

Annual Management Report of Fund Performance

for the year ended December 31, 2017



First Asset Canadian REIT ETF

Fund:

First Asset Canadian REIT ETF

Securities:

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

Advisor Class Units - Listed TSX: RIT.A (On July 14, 2017, the Advisor Class Units were converted into Common Units.)

Manager, Trustee & Investment Advisor:

First Asset Investment Management Inc. ("First Asset")

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This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-877-642-1289, by writing to us at First Asset Investment Management Inc., 2 Queen Street East, Suite 1200, Toronto, ON, M5C 3G7 or by visiting our website at www.firstasset.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

INVESTMENT OBJECTIVES AND STRATEGIES

The investment objective of the First Asset Canadian REIT ETF (the "Fund") is to seek long-term total returns consisting of regular income and long-term capital appreciation from an actively managed portfolio comprised primarily of securities of Canadian real estate investment trusts, real estate operating corporations and entities involved in real estate related services.

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 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.

RESULTS OF OPERATIONS

The Fund's net assets increased by \$113.0 million to \$305.4 million from December 31, 2016 to December 31, 2017. The Fund had net sales of \$99.1 million for the year. The Fund paid distributions totalling \$13.3 million while the portfolio's performance increased assets by \$27.2 million. The Fund returned 11.9% after fees and expenses for the one-year period ended December 31, 2017. Over the same time period, the Fund's benchmark returned 9.9%. The benchmark is the S&P/TSX Capped REIT Total Return Index.

Outside of oil-exposed regions, Canadian real estate fundamentals remained broadly healthy across property types and geographies.

After a relatively quiet 2016, the past year was active in terms of interest rate increases, REIT merger and acquisition ("M&A") activity, investor activism and strategic announcements. Three major Canadian REIT M&A transactions were announced during the year, including Milestone Apartments REIT ("Milestone"), Brookfield Canada Office Properties ("Brookfield") and One REIT Inc., all of which were completed at double-digit premiums.

Investor activism gained momentum in 2017, driven by perceived opportunities to unlock value within the Canadian REIT industry. Early in the year, a consortium of activist investors targeted Granite REIT. Later in the year, dissident investors challenged Agellan Commercial REIT.

Strategic announcements were also highly topical in 2017, with a number of REITs, including RioCan REIT, H&R REIT and Cominar REIT, announcing significant updates, which included planned disposition programs and capital recycling initiatives.

Security selection was a key driver of the Fund's performance in 2017. Top individual contributors to performance included Dream Global REIT, StorageVault Canada Inc.

("StorageVault") and Canadian Apartment Properties REIT. These positions contributed 106 basis points ("bps"), 106 bps and 99 bps, respectively, to performance.

Individual detractors from the Fund's performance included Pure Multi-Family REIT L.P. (-17 bps), American Hotel Income Properties REIT L.P. (-14 bps) and Boardwalk REIT (-11 bps).

During the year, First Asset increased the Fund's positions in StorageVault and Dream Global REIT, both of which contributed positively to performance during the period. Holdings in Milestone, Brookfield and One REIT were eliminated as a result of the abovementioned privatization transactions.

RECENT DEVELOPMENTS

Looking forward, the Fund continues to favour multi-family residential REITs, industrial REITs, seniors housing REITs, and daily-necessity-oriented retail REITs. The Fund's investments continue to be biased toward quality urban portfolios with exposure to higher-growth markets that have development and intensification potential.

Prime Canadian real estate remains highly coveted and cap rates are generally expected to remain low, or potentially compress further, while lesser quality real estate has seen some modest expansion over the last 12 to 24 months. The spread between the national average cap rate and 10-year Government of Canada bond yield is approximately 400 basis points, which is in-line with historical levels. Despite modestly higher GoC bond yields in 2017, real estate cap rates drifted lower, supported by a strong economic backdrop and healthy fundamentals. We generally expect stabilization in cap rates in 2018.

On July 14, 2017, the Advisor Class Units were converted into the corresponding Common Units of the Fund based on the respective net asset values of the classes as of July 13, 2017. As a result of the conversion, each securityholder of the Advisor Class Units received 1.0006 Common Units of the Fund.

