

Annual Management Report of Fund Performance

for the year ended December 31, 2016



First Asset European Bank ETF

(formerly First Asset Hamilton Capital European Bank ETF)

Fund:

First Asset European Bank ETF *(formerly First Asset Hamilton Capital European Bank ETF)*

Securities:

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

Advisor Class Units - Listed TSX: FHB.A

Period:

January 1, 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:

Signature Global Asset Management

2 Queen Street East

20th 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 seek long-term total returns consisting of long-term capital appreciation from an actively managed portfolio comprised primarily of equity securities of European banks.

The Fund seeks to achieve its investment objective through the application of specialized analysis and expertise and intends to invest in a portfolio of equity securities that in the view of the Portfolio Manager represents a diversified portfolio of the most attractive opportunities in the European banking sector. The Fund's investments may be selected from any subsector or capitalization level of the European banking sector.

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 amended prospectus of the Fund dated November 25, 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

For the year ended December 31, 2016, the Fund's Common Units returned -14.9%. This compares to the STOXX Europe 600 Banks Index and the broad market index, the MSCI Europe Index, which returned 32.3% and 7.2%, respectively. 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, 2016	December 31, 2015	Return
FHB	\$7.67	\$9.24	-14.9%
FHB.A	\$7.63	\$9.18	-15.6%

Market Value	December 31, 2016	December 31, 2015	Return
FHB	\$7.64	\$9.23	-15.2%
FHB.A	\$7.67 ⁽²⁾	\$9.34 ⁽¹⁾	-16.7%

(1) Closing market price taken from last trade on December 7, 2015.

(2) Closing market price taken from last trade on December 22, 2016.

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 \$0.16 and \$0.10, respectively, during the year.

The Fund's net assets as at December 31, 2016, were \$32.4 million, a decrease from \$61.9 million as at December 31, 2015. The largest factors contributing to this decrease were net redemptions of \$17.9 million, net losses on investments of \$10.1 million and distributions of \$0.9 million.

The U.K.'s exit from the European Union ("Brexit") reduced U.K. and European economic growth expectations and pushed interest rates lower, which impaired banks' earnings potential. European banks have faced an extremely challenging environment in recent years, including extremely low (and sometimes negative) interest rates, very moderate economic recovery, rising regulatory requirements, the Brexit vote and concerns over the levels of non-performing loans in Italy, Spain and Greece. European banks have underperformed U.S. banks by approximately 100% over the past five years.

As a means to improve the Fund's overall quality while maintaining a similar performance potential, the Portfolio Manager added a modest exposure to non-bank financials; for example, Italian investment management businesses, including Anima Holdings S.p.A., Banca Mediolanum S.p.A. and Azimut Holding S.p.A. These investment management businesses were gaining clients and assets from some of the weaker Italian banks, while also trading at lower valuations. Intesa Sanpaolo S.p.A. was sold to fund these purchases.

Recent Developments

As U.S. banks have recently been re-rated, European banks have followed in sympathy. U.S. banks are now being valued on earnings potential in 2018 and 2019, and if investors are willing to take that leap with a positive economic view on European banks, there remains significant potential for gains. The Portfolio Manager does view the sector as offering attractive and growing dividends, and many European banks are positioned for potential improvement in the operating environment because returns in many cases are so low. The Basel Committee is attempting to finish up with the ever-evolving regulatory challenges facing the sector, which will be welcomed by bank investors.

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Signature Global Asset Management, a division of CI Investments Inc. and an affiliate of First Asset, assumed the portfolio management responsibilities for the Fund effective after the close of business on November 18, 2016. In connection with the change in Portfolio Manager, the name of the Fund changed to First Asset European Bank ETF (from First Asset Hamilton Capital European Bank ETF) on November 25, 2016.

Related Party Transactions

First Asset and the Portfolio Manager are deemed to be related parties to the Fund. Please refer to the "Management Fee" section below which outlines fees paid to these parties. 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.

First Asset, the Portfolio Manager and the Fund were not party to any related party transactions during the year ended December 31, 2016.

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Management Report of Fund Performance for the year ended December 31, 2016

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 Commencement of operations July 18, 2014	Year Ended	Year Ended	Period from
	Dec. 31, 2016	Dec. 31, 2015	Inception to Dec. 31, 2014
	\$	\$	\$
Net assets, beginning of period	9.24	9.62	10.00
Increase (decrease) from operations			
Total revenue	0.24	0.16	0.03
Total expenses	(0.09)	(0.13)	(0.05)
Realized gains (losses) for the period	(1.89)	(0.87)	(0.22)
Unrealized gains (losses) for the period	(0.12)	(0.39)	(0.86)
Total increase (decrease) from operations⁽²⁾	(1.86)	(1.23)	(1.10)
Distributions			
From income (excluding dividends)	(0.16)	(0.01)	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	(0.05)	-
Total distributions⁽³⁾	(0.16)	(0.06)	-
Net assets, end of the period⁽⁴⁾	7.67	9.24	9.62

RATIOS AND SUPPLEMENTAL DATA

Total net asset value (\$000's) ⁽⁵⁾	31,657	60,724	25,738
Number of securities outstanding ⁽⁵⁾	4,125,483	6,573,000	2,675,000
Management expense ratio (%) ⁽⁶⁾	1.26	1.25	1.15
Management expense ratio before waivers or absorptions (%) ⁽⁶⁾	1.26	1.25	1.66
Portfolio turnover rate (%) ⁽⁷⁾	54.28	82.28	15.35
Trading expense ratio (%) ⁽⁸⁾	0.14	0.37	0.32
Net asset value per security (\$)	7.67	9.24	9.62
Closing market price (\$) ⁽⁹⁾	7.64	9.23	9.73

*Footnotes for the tables are found at the end of the Financial Highlights section.

