Annual Management Report of Fund Performance

for the year ended December 31, 2016

First Asset Global Financial Sector ETF

(formerly First Asset Hamilton Capital European Bank Fund)

FIRST ASSET
A CI Financial Company

RBY3

Fund:
First Asset Global Financial Sector ETF *(formerly First Asset Hamilton Capital European Bank Fund)*

Securities:
ETF Units - Listed Toronto Stock Exchange ("TSX"): FSF *(formerly, EB.UN)*

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.
5. The securities of the Fund were consolidated on a two-for-one basis effective July 18, 2016. All relevant security and per security historical data prior to July 18, 2016 has been adjusted to reflect the consolidation.

First Asset Global Financial Sector ETF

(formerly First Asset Hamilton Capital European Bank Fund)

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

Investment Objectives and Strategies

On April 25, 2016, the Fund converted from a closed-end fund into an exchange traded fund ("ETF") (the "Conversion"). In connection with the Conversion: (a) the Fund's name changed to "First Asset Global Financial Sector ETF"; (b) the Fund's investment objectives, strategies and restrictions changed in order to permit the Fund to invest in securities of global financial issuers thereby broadening the scope of eligible investments available to the Fund, both geographically and by type of financial institutions; and (c) The Fund's existing units were re-designated as units of the ETF, and their ticker symbol changed to FSF from EB.UN. Signature Global Asset Management, a division of CI Investments Inc. and an affiliate of First Asset, assumed the portfolio management responsibilities for the Fund.

Prior to the Conversion, the Fund's investment objective was to seek long-term total returns consisting of long-term capital appreciation and regular dividend income from an actively managed portfolio comprised primarily of equity securities of European banks.

In conjunction with the Conversion, the Fund's investment objective was restated as follows: "to seek long-term total returns consisting of long-term capital appreciation and regular dividend income from an actively managed portfolio composed primarily of securities of issuers in the global financial services sector across developed and emerging markets. The Fund invests primarily in equity and equity related securities.

Risks

In connection with the Conversion, the Fund filed a final prospectus dated April 11, 2016 with securities regulators of all the provinces and territories of Canada. Holders should refer to the prospectus 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. As discussed in the prospectus, the following additional risk factors may apply to the Fund as an ETF following the Conversion:

No Assurances on Achieving Investment Objective - There is no assurance that the ETF will achieve its investment objective. The funds available for distributions to Unitholders will vary according to, among other things, the dividends and other distributions paid on the securities in the portfolio and the value of the securities comprising the portfolio of the ETF.

Securities Market Risk - The value of most securities, including the ETF's portfolio securities, changes with securities market conditions. These conditions are affected by general economic and market conditions.

Specific Issuer Risk - The value of securities will vary positively or negatively with developments within the specific companies or governments that issue such securities.

Equity Risk - Equities such as common shares give the holder part ownership in a company. The value of equity securities change with the fortunes of the company that issued them. General market conditions and the health of the economy as a whole can also affect equity prices. Equity related securities that provide indirect exposure to the equity securities of an issuer can also be affected by equity risk.

Performance of Global Financial Institutions - The ETF's portfolio will be comprised primarily of securities issued by issuers in the global financial sector. Accordingly, the performance of the ETF will be largely impacted by the performance of such issuers as well as the prices at which their securities trade in the market, all of which are in turn impacted by the global financial sector and their respective countries' economic performance generally. Any adverse changes to the global financial sector or economy would be expected to have an adverse impact on the portfolio securities and the return to Unitholders.

Global Investing - Generally, investments in foreign markets are subject to certain risks and the ETF may be adversely affected by, among other things, political upheaval, financial troubles, natural disasters, reduced government oversight as compared to Canada, difficulty in enforcing contractual obligations, currency volatility and government intervention in markets. The value of the ETF's portfolio that may be exposed to Russian securities, if any, involves certain risks associated with the settlement of portfolio transactions and loss of the ETF's ownership rights in its portfolio securities, as a result of the system of share registration and custody in Russia. Canada, the United States and the European Union have imposed economic sanctions on certain Russian individuals and institutions, and could also institute broader sanctions on Russia. These sanctions, or even the threat of further sanctions, may result in the decline of the value and liquidity of Russian securities, a weakening of the ruble or other adverse consequences of the Russian economy. These sanctions could also result in the immediate freeze of Russian securities, impairing the ability of the ETF to buy, sell, receive or deliver those securities. Sanctions could also result in Russia taking counter measures or retaliatory actions which may further impair the value and liquidity of Russian securities.