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

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of another investment fund managed by First Asset (referred to as “Related Fund Trades”); and (d) mergers of funds with another fund that is subject to National Instrument 81-102 (“Fund Mergers”).

The applicable standing instructions require that related party transactions be conducted in accordance with First Asset’s policies and procedures. First Asset is required to advise the IRC of any material breach of a condition of the standing instructions. The standing instructions require, among other things, that the investment decision in respect to related party transactions (a) are made by First Asset free from any influence by any entities related to First Asset and without taking into account any consideration to any affiliate of First Asset; (b) represent the business judgment of First Asset uninfluenced by considerations other than the best interests of the Fund; and (c) are made in compliance with First Asset’s policies and procedures. Transactions made by First Asset in respect of the Fund under the standing instructions are subsequently reviewed by the IRC on a semi-annual basis to monitor compliance.

Except as otherwise noted below, First Asset and the Fund were not party to any related party transactions during the year ended December 31, 2017.

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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 for the past five years, as applicable.

THE FUND'S NET ASSETS PER SECURITY ^{(1) *}

Common Units	Year Ended Dec. 31, 2017	Year Ended Dec. 31, 2016	Year Ended Dec. 31, 2015	Year Ended Dec. 31, 2014	Year Ended Dec. 31, 2013
Commencement of operations October 28, 2004	\$	\$	\$	\$	\$
Net assets, beginning of year	15.08	13.52	13.13	12.28	13.07
Increase (decrease) from operations					
Total revenue	0.53	0.76	0.70	0.65	0.60
Total expenses	(0.17)	(0.14)	(0.17)	(0.22)	(0.18)
Realized gains (losses) for the year	0.52	0.36	1.29	0.59	1.25
Unrealized gains (losses) for the year	0.80	1.13	(0.87)	0.49	(1.73)
Total increase (decrease) from operations ⁽²⁾	1.68	2.11	0.95	1.51	(0.06)
Distributions					
From income (excluding dividends)	(0.03)	(0.13)	(0.04)	(0.05)	-
From dividends	(0.39)	(0.19)	(0.19)	(0.20)	(0.22)
From capital gains	(0.37)	(0.67)	(0.98)	(0.48)	(1.16)
Return of capital	(0.02)	-	-	(0.01)	(0.01)
Total distributions ⁽³⁾	(0.81)	(0.99)	(1.21)	(0.74)	(1.39)
Net assets, end of the year ⁽⁴⁾	16.03	15.08	13.52	13.13	12.28

RATIOS AND SUPPLEMENTAL DATA

Total net asset value (\$000's) ⁽⁵⁾	305,391	190,122	84,549	65,028	68,747
Number of securities outstanding ⁽⁵⁾	19,046,068	12,603,986	6,253,986	4,953,986	5,599,063
Management expense ratio excluding offering expenses (%) ⁽⁶⁾	0.93	0.97	1.24	1.44	1.46
Management expense ratio (%) ⁽⁶⁾	0.93	0.97	1.24	1.44	1.24
Portfolio turnover rate (%) ⁽⁷⁾	33.28	32.69	79.70	49.85	62.85
Trading expense ratio (%) ⁽⁸⁾	0.07	0.07	0.12	0.08	0.17
Net asset value per security (\$)	16.03	15.08	13.52	13.13	12.28
Closing market price (\$) ⁽⁹⁾	16.05	15.10	13.60	12.41	11.74

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

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Financial Highlights (cont'd)

THE FUND'S NET ASSETS PER SECURITY ⁽¹⁾

Advisor Class Units	Year Ended Dec. 31, 2017 [^]	Year Ended Dec. 31, 2016	Period from Inception to Dec. 31, 2015
	\$	\$	\$
Commencement of operations July 15, 2015			
Net assets, beginning of year	15.11	13.56	13.76
Increase (decrease) from operations			
Total revenue	0.32	0.79	0.35
Total expenses	(0.21)	(0.27)	(0.11)
Realized gains (losses) for the year	0.34	0.38	0.61
Unrealized gains (losses) for the year	0.69	2.54	(0.79)
Total increase (decrease) from operations ⁽²⁾	1.14	3.44	0.06
Distributions			
From income (excluding dividends)	-	(0.06)	(0.04)
From dividends	(0.18)	(0.28)	(0.06)
From capital gains	(0.16)	(0.71)	(0.35)
Return of capital	(0.02)	-	-
Total distributions ⁽³⁾	(0.36)	(1.05)	(0.45)
Net assets, end of the year ⁽⁴⁾	-	15.11	13.56

