Weighted Top 100 Index, net of expenses. The Index is based on a traditional market capitalization weighted parent index, MSCI Europe Index, which includes developed Europe large- and mid-capitalization stocks. To the extent that the market emphasizes European mid- and large-cap stocks, the holdings selected should perform well.

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.

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	2014 ⁽²⁾
Net Assets, beginning of period	\$21.89	\$20.00
Increase (decrease) from operations		
Total revenue	0.68	0.54
Total expenses	(0.16)	(0.13)
Realized gains (losses) for the period	1.67	(0.91)
Unrealized gains (losses) for the period	(0.85)	2.03
Total increase from operations⁽³⁾	1.34	1.53
Distributions		
From income (excluding dividends)	(0.46)	(0.22)
From dividends	0.00	0.00
From capital gains	0.00	(0.86)
Return of capital	(0.01)	0.00
Total Distributions⁽⁴⁾	(0.47)	(1.08)
Net Assets, end of period⁽⁵⁾	\$23.89	\$21.89

THE FUND'S NET ASSETS PER SECURITY ⁽¹⁾

	Advisor Class Units	
	2015	2014 ⁽²⁾
Net Assets, beginning of period	\$21.81	\$20.00
Increase (decrease) from operations		
Total revenue	0.71	0.63
Total expenses	(0.35)	(0.30)
Realized gains (losses) for the period	1.71	(0.90)
Unrealized gains (losses) for the period	(0.66)	2.17
Total increase from operations⁽³⁾	1.41	1.60
Distributions		
From income (excluding dividends)	(0.27)	(0.23)
From dividends	0.00	0.00
From capital gains	0.00	(1.00)
Return of capital	0.00	0.00
Total Distributions⁽⁴⁾	(0.27)	(1.23)
Net Assets, end of period⁽⁵⁾	\$23.81	\$21.81

	Unhedged Common Units	
	2015	2014 ⁽²⁾
Net Assets, beginning of period	\$21.20	\$20.00
Increase (decrease) from operations		
Total revenue	0.66	0.71
Total expenses	(0.17)	(0.13)
Realized gains (losses) for the period	1.76	(0.86)
Unrealized gains (losses) for the period	2.68	1.02
Total increase from operations⁽³⁾	4.93	0.74
Distributions		
From income (excluding dividends)	(0.43)	(0.49)
From dividends	0.00	0.00
From capital gains	0.00	0.00
Return of capital	(0.06)	0.00
Total Distributions⁽⁴⁾	(0.49)	(0.49)
Net Assets, end of period⁽⁵⁾	\$26.00	\$21.20

THE FUND'S NET ASSETS PER SECURITY ⁽¹⁾

	Unhedged Advisor Class Units	
	2015	2014 ⁽²⁾
Net Assets, beginning of period	\$21.17	\$20.00
Increase (decrease) from operations		
Total revenue	0.72	0.80
Total expenses	(0.36)	(0.29)
Realized gains (losses) for the period	1.79	(0.89)
Unrealized gains (losses) for the period	1.98	1.85
Total increase from operations⁽³⁾	4.13	1.47
Distributions		
From income (excluding dividends)	(0.28)	(0.46)
From dividends	0.00	0.00
From capital gains	0.00	0.00
Return of capital	0.00	0.00
Total Distributions⁽⁴⁾	(0.28)	(0.46)
Net Assets, end of period⁽⁵⁾	\$25.97	\$21.17

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 27, 2014 (inception date) to December 31, 2014.
- (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 or reinvested in additional securities of the Fund.
- (5) This is not a reconciliation of the beginning and ending net assets per security.

RATIOS AND SUPPLEMENTAL DATA

	2015 Common Units	2014 Common Units
Total net asset value (000s) ⁽¹⁾	\$53,508	\$23,863
Number of securities outstanding ⁽¹⁾	2,240,000	1,090,000
Management expense ratio ⁽²⁾	0.66%	0.66%
Management expense ratio before waivers or absorptions ⁽²⁾	0.66%	0.66%
Portfolio turnover rate ⁽³⁾	60.03%	33.64%
Trading expense ratio ⁽⁴⁾	0.33%	0.33%
Trading expense ratio (adjusted) ⁽⁵⁾	0.21%	0.24%
Net asset value per security	\$23.89	\$21.89
Closing market price ⁽⁶⁾	\$23.80	\$21.81