Foreign Markets Risk - Participation in transactions by the ETF may involve the execution and clearing of trades on or subject to the rules of a foreign market. None of the securities regulatory authorities or Canadian exchanges regulates activities of any foreign markets, including the execution, delivery and clearing of transactions, or has the power to compel enforcement of any rule of a foreign market or any applicable foreign law. Generally, any foreign transaction will be governed by applicable foreign laws. This is true even if the foreign market is formally linked to a Canadian market so that a position taken on a market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, entities such as the ETF may not be afforded certain of the protective measures provided by Canadian legislation or Canadian exchanges. In particular, funds received from investors for transactions by the ETF on foreign exchanges may not be provided the same protection as funds received in respect of transactions by the ETF on Canadian exchanges.

Regulatory Risk - Legal and regulatory changes may occur that may adversely affect the ETF and which could make it more difficult, if not impossible, for the ETF to operate or to achieve its investment objectives. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the ETF and what can be done, if anything, to try and limit such impact. There can be no assurance that applicable laws in Canada or in foreign jurisdictions, or other domestic or foreign legislation, legal and statutory rights will not be changed in a manner which adversely affects the ETF or its Unitholders. There can be no assurance that Canadian and foreign income tax, securities, and other applicable laws or the interpretation and application of such laws by courts or government authorities will not be changed in a manner which adversely affects the ETF, its Unitholders or distributions received by the ETF or by its Unitholders.

Currency Exposure Risk - As a portion of the ETF's portfolio may be invested in securities traded in currencies other than the Canadian dollar, the net asset value of the ETF, when measured in Canadian dollars, will, to the extent this has not been hedged against, be affected by changes in the value of these currencies relative to the Canadian dollar. The ETF may not be fully hedged and accordingly no assurance can be given that the portfolio will not be adversely impacted by changes in foreign exchange rates or other factors. The use of hedges, if used, involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Portfolio Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could result in losses greater than if the hedging had not been used. Hedging arrangements may have the effect of limiting or reducing the total returns to the ETF if the Portfolio Manager's expectations concerning future events or market conditions prove to be incorrect. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Derivatives Risk - The use of derivatives does not guarantee that there will not be a loss or that there will be a gain. The following are some examples of the risks associated with the use of derivatives by the ETF: (a) in the case of over-the-counter options and forward contracts, there is no guarantee that a market will exist for these investments when the ETF wants to close out its position; in the case of exchange traded options and futures contracts, there may be a risk of a lack of liquidity when the ETF wants to close out its position; (b)futures exchanges may impose daily trading limits on certain derivatives, which could prevent the ETF from closing out its position; (c) if the other party to the derivative, in the case of over-the-counter transactions, is unable to fulfil its obligations, the ETF could experience a loss or fail to realize a gain; (d) if the ETF has an open position in an options, futures or forward contract with a dealer who goes bankrupt, the ETF could experience a loss and, for an open futures contract, a loss of margin deposits with that dealer; and (e) if a derivative is based on a market index and trading is halted on a substantial number of securities in the index, or if there is a change in the composition of the index, it could have an adverse effect on the derivative.

Corresponding Net Asset Value Risk - The ETF Units may trade below, at, or above their respective net asset values per ETF Unit. The net asset values per ETF Unit will fluctuate with changes in the market value of the ETF's holdings. The trading prices of the ETF Units will fluctuate in accordance with changes in the ETF's net asset value per unit, as well as market supply and demand on the TSX. However, given that Dealers may subscribe for or exchange a PNU of the ETF at the applicable net asset value per unit, the Manager expects that large discounts or premiums to the net asset value per ETF Unit should not be sustained.

Designated Broker/Dealer Risk - As the ETF will only issue ETF Units directly to Designated Brokers and Dealers, in the event that a purchasing Designated Broker or Dealer is unable to meet its settlement obligations, the resulting costs and losses incurred will be borne by the ETF.

Reliance on Key Personnel - Unitholders will be dependent on the abilities of the Manager and Portfolio Manager to effectively manage the ETF and its portfolio in a manner consistent with its investment objectives, investment strategies and investment restrictions. The investment portfolio of the ETF will be actively managed by the Portfolio Manager. The Portfolio Manager will apply investment techniques and risk analyses in making investment decisions for the ETF, but there can be no guarantee that these decisions will produce the desired results. There is no certainty that the individuals who are principally responsible for providing administration and portfolio management services to the ETF will continue to be employed by the Manager or Portfolio Manager, as applicable.