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Financial Highlights (continued)

THE FUND'S NET ASSETS PER SECURITY⁽¹⁾

Advisor Class Units	Year Ended Dec. 31, 2016	Year Ended Dec. 31, 2015	Period from Inception to Dec. 31, 2014
Commencement of operations July 18, 2014	\$	\$	\$
Net assets, beginning of period	9.18	9.59	10.00
Increase (decrease) from operations			
Total revenue	0.24	0.17	0.04
Total expenses	(0.15)	(0.21)	(0.09)
Realized gains (losses) for the period	(1.93)	(0.80)	(0.23)
Unrealized gains (losses) for the period	0.05	(0.28)	(0.30)
Total increase (decrease) from operations⁽²⁾	(1.79)	(1.12)	(0.58)
Distributions			
From income (excluding dividends)	(0.10)	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
Total distributions⁽³⁾	(0.10)	-	-
Net assets, end of the period⁽⁴⁾	7.63	9.18	9.59

RATIOS AND SUPPLEMENTAL DATA

Total net asset value (\$000's) ⁽⁵⁾	759	1,166	719
Number of securities outstanding ⁽⁵⁾	99,514	127,014	75,000
Management expense ratio (%) ⁽⁶⁾	2.09	2.09	1.91
Management expense ratio before waivers or absorptions (%) ⁽⁶⁾	2.09	2.09	2.43
Portfolio turnover rate (%) ⁽⁷⁾	54.28	82.28	15.35
Trading expense ratio (%) ⁽⁸⁾	0.14	0.37	0.32
Net asset value per security (\$)	7.63	9.18	9.59
Closing market price (\$) ⁽⁹⁾	7.67	9.34	9.50

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 year 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 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.

(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. The Fund may charge a fee to designated brokers/dealers to offset the impact of certain transaction costs associated with a purchase or redemption of a prescribed number of units of the Fund. The transaction costs used in the trading expense ratio have been reduced by these fees.

(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 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. 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 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 redemptions and other transactions in securities.

	Maximum annual management fee rate	As a percentage of management fee	
		Dealer compensation	General administration and profit
Common Units	0.85%	-	100%
Advisor Class Units	1.60%	47%	53%

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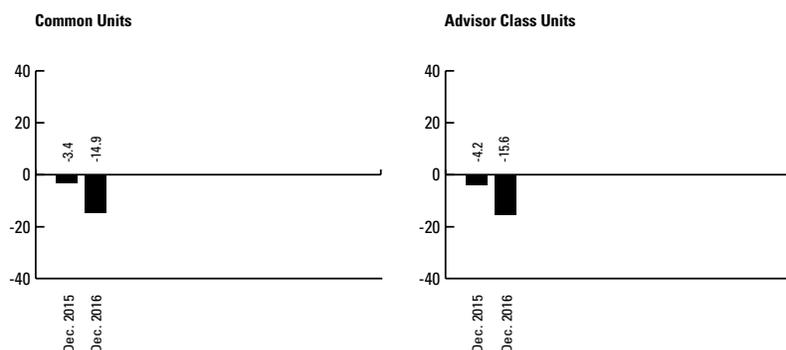
Management Report of Fund Performance for the year ended December 31, 2016

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 the STOXX Europe 600 Banks Index (EUR) ("Index A") and the MSCI Europe Index (Local) ("Index B"). The STOXX Europe 600 Banks Index measures the performance of the European Banks sector as a subset of the STOXX Europe 600 Index, which is comprised of 600 of the largest stocks across 18 European countries. This index is used as a benchmark to help you understand the Fund's performance relative to the performance of the broader European banks market. 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. As the criteria for determining the constituents of the Fund and the indices differ, it is not expected that the Fund's performance will mirror that of the indices. Further, the return of the indices is calculated without the deduction of management fees and fund expenses whereas the performance of the Fund is calculated after deducting such fees and expenses.

Period	Common Units ⁽¹⁾	Index A	Index B
1 year	-14.9	32.3	7.2
3 years	n/a	n/a	n/a
5 years	n/a	n/a	n/a
10 years	n/a	n/a	n/a
Since inception	-9.1	9.8	4.8

Period	Advisor Class Units ⁽¹⁾	Index A	Index B
1 year	-15.6	32.3	7.2
3 years	n/a	n/a	n/a
5 years	n/a	n/a	n/a
10 years	n/a	n/a	n/a
Since inception	-9.9	9.8	4.8

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

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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
Lloyds Banking Group PLC	7.65
Erste Group Bank AG	6.07
Banco Bilbao Vizcaya Argentaria SA	5.61
Societe Generale SA	5.32
Cash and Cash Equivalents	5.12
BNP Paribas SA	4.75
KBC Ancora	4.61
Swedbank AB	4.51
Banco Popolare SC	4.30
Danske Bank A/S	3.73
Banca Mediolanum SpA	3.63
Anima Holding SpA	3.53
DNB ASA	3.25
Nordea Bank AB	2.65
Skandinaviska Enskilda Banken AB	2.62
Bank of Ireland	2.61
NN Group NV	2.53
UBS Group AG	2.50
ING Groep NV	2.47
Banco Santander SA	2.43
Resurs Holding AB	2.27
Azimut Holding SpA	2.24
Prudential PLC	2.18
Cerved Information Solutions SpA	2.11
Banco Popular Espanol SA	1.90
Total Net Asset Value	\$32,416,114

SECTOR ALLOCATION AS AT DECEMBER 31, 2016

Industry	% of Net Asset Value
Financials	96.34
Cash and Cash Equivalents	5.12
	101.46
Other assets, net of liabilities	(1.46)
Total Net Asset Value	100.00