

Annual Management Report of Fund Performance

for the period ended December 31, 2016



First Asset Cambridge Core Canadian Equity ETF

Fund:

First Asset Cambridge Core Canadian Equity ETF

Securities:

ETF Units - Listed Toronto Stock Exchange ("TSX"): FCE

Period:

September 12, 2016 to December 31, 2016

Manager & Trustee:

First Asset Investment Management Inc. ("First Asset")
2 Queen Street East, Suite 1200
Toronto, ON M5C 3G7
(416) 642-1289 or (877) 642-1289
www.firstasset.com - info@firstasset.com

Portfolio Manager:

Cambridge Global Asset Management
2 Queen Street East, 18th Floor
Toronto, Ontario M5C 3G7

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, 2016.
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.

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Investment Objectives and Strategies

The Fund's investment objective is to provide securityholders with long term capital growth from an actively managed portfolio investing primarily of equity and equity-related securities of large and mid-capitalization Canadian issuers.

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 September 12, 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 2016 annual financial statements, which discusses management of financial risks.

Results of Operations

The Fund commenced operations on September 23, 2016, with an initial net asset value of \$20 per ETF Unit and subscriptions totalling \$1.0 million. For the period, the Fund returned 2.2% compared to the S&P/TSX Composite Total Return Index which returned 6.2%. The largest factor contributing to the increase between the initial subscription and total net assets as at December 31, 2016 of \$5.1 million was additional subscriptions of \$4.0 million.

The following tables highlight the performance of the Fund's ETF Units on a net asset value basis and market price basis.

Net Asset Value	December 31, 2016	September 23, 2016	Return
FCE	\$20.36	\$20.00	2.2%

Market Value	December 31, 2016	September 23, 2016	Return
FCE	\$20.43	\$20.00	2.5%

The above returns, whether based on net asset value or market price, assume the reinvestment of all distributions. The Fund paid per unit cash distributions of \$0.08 during the period.

Equity markets declined when the fourth quarter of 2016 began as uncertainty set in ahead of the U.S. presidential election, the results of which were an equity rebound that lasted through the end of the year. The prospects for pro-business policy measures from the incoming U.S. administration provided the catalyst necessary to drive up global interest rates, as well as energy and equity prices. Equity markets were also buoyed by signs of improving economic indicators in the eurozone, as well as in the U.S. and Canada.

Interest rates moved higher during the period, gaining roughly 80 basis points ("bps") and 70 bps in the U.S. and Canada, respectively. The price of crude oil rose 16% amid the prospects for greater economic activity and promised oil production cuts by the Organization of the Petroleum Exporting Countries. Natural gas and base metals prices also recovered, while gold prices fell 12% as a result of rising interest rates.

The increase in optimism caused bond prices to fall significantly, driving down Canadian bond prices more than 4.6% over the quarter, while pushing up the S&P/TSX Composite Index by 4.5%, led by strong performance in the financials, energy and industrials sectors. Aside from the health care sector, which was dragged down by Valeant Pharmaceuticals International, Inc., the weaker sectors were those most sensitive to rising interest rates. Shares of gold miners fell 16%, and the consumer staples, telecommunication services, utilities and real estate sectors all finished lower.

Stock selection was the key contributor to the Fund's performance, with holdings in the consumer staples and industrials sectors having a positive impact. Individual contributors to performance included Canadian food retailers Loblaw Companies Limited and George Weston Limited, and industrials stocks Finning International Inc., Stantec Inc. and TFI International Inc. (formerly known as TransForce Inc.).

The Fund's overweight allocation to the materials sector, particularly precious metals, detracted from performance. An underweight exposure to the financials sector also detracted from performance, as did exposure to the energy sector. The largest individual detractor was Tahoe Resources Inc.

Recent Developments

While the U.S. presidential election results have fuelled developed equity markets, it remains to be seen whether the incoming administration's planned implementation of tax cuts and infrastructure spending will ultimately boost investment fundamentals in the coming months. Interest rates may rise as a result of these pro-growth initiatives, or because of the improving global economy, rising inflation expectations and changing central bank policies.

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The Canadian market's exposure to economically sensitive sectors depends on improvement in global growth. Improved oil and commodity prices, accompanied by higher interest rates, should benefit the domestic market's significant overexposure to the energy, materials and financials sectors.

Given the considerable political and macro-economic uncertainty, market participants remain keenly focused on developments in these areas. The Portfolio Manager continues to focus on identifying the most attractive portfolio candidates for investment from a return/risk perspective.

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) 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, the Portfolio Manager and the Fund were not party to any related party transactions during the period ended December 31, 2016.

Related Issuer Trades – During the period, the Fund engaged in Related Issuer Trades. The Related Issuer 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 the Fund's IRC.