Potential Conflicts of Interest - The Manager and Portfolio Manager, and their respective directors and officers and affiliates and associates may engage in the promotion, management or investment management of other accounts, funds or trusts that invest primarily in the securities held by the ETF. Although officers, directors and professional staff of the Manager and Portfolio Manager will devote as much time to the ETF as is deemed appropriate to perform their respective duties, such persons may have conflicts in allocating their time and services among the ETF and the other funds managed by them.

Cease Trading of Securities Risk - If the securities of an issuer included in the portfolio of the ETF are cease-traded by order of the relevant securities regulatory authority or are halted from trading by the relevant stock exchange, the ETF may halt trading in its securities. Accordingly, securities of the ETF bear the risk of cease trading orders against all issuers whose securities are included in its portfolio, not just one. If portfolio securities of the ETF are cease-traded by order of a securities regulatory authority, if normal trading of such securities is suspended on the relevant exchange, or if for any reason it is likely there will be no closing bid price for such securities, the ETF may suspend the right to redeem securities for cash, subject to any required prior regulatory approval. If the right to redeem securities for cash is suspended, the ETF may return redemption requests to securityholders who have submitted them. If securities are cease-traded, they may not be delivered on an exchange of a PNU for a Basket of Securities until such time as the cease-trade order is lifted.

Exchange Risk - In the event that the TSX closes early or unexpectedly on a day that it is normally open for trading, Unitholders will be unable to purchase or sell ETF Units on the TSX until it reopens and there is a possibility that, at the same time and for the same reason, the exchange and redemption of ETF Units may be suspended until the TSX reopens.

Early Closing Risk - Unanticipated early closings of a stock exchange on which securities held by the ETF are listed may result in the ETF being unable to sell or buy securities on that day. If such exchanges close early on a day when the ETF needs to execute a high volume of securities trades late in the trading day, the ETF may incur substantial trading losses.

Concentration Risk - The ETF from time to time may be concentrated to a significant degree in securities of issuers or underlying funds focused on issuers in the global financial sector. As such, the ETF faces more risks than if it were diversified broadly over numerous industries or sectors. Such industry-based risks, any of which may adversely affect the issuers in which the ETF invests, may include, but are not limited to, the following: general economic conditions or cyclical market patterns that could negatively affect credit quality; loan growth; regulatory environment; political or world events; and increased competition or new product introductions that may affect the profitability or viability of companies within the global financial industry.

Reliance on Historical Data Risk - Past trends may not be repeated in the future. The accuracy of the historical data used by the Portfolio Manager and those individuals who are principally responsible for providing administration and portfolio management services to the ETF for research and development, which is often provided by third parties, cannot be guaranteed by the Manager or the Portfolio Manager. The Manager and the Portfolio Manager only seek to obtain such data from companies that they believe to be highly reliable and of high reputation.

Small Capitalization Risk - Capitalization is a measure of the value of a company. It is the current price of a company's stock, multiplied by the number of shares issued by the company. Companies with small capitalization may not have a well-developed market for their securities. As a result, these securities may be difficult to trade, making their prices more volatile than those of large companies.