	2015 Advisor Class Units	2014 Advisor Class Units
Total net asset value (000s) ⁽¹⁾	\$1,428	\$763
Number of securities outstanding ⁽¹⁾	60,000	35,000
Management expense ratio ⁽²⁾	1.47%	1.47%
Management expense ratio before waivers or absorptions ⁽²⁾	1.47%	1.47%
Portfolio turnover rate ⁽³⁾	60.03%	33.64%
Trading expense ratio ⁽⁴⁾	0.33%	0.33%
Trading expense ratio (adjusted) ⁽⁵⁾	0.21%	0.24%
Net asset value per security	\$23.81	\$21.81
Closing market price ⁽⁶⁾	\$24.00	\$22.29

	2015 Unhedged Common Units	2014 Unhedged Common Units
Total net asset value (000s) ⁽¹⁾	\$16,901	\$7,949
Number of securities outstanding ⁽¹⁾	650,000	375,000
Management expense ratio ⁽²⁾	0.68%	0.66%
Management expense ratio before waivers or absorptions ⁽²⁾	0.68%	0.66%
Portfolio turnover rate ⁽³⁾	60.03%	33.64%
Trading expense ratio ⁽⁴⁾	0.33%	0.33%
Trading expense ratio (adjusted) ⁽⁵⁾	0.21%	0.24%
Net asset value per security	\$26.00	\$21.20
Closing market price ⁽⁶⁾	\$26.06	\$21.29

	2015 Unhedged Advisor Class Units	2014 Unhedged Advisor Class Units
Total net asset value (000s) ⁽¹⁾	\$1,298	\$529
Number of securities outstanding ⁽¹⁾	50,000	25,000
Management expense ratio ⁽²⁾	1.49%	1.47%
Management expense ratio before waivers or absorptions ⁽²⁾	1.49%	1.47%
Portfolio turnover rate ⁽³⁾	60.03%	33.64%
Trading expense ratio ⁽⁴⁾	0.33%	0.33%
Trading expense ratio (adjusted) ⁽⁵⁾	0.21%	0.24%
Net asset value per security	\$25.97	\$21.17
Closing market price ⁽⁶⁾	\$24.88	\$21.00

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) The adjusted trading expense ratio reflects fees paid to the Fund during the period by certain securityholders in connection with cash-only subscriptions or redemptions of a prescribed number of units of the Fund, to offset, as applicable, brokerage expenses, commissions, transaction costs and other costs or expenses that the Fund incurs or expects to incur in purchasing or selling portfolio securities on the market in connection with such cash-only subscriptions or redemptions.
- (6) 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 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, subject to certain exclusions as noted in the Fund's prospectus.

In addition to investment advisory and portfolio management, the services provided by First Asset to the Fund include, without limitation, the proper oversight to ensure 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.

As a percentage of management fee

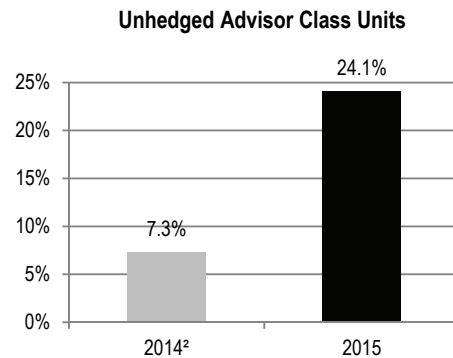
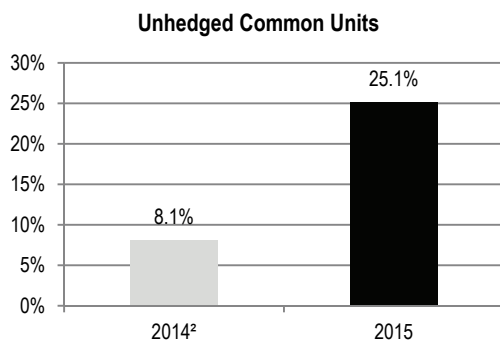
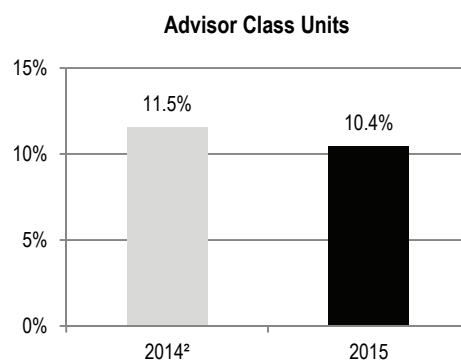
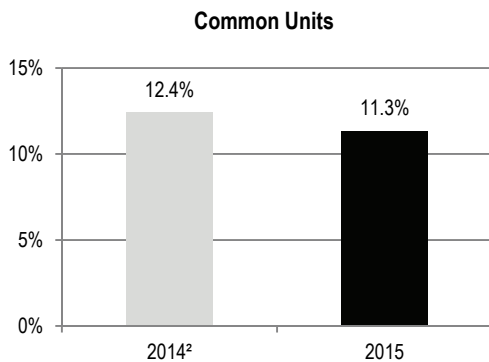
	Maximum annual management fee rate	Dealer compensation	General administration and profit
Common Units	0.60%	–	100%
Advisor Class Units	1.35%	56%	44%
Unhedged Common Units	0.60%	–	100%
Unhedged Advisor Class Units	1.35%	56%	44%

