

## First Asset Enhanced Short Duration Bond ETF (FSB.U) - US\$ Common Units

Manager: First Asset Investment Management Inc.

This document contains key information you should know about First Asset Enhanced Short Duration Bond ETF. You can find more details about this exchange traded fund (ETF) in its prospectus. Ask your representative for a copy, contact First Asset Investment Management Inc.'s website at [www.firstasset.com](http://www.firstasset.com), or by contacting First Asset Investment Management Inc. at [info@firstasset.com](mailto:info@firstasset.com), or by calling 1-877-642-1289.

Before you invest, consider how the ETF would work with your other investments and your tolerance for risk.

### Quick facts

Date ETF started:	August 21, 2017	Fund manager:	First Asset Investment Management Inc.
Total value on March 31, 2018:	\$294.6 Million	Portfolio manager:	Marret Asset Management Inc.
Management expense ratio (MER):	0.87%	Distributions:	Monthly (any net income and/or return of capital) and in December (any net realized capital gains)

### Trading information (12 months ending March 31, 2018)

Ticker symbol:	FSB.U	Average daily volume:	n/a - new ETF
Exchange:	TSX	Number of days traded:	n/a - new ETF
Currency:	USD		

### Pricing information (12 months ending March 31, 2018)

Market price:	n/a - new ETF	Average bid-ask spread:	n/a - new ETF
Net asset value {NAV}:	n/a - new ETF		

### What does the ETF invest in?

The Fund seeks to provide absolute returns through interest income and capital gains. The Fund's risk objective is to have very low volatility and positive returns over any twelve month period. The Fund will primarily invest in debt instruments across the credit spectrum including cash, government debt, investment-grade corporate debt, high-yield corporate debt, government debt futures, convertible debentures and credit derivatives. The Fund's strategy will primarily focus on US and Canadian corporate bonds and will include the use of government bond futures to manage the duration of the fund according to the volatility objectives. To minimize interest rate volatility, the Fund would typically target an overall portfolio duration of less than 2 years. It is intended that at all times at least 90% of the non-U.S. currency exposure attributable to the Units will be hedged to the U.S. dollar.

The charts below give you a snapshot of the ETF's investments on March 31, 2018. The ETF's investments will change.

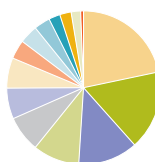
#### Top 10 investments (March 31, 2018)

1. Cash and cash equivalents	12.6%
2. Sprint Communications Inc, 9%, November 15, 2018	6.1%
3. GLP Capital LP / GLP Financing II Inc, 4.375%, November 1, 2018	4.3%
4. Hughes Satellite Systems Corp, 6.5%, June 15, 2019	3.5%
5. Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu, 5.75%, October 15, 2020	3.5%
6. T-Mobile USA Inc, 6.836%, April 28, 2023	3.2%
7. Dollar Tree Inc, 5.75%, March 1, 2023	3.1%
8. CSC Holdings LLC, 8.625%, February 15, 2019	2.9%
9. Cequel Communications Holdings I LLC / Cequel Capital Corp, 6.375%, September 15, 2020	2.7%
10. FMG Resources August 2006 Pty Ltd, 9.75%, March 1, 2022	2.7%

Total percentage of top 10 investments 44.6%

Total number of investments: 151

#### Investment mix (March 31, 2018)



21.7%	Telecommunication Services
16.7%	Consumer Discretionary
12.6%	Cash and cash equivalents
9.8%	Materials
7.6%	Consumer Staples
6.5%	Industrials
6.4%	Other assets, less liabilities
4.0%	Health Care
3.9%	Financials
3.4%	Real Estate
2.4%	Federal Bond
2.4%	Energy
2.0%	Information Technology
0.6%	Utilities

### How risky is it?

The value of the ETF can go down as well as up. You could lose money.

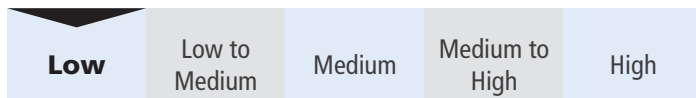
One way to gauge risk is to look at how much an ETF's returns change over time. This is called "volatility".

In general, ETFs with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. ETFs with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

### Risk rating

First Asset Investment Management Inc. has rated the volatility of this ETF as **Low**. Because this is a new ETF, the risk rating is only an estimate by First Asset Investment Management Inc.