Tax Risk - It is anticipated that the ETF will qualify at all times as a "mutual fund trust" within the meaning of the Income Tax Act (Canada) ("**Tax Act**"). For the ETF to qualify as a "mutual fund trust," it must comply on a continuous basis with certain requirements relating to the qualification of its units for distribution to the public, the number of Unitholders of units and the dispersal of ownership of units. Currently, a trust will be deemed not to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents unless, at that time, all or substantially all of its property is property other than property that would be "taxable Canadian property" (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof). The current law does not provide any means of rectifying a loss of mutual fund trust status if this requirement is not met. Provided the ETF complies with its investment restrictions set forth under the heading "Investment Restrictions", no more than 10% of the fair market value of the ETF's assets will at any time consist of property that would be "taxable Canadian property" (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof). The ETF will also contain a restriction on the number of permitted non-resident Unitholders. If the ETF does not qualify as a mutual fund trust or were to cease to so qualify, the income tax considerations applicable to the ETF would in some respects be materially and adversely different. There can be no assurance that Canadian federal and provincial income tax laws respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects Unitholders. Pursuant to rules in the Tax Act, if the ETF experiences a "loss restriction event" (i) it will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the ETF's net income and net realized capital gains, if any, at such time to Unitholders so that the ETF is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the ETF will be subject to a loss restriction event if a person becomes a "majority-interest beneficiary", or a group of persons becomes a "majority-interest group of beneficiaries", of the ETF, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of the ETF is a beneficiary in the income or capital, as the case may be, of the ETF whose beneficial interests, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the ETF. Pursuant to proposed amendments to the Tax Act, in many circumstances the loss restriction event rules would not apply to a trust that meets certain requirements, including certain asset diversification requirements. The Tax Act contains rules concerning the taxation of publicly traded Canadian trusts and partnerships that own certain types of property defined as "non-portfolio property". A trust that is subject to these rules is subject to trust level taxation, at rates comparable to those that apply to corporations, on the trust's income earned from "non-portfolio property" to the extent that such income is distributed to its unitholders. The ETF will not be subject to tax under these rules as long as the ETF complies with its investment restrictions in this regard. If the ETF is subject to tax under these rules, the after-tax return to Unitholders could be reduced, particularly in the case of a Unitholder who is exempt from tax under the Tax Act or is a non-resident of Canada. Changes in the interpretation and administration of the 5% federal goods and services tax ("**GST**") and federal harmonized sales tax (of up to 15%) applicable in Ontario, Nova Scotia, New Brunswick, Newfoundland and Labrador and Prince Edward Island ("**HST**") may result in the ETF being required to pay increased amounts of GST or HST. The ETF intends to invest in foreign equity securities. Many foreign countries preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital ("**Tax Treaties**") to impose tax on dividends paid or credited to persons who are not resident in such countries. While the ETF intends to make investments in such a manner as to minimize the amount of foreign taxes incurred under foreign tax laws and subject to any applicable Tax Treaties, investments in foreign equity securities may subject the ETF to foreign taxes on dividends paid or credited to it or any gains realized on the disposition of such securities. Any foreign taxes incurred by the ETF will generally reduce the value of its portfolio. To the extent that such foreign tax paid by the ETF exceeds 15% of the amount included in the ETF's income from such investments, such excess may generally be deducted by the ETF in computing its net income for the purposes of the Tax Act. To the extent that foreign tax paid does not exceed 15% of such amount and has not been deducted in computing the ETF's income and the ETF designates its income from a foreign source in respect of a Unitholder, the Unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the Unitholder's proportionate share of foreign taxes paid by the ETF in respect of such income as foreign taxes paid by the Unitholder. The availability of foreign tax credits to a Unitholder is subject to the detailed rules in the Tax Act.

Securities Lending, Repurchase and Reverse Repurchase Transaction Risk - The ETF is authorized to enter into securities lending, repurchase and reverse repurchase transactions in accordance with National Instrument 81-102 ("**NI 81-102**"). In a securities lending transaction, the ETF lends its portfolio securities through an authorized agent to another party (often called a "**counterparty**") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the ETF sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the ETF buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase transactions: (a) when entering into securities lending, repurchase and reverse repurchase transactions, the ETF is subject to the credit risk that the counterparty may default under the agreement and the ETF would be forced to make a claim in order to recover its investment; (b) when recovering its investment on default, the ETF could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the ETF; and (c) similarly, the ETF could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the ETF to the counterparty. The ETF may engage in securities lending from time to time. When engaging in securities lending, the ETF will receive collateral in excess of the value of the securities loaned, and although such collateral is marked to market, the ETF may be exposed to the risk of loss should a borrower default on its obligations to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

Fund of Funds Investment Risk - The ETF may invest in other exchange traded funds, mutual funds, closed-end funds or public investment funds as part of its investment strategy. If the ETF invests in such underlying funds, its investment performance largely depends on the investment performance of the underlying funds in which it invests. Additionally, if an underlying fund suspends redemptions, the ETF may be unable to accurately value part of its investment portfolio and may be unable to redeem its units.

Exchange Traded Funds Risk - The ETF may invest in exchange traded funds that seek to provide returns similar to the performance of a particular market index or industry sector index. Any such exchange traded fund may not achieve the same return as its benchmark market or industry sector index due to differences in the actual weightings of securities held in the fund versus the weightings in the relevant index and due to the operating and administrative expenses of the fund.