Past Performance

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

YEAR-BY-YEAR RETURNS⁽¹⁾

The following bar charts show annual performance for each class of the Fund's securities for the financial years shown and illustrate how the Fund's performance has changed from year to year. The bar charts show, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



ANNUAL COMPOUND RETURNS

The table below summarizes the Fund's annual compound total returns for the periods ended December 31 as indicated. As a basis for comparison we have provided the performance of a broad-based index, the MSCI Europe Index ("Index A") and the Fund's benchmark index, the MSCI Europe Risk Weighted Top 100 Index ("Index B"). The MSCI Europe Index captures large and mid-cap equities across 15 Developed Markets (DM) countries in Europe, covering approximately 85% of the free float-adjusted market capitalization across the DM equity universe. This index is used as a benchmark to help you understand the Fund's performance relative to the general performance of the broader European equity market. Note that the unhedged classes of the Fund are compared to the unhedged versions of these indices. A discussion on the relative performance of the Fund as compared to its benchmark index can be found under the Results of Operations section of this report.

Period	Common Units ⁽¹⁾	Advisor Class Units ⁽¹⁾	Index A	Index B
1 year	11.3%	10.4%	4.9%	12.1%
Since inception	12.5%	11.6%	6.9%	14.6%

Period	Unhedged Common Units ⁽¹⁾	Unhedged Advisor Class Units ⁽¹⁾	Index A	Index B
1 year	25.1%	24.1%	17.1%	25.8%
Since inception	17.2%	16.3%	10.6%	18.4%

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

⁽²⁾ Return for the period February 12, 2014 to December 31, 2014.

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.

TOP 25 HOLDINGS AS AT DECEMBER 31, 2015

Description	% of Net Asset Value
Chocoladefabriken Lindt & Spruengli AG	3.14
MAN SE	2.34
Schindler Holding AG	2.03
Swiss Prime Site AG	1.75
Henkel AG & Co. KGaA	1.74
Kabel Deutschland Holding AG	1.58
Groupe Bruxelles Lambert S.A.	1.55
Terna Rete Elettrica Nazionale SpA	1.50
Swisscom AG	1.49
Nestle SA	1.47
Compass Group PLC	1.42
National Grid PLC	1.40
RELX PLC	1.36
Bunzl PLC	1.27
Sodexo SA	1.19
Aeroports de Paris	1.18
Reckitt Benckiser Group PLC	1.17
Unilever PLC	1.15
SSE PLC	1.13
Tryg A/S	1.12
Next PLC	1.12
Hennes & Mauritz AB	1.11
SCOR SE	1.10
Sampo Oyj	1.10
Swiss Re AG	1.09
Total Net Asset Value	\$73,135,527

SECTOR ALLOCATIONS AS AT DECEMBER 31, 2015

Industry	% of Net Asset Value
Financials	25.30
Consumer Staples	23.00
Consumer Discretionary	18.27
Industrials	13.31
Utilities	6.88
Health Care	5.94
Telecommunication Services	4.08
Materials	3.69
Energy	1.43
Information Technology	0.92
Cash and Cash Equivalents	0.50
	103.32
Other Liabilities, Net of Assets	(3.32)
Total Net Asset Value	100.00