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Financial Highlights

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance since inception.

THE FUND'S NET ASSETS PER SECURITY⁽¹⁾

	Period from Inception to Dec. 31, 2016 \$
Commencement of operations September 12, 2016	
Net assets, beginning of period	20.00
Increase (decrease) from operations	
Total revenue	0.14
Total expenses	(0.06)
Realized gains (losses) for the period	(0.15)
Unrealized gains (losses) for the period	0.56
Total increase (decrease) from operations⁽²⁾	0.49
Distributions	
From income (excluding dividends)	(0.01)
From dividends	(0.03)
From capital gains	-
Return of capital	(0.04)
Total distributions⁽³⁾	(0.08)
Net assets, end of the period⁽⁴⁾	20.36

RATIOS AND SUPPLEMENTAL DATA

Total net asset value (\$000's) ⁽⁵⁾	5,090
Number of securities outstanding ⁽⁵⁾	250,000
Management expense ratio (%) ⁽⁶⁾	0.89
Management expense ratio before waivers or absorptions (%) ⁽⁶⁾	2.03
Portfolio turnover rate (%) ⁽⁷⁾	31.76
Trading expense ratio (%) ⁽⁸⁾	0.34
Net asset value per security (\$)	20.36
Closing market price (\$) ⁽⁹⁾	20.43

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) 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.

(3) Distributions were paid in cash.

(4) This is not a reconciliation of the beginning and ending net assets per security.

(5) This information is provided as at December 31 of the period shown.

(6) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period, including the Fund's proportionate share of such expenses of any underlying fund in which the Fund has invested and is expressed as an annualized percentage of daily average net asset value during the period.

(7) The Fund's portfolio turnover rate indicates how actively the Portfolio Manager 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 period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between high turnover rate and the performance of a fund.

(8) 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, including the Fund's proportionate share of such expenses of any underlying fund in which the Fund has invested.

(9) 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.

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Management Fee

First Asset manages and administers the business, operations and affairs of the Fund. First Asset has retained the Portfolio Manager to provide 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 at the maximum rate set out below. The fee is based on the net asset value of the Fund and is calculated daily and paid monthly in arrears. First Asset pays the Portfolio Manager out of its management fee.

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 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 redemptions and other transactions in securities.

	Maximum annual management fee rate	As a percentage of management fee Dealer compensation	General administration and profit
	0.70%	-	100%

For the period ended December 31, 2016, First Asset waived or absorbed expenses of the Fund totaling \$20,208.

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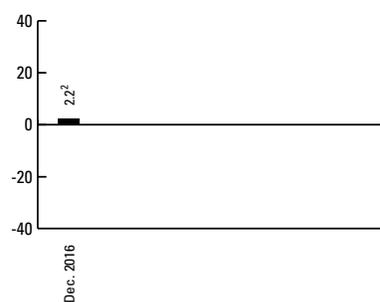
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Past Performance

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 chart shows the Fund's performance for the period shown. The bar chart shows, 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 September 20, 2016 to December 31, 2016.

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.

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Summary of Investment Portfolio

The following is a summary of the Fund's investment portfolio as at December 31, 2016. 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, 2016

Description	% of Net Asset Value
Cash and Cash Equivalents	6.80
Franco-Nevada Corp.	5.41
Tahoe Resources, Inc.	5.34
Keyera Corp.	5.08
Loblaw Companies Ltd.	4.92
CCL Industries, Inc.	4.53
Brookfield Infrastructure Partners LP	4.09
Brookfield Renewable Partners LP	4.09
Intact Financial Corp.	4.07
Stella-Jones, Inc.	3.98
PrairieSky Royalty Ltd.	3.98
Tourmaline Oil Corp.	3.92
Thomson Reuters Corp.	3.91
Restaurant Brands International, Inc.	3.91
TFI International, Inc.	3.91
Magna International, Inc.	3.86
Finning International, Inc.	3.83
Stantec, Inc.	3.77
Fairfax Financial Holdings Ltd.	3.16
Brookfield Property Partners LP	3.05
George Weston Ltd.	2.97
Brookfield Asset Management, Inc.	2.95
CI Financial Corp.	2.91
Canadian Pacific Railway Ltd.	2.91
Alimentation Couche-Tard, Inc.	2.86
Total Net Asset Value	\$5,090,456

SECTOR ALLOCATION AS AT DECEMBER 31, 2016

Industry	% of Net Asset Value
Materials	19.25
Financials	17.00
Industrials	14.42
Energy	12.97
Consumer Staples	10.75
Utilities	8.17
Consumer Discretionary	7.76
Cash and Cash Equivalents	6.80
Real Estate	3.05
	100.17
Other assets, net of liabilities	(0.17)
Total Net Asset Value	100.00