Liability of Unitholders - The Declaration of Trust provides that no Unitholder will be subject to any personal liability whatsoever for any wilful or negligent acts or omissions or otherwise to any party in connection with the assets of the ETF or the affairs of the ETF. The Declaration of Trust also provides that the ETF must indemnify and hold each Unitholder harmless from and against any and all claims and liabilities to which such Unitholder may become subject, by reason of being or having been a Unitholder and must reimburse such Unitholder for all legal and other expenses reasonably incurred in connection with any such claim or liability. Despite the foregoing, there can be no absolute certainty, outside of Ontario, that a claim will not be made against a Unitholder for liabilities which cannot be satisfied out of the assets of the ETF.

Absence of an Active Market and Lack of Operating History - The ETF is a newly organized exchange-traded fund with no operating history as an exchange-traded fund. Although the ETF may be listed on the TSX, there can be no assurance that an active public market for the ETF Units will develop or be sustained.

Results of Operations

For the year ended December 31, 2016, the Fund returned 0.5% compared to the MSCI World Index and the MSCI ACWI Financials Index, which returned 4.4% and 9.1%, respectively.

The Fund's net assets as at December 31, 2016, were $12.7 million, a decrease from $26.5 million as at December 31, 2015. The largest factors contributing to this decrease were redemptions of $11.4 million and net losses on investments of $1.8 million.

Valuations of global financial firms started the year trading at significant discounts relative to the broad MSCI World Index. Global yields declined in the first half of 2016 as a result of weak growth, deflation fears and investors' search for "safe-haven" investments, particularly given the uncertainty leading up to the U.K.'s vote on its membership in the European Union ("Brexit").

Brexit risks depressed the U.K. financials sector ahead of the vote and resulted in a decline in U.K. currency immediately afterward. Concern over the Brexit decision spread to include the fate of European economies and their relatively fragile banks, particularly in Portugal and Italy.

In North America, the U.S. Federal Reserve Board ("Fed") delayed making any interest rate increases during the first half of the year. Yields on the benchmark U.S. 10-year government bond jumped dramatically, however, following the U.S. presidential election in November, and the Fed moved to raise interest rates by 0.25% in December. Global financials stocks benefited strongly from the increase.

Stock selection and sub-sector weightings significantly contributed to the Fund's performance. U.S. financials, which outperformed the benchmark average, represented 36.5% of the benchmark and 52% of the Fund's equity positions at the end of 2016. A significant geographical overweight allocation to the U.S., combined with stock selection within U.S. financials, also contributed to the Fund's performance.

Synchrony Financial, a consumer finance company previously owned by General Electric Capital Corporation, was one of the Fund's largest holdings at quarter end. Currently, the Portfolio Manager views the credit card business as one of the best within financial services, as it remains resilient in a low interest rate environment and is a more concentrated market. The company is a leader in private label credit cards, where margins are less impacted by competition compared to bank-issued cards. The stock remains undervalued given its superior growth rates and strong capital position.

Exposure to PNC Financial Services Group Inc. ("PNC Financial") through warrants was the best-performing position in the Fund during the fourth quarter. The company is a high-quality bank, complemented by its 21% ownership position in BlackRock, Inc., the world's largest investment management company. The Fund's Wells Fargo & Company holdings, which detracted from performance in the third quarter, rebounded strongly in the fourth quarter. The bank has historically been awarded a premium valuation based on a favourable business mix, above-average returns and relatively consistent earnings progression.

Overweight allocations to European and U.K. financials contributed to performance. The Fund's positions within Europe slightly outperformed the benchmark returns in that region, aided by local currency returns. Europe still provides attractive investment opportunities in the financials sector given significant market underperformance in recent years. Banca Generali S.p.A. of Italy was one of the Fund's top European gainers, while Spain's Banco Popular Espanol, S.A. produced weak results.

PNC Financial was sold, its proceeds reallocated to Bank of America Corporation common stock, where relative valuation appeared slightly more compelling. The Fund's position in Spanish bank Banco Popular Espanol, S.A. was exited, as more immediately compelling opportunities were identified, but may be repurchased depending on the outlook for Spanish non-performing loan valuations.