Because this is a new ETF, the risk rating is only an estimate by First Asset Investment Management Inc. Generally, the rating is based on how much the ETF's returns have changed from year to year. It doesn't tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the ETF's returns, see the "Risk Factors" section of the ETF's prospectus.

### No guarantees

ETFs do not have any guarantees. You may not get back the amount of money you invest.

## How has the ETF performed?

This section tells you how units of the ETF have performed since inception.

Returns<sup>1</sup> are after expenses have been deducted. These expenses reduce the ETF's returns.

<sup>1</sup> Returns are calculated using the ETF's net asset value (NAV).

### Year-by-year returns

The year-by-year returns are not available for this ETF as it has not been distributed to the public under a prospectus for a full calendar year.

### Best and worst 3-month returns

The best and worst 3-month returns are not available for the ETF as it has not been distributed to the public under a prospectus for a full calendar year.

### Average return

The average return is not available for this ETF as it has not been distributed to the public under a prospectus for 12 consecutive months.

## Trading ETFs

ETFs hold a basket of investments, like mutual funds, but trade on exchanges like stocks. Here are a few things to keep in mind when trading ETFs:

### Pricing

ETFs have two sets of prices: market price and net asset value (NAV).

#### Market price

- ETFs are bought and sold on exchanges at the market price. The market price can change throughout the trading day. Factors like supply, demand, and changes in the value of an ETF's investments can effect the market price.
- You can get price quotes any time during the trading day. Quotes have two parts: **bid** and **ask**.
- The bid is the highest price a buyer is willing to pay if you want to sell your ETF units. The ask is the lowest price a seller is willing to accept if you want to buy ETF units. The difference between the two is called the "**bid-ask spread**".
- In general, a smaller bid-ask spread means the ETF is more liquid. That means you are more likely to get the price you expect.

#### Net asset value (NAV)

- Like mutual funds, ETFs have a NAV. It is calculated after the close of each trading day and reflects the value of an ETF's investments at that point in time.
- NAV is used to calculate financial information for reporting purposes – like the returns shown in this document.

### Orders

There are two main options for placing trades: market orders and limit orders. A market order lets you buy or sell units at the current market price. A limit order lets you set the price at which you are willing to buy or sell units.

### Timing

In general, market prices of ETFs can be more volatile around the start and end of the trading day. Consider using a limit order or placing a trade at another time during the trading day.

## Who is this ETF for?

### Investors who:

- want short-term bond exposure to minimize interest rate risk
- want primarily global credit exposure on a USD hedged basis
- have USD to invest
- are primarily concerned with volatility reduction and income generation
- want to receive regular monthly cash flows (if any)
- can tolerate low risk.

## A word about tax

In general, you'll have to pay income tax on any money you make on an ETF. How much you pay depends on the tax laws where you live and whether or not you hold the ETF in a registered plan, such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your ETF in a non-registered account, distributions from the ETF are included in your taxable income, whether you get them in cash or have them reinvested.

## How much does it cost?

This section shows the fees and expenses you could pay to buy, own and sell units of the ETF. Fees and expenses, including any trailing commissions, can vary among ETFs.

Higher commissions can influence representatives to recommend one investment over another. Ask about other ETFs and investments that may be suitable for you at a lower cost.

### 1. Brokerage commissions

You may have to pay a commission every time you buy and sell units of the ETF. Commissions may vary by brokerage firm. Some brokerage firms may offer commission-free ETFs or require a minimum purchase amount.

### 2. ETF expenses

You don't pay these expenses directly. They affect you because they reduce the ETF's returns.

As of December 31, 2017, the ETF's expenses were 0.87% of its value. This equals \$8.70 for every \$1,000 invested.

	Annual rate (as a % of the ETF's value)
<b>Management expense ratio (MER)</b> This is the total of the ETF's management fee and operating expenses.	0.87%
<b>Trading expense ratio (TER)</b> These are the ETF's trading costs.	0.00%
<b>ETF expenses</b>	<b>0.87%</b>

### 3. Other fees

FEE	WHAT YOU PAY
<b>Redemption Fee</b>	The manager may charge unitholders of the ETF, at its discretion, a redemption fee of up to 0.25% of the value of the units you redeem or exchange. The manager will publish the current redemption fee, if any, on its website <a href="http://www.firstasset.com">www.firstasset.com</a> .

## What if I change my mind?

Under securities law in some provinces and territories, you have the right to cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the prospectus, ETF Facts or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

## For more information

Contact First Asset Investment Management Inc. or your representative for a copy of the ETF's prospectus and other disclosure documents. These documents and the ETF Facts make up the ETF's legal documents.

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