The Fund holds an underweight allocation to Canadian financials, based mainly on valuations. Despite Canadian banks being among the most resilient banking franchises globally, valuations are relatively high given a high consumer debt load and somewhat fragile economy. The Fund also has an underweight exposure to financial services companies in Asia, including Japan and Australia. Japanese and Australian financials advanced strongly, while returns were mixed elsewhere in the region. A large underweight in this region can be expected moving forward as many businesses in Hong Kong and Japan do not adequately prioritize shareholder interests. The Fund will tend to favour investment in India, Indonesia and select opportunities within Australia. Exposure to Mexico was reduced following the U.S. presidential election with the elimination of the Fund's position in Grupo Financiero Banorte, S.A.B. de C.V.

Borrowing

Prior to the Conversion, the Fund could borrow up to a maximum of 25% of the Fund's net asset value. The Fund had obtained such leverage by way of a prime brokerage arrangement. This arrangement provided the Fund with margin to execute trades and for working capital purposes. The prime broker was also the custodian of the Fund's portfolio, a portion of which was required to be deposited as collateral for amounts borrowed under this arrangement. Interest on amounts borrowed was based on a floating rate. The amount of borrowings ranged between nil and $4 million during the period. The Fund can no longer utilize leverage as an ETF.

Recent Developments

Global financials sector equities responded to the U.S. presidential election results with a dramatic 14.5% local-currency advance of the MSCI ACWI Financial Index's components. Global sentiment has significantly changed regarding growth, deflation risks, regulatory burdens, rate structures and U.S. tax rates. In recent years, U.S. banks have offered extremely attractive long-term valuations in a challenging operating environment. Currently, the sector appears to be in transition from value-oriented to momentum-oriented, as an improving operating environment is envisioned.

The Porfolio Manager is less optimistic about valuations, but more encouraged by the operating environment, which suggests that, in the coming period, large stock price moves are less likely, while more consistent growth and improved capital generation look promising.

The outlook for the global financials sector is positive, as risk premiums remain attractive relative to the market. The financial system is healthy despite low interest rate earnings challenges, and while peripheral Europe remains fragile, the region is making gradual progress in repairing balance sheets. Following a decade of significant underperformance, financials outperformance should last more than a few months, as the sector is likely to provide relatively attractive earnings and dividend growth from a depressed base. U.S. financials are especially well positioned to benefit from lower U.S. corporate tax rates and relaxed regulation. In addition, financials are likely the only sector that will benefit from gradually rising interest rates.

On March 15, 2016, securityholders approved the Conversion, including changes to the Fund's investment objectives, strategies and restrictions in order to permit the Fund to invest in securities of global financial issuers. The Conversion was implemented on April 25, 2016, and in connection with the Conversion, the Fund's name was changed to "First Asset Global Financial Sector ETF" and Signature Global Asset Management assumed the portfolio management responsibilities for the Fund.

The securities of the Fund were consolidated on a two-for-one basis effective July 18, 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.

First Asset Global Financial Sector ETF

(formerly First Asset Hamilton Capital European Bank Fund)

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

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)] *

Commencement of operations October 29, 2014	Year Ended Dec. 31, 2016 $	Year Ended Dec. 31, 2015 $	Period from Inception to Dec. 31, 2014 $
Net assets, beginning of period	17.26	18.14	18.66
Increase (decrease) from operations			
Total revenue	0.38	0.36	-
Total expenses	(0.43)	(0.46)	(0.10)
Realized gains (losses) for the period	(3.67)	(0.38)	(0.28)
Unrealized gains (losses) for the period	1.88	(0.38)	(0.14)
Total increase (decrease) from operations [(2)]	(1.84)	(0.86)	(0.52)
Distributions			
From income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	(0.11)	-	-
Total distributions [(3)]	(0.11)	-	-
Net assets, end of the period [(4)]	17.18	17.26	18.14

RATIOS AND SUPPLEMENTAL DATA

Total net asset value ($000's) [(5)]	12,745	26,546	27,878
Number of securities outstanding [(5)]	741,952	1,537,500	1,537,500
Management expense ratio excluding offering expenses (%) [(6)]	2.10	1.73	1.46
Management expense ratio (%) [(6)]	2.10	1.73	8.87
Management expense ratio before waivers or absorptions (%) [(6)]	2.10	1.73	8.87
Portfolio turnover rate (%) [(7)]	107.09	123.03	1.54
Trading expense ratio (%) [(8)]	0.60	0.47	0.91
Net asset value per security ($)	17.18	17.26	18.14
Closing market price ($) [(9)]	17.14	16.62	19.40

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

Financial Highlights (continued)

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. The MER for the period ending December 31, 2014 includes agents' fees and other offering expenses, which are one-time expenses and therefore are not annualized. Total expenses also include interest expense on leverage utilized by the Fund prior to Conversion. MER for the period ended December 31, 2016 excluding interest expense is 1.81%.

(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.

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, First Asset is entitled to receive an annual management fee from the Fund. Prior to the Conversion, First Asset received an annual management fee from the Fund in an amount equal to 1.00% of the net asset value of the Fund, and after the Conversion, the management fee was reduced to 0.85%, in each case calculated daily and paid monthly in arrears. First Asset pays the Portfolio Manager out of its management fee.

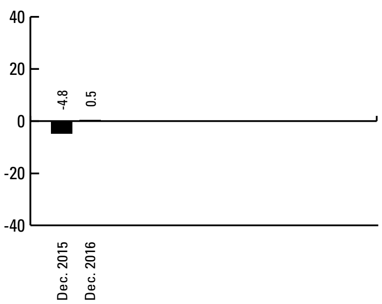
The services provided by First Asset to the Fund include, without limitation, the proper oversight to ensure implementation of the Fund's investment strategies, negotiating contracts with certain third-party service providers, authorizing the payment of operating expenses incurred on behalf of the Fund, 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.

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 annual performance for the financial years shown and illustrates how the Fund's performance has changed from year to year. The bar chart shows, 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 MSCI World Index (unhedged) ("Index A") and the MSCI ACWI Financials Index (unhedged) ("Index B"). The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI ACWI Financials Index captures large and mid cap representation across 23 developed markets and 23 emerging markets and only includes securities that are classified as Financials as per the Global Industry Classification Standard (GICS®). The Fund's annual compound returns shown below include the performance of the Fund's investment strategy prior to the Conversion on April 25, 2016, when its primary exposure was to equity securities of European banks. As such, we have also included the MSCI Europe Index ("Index C") which is the broad based index that was used as a basis of comparison prior to the Conversion and will help you understand the Fund's performance relative to the general performance of the broader European equity market. As the criterion for determining the constituents of the Fund and the indices differ, it is not expected that the Fund's performance will mirror the performance of the indices. Further, the return of the indices are 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	Fund (1)	Index A	Index B	Index C
1 year	0.5	4.4	9.1	8.1
3 years	n/a	n/a	n/a	n/a
5 years	n/a	n/a	n/a	n/a
10 years	n/a	n/a	n/a	n/a
Since inception	-3.4	12.0	12.2	6.4

(1) Returns based on net asset value per security. In connection with the Conversion, the annual management fee payable to First Asset, as manager, was reduced to 0.85% (from 1.00%) of the net asset value of the Fund and certain changes were made to the investment objectives, strategies and restrictions applicable to the Fund. If these changes had been in effect when the Fund was created, the performance would have been different.

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
Wells Fargo & Co., Warrants	9.34
Synchrony Financial	8.79
Citigroup, Inc.	7.20
Cash and Cash Equivalents	6.15
Visa, Inc.	4.11
Anima Holding SpA	4.06
Affiliated Managers Group, Inc.	3.52
Banco Bilbao Vizcaya Argentaria SA	3.42
KBC Ancora	3.31
Air Lease Corp.	3.04
ICICI Bank Ltd.	2.92
Flow Traders	2.80
Lloyds Banking Group PLC	2.68
Bank of America Corp.	2.68
American International Group, Inc.	2.61
Ally Financial, Inc.	2.58
Banca Generali SpA	2.51
Banco Popolare SC	2.41
MGIC Investment Corp.	2.15
Macquarie Group Ltd.	2.12
JPMorgan Chase & Co.	2.09
Financial Products Group Co., Ltd.	2.00
AIA Group Ltd.	1.78
Resurs Holding AB	1.77
Bank Rakyat Indonesia Persero Tbk PT	1.74
Total Net Asset Value	**$12,745,056**

SECTOR ALLOCATION AS AT DECEMBER 31, 2016

Industry	% of Net Asset Value
Financials	84.37
Cash and Cash Equivalents	6.15
Information Technology	4.11
Industrials	3.04
	97.67
Other assets, net of liabilities	**2.33**
Total Net Asset Value	**100.00**