RATIOS AND SUPPLEMENTAL DATA

Total net asset value (\$000's) ⁽⁵⁾	-	2,266	678
Number of securities outstanding ⁽⁵⁾	-	150,000	50,000
Management expense ratio (%) ⁽⁶⁾	1.82	1.83	1.77
Portfolio turnover rate (%) ⁽⁷⁾	33.28	32.69	79.70
Trading expense ratio (%) ⁽⁸⁾	0.07	0.07	0.12
Net asset value per security (\$)	-	15.11	13.56
Closing market price (\$) ⁽⁹⁾	-	14.94	13.61

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 year.

(3) Distributions were paid in cash or reinvested in additional securities of the Fund.

(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 year, 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 year.

(7) The Fund's portfolio turnover rate indicates how actively First Asset manages the Fund's portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between high turnover rate and the performance of a fund.

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

(9) Closing market price.

[^]There were no Advisor Class units outstanding as at December 31, 2017.

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Management Fee

First Asset manages and administers the business operations and affairs of the Fund, and is also responsible for providing all investment advisory and portfolio management services required by the Fund. As compensation for the services it provides to the Fund, the Fund pays First Asset an annual management fee at the maximum annual 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. In addition to investment advisory and portfolio management, the services provided by First Asset to the Fund include, without limitation, implementation of the Fund's investment strategies, negotiating contracts with certain third party service providers, authorizing the payment of operating expenses incurred on behalf of the Fund, maintaining certain accounting and financial records, calculating the amount and determining the frequency of distributions by the Fund, ensuring that securityholders are provided with financial statements and other reports as are required from time to time by applicable law, ensuring that the Fund complies with all other regulatory requirements including continuous disclosure obligations under applicable securities law and administering purchases, redemptions and other transactions in securities. Where the Fund invests in other investment funds, in accordance with the provisions of National Instrument 81-102, First Asset ensures that there is no duplication of management fees charged by the Fund and any other underlying investment fund for the same service.

Maximum annual management fee rate	As a percentage of management fee	
	Dealer compensation	General administration and profit
0.75%	-	100%

On July 14, 2017, Advisor Class Units converted into Common Units. Prior to the conversion, Advisor Class Units paid First Asset 1.50% in annual management fees, inclusive of dealer service fees.

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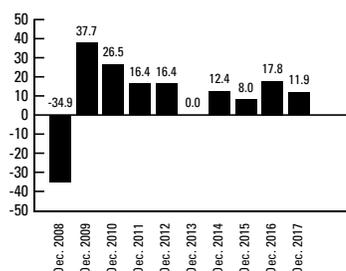
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Past Performance

Please note that the performance information shown in this section assumes that all distributions made by the Fund in the years 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 years ended December 31 as indicated. As a basis for comparison we have provided the performance of the S&P/TSX Composite Total Return Index ("Index A") and the S&P/TSX Capped REIT Total Return Index ("Index B"). The S&P/TSX Composite Total Return Index is a capitalization-weighted index designed to measure market activity of stocks listed on the Toronto Stock Exchange with the S&P/TSX Capped REIT Total Return Index being a subset thereof. 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. A discussion on the relative performance of the Fund as compared to its benchmark index can be found under the Results of Operations section of this report. 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.

	One Year (%)	Three Years (%)	Five Years (%)	Ten Years (%)	Since Inception (%)
Index A	11.9	12.5	9.9	9.3	n/a
Index B	9.1	6.6	8.6	4.6	n/a
	9.9	7.2	5.1	7.9	n/a

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

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Summary of Investment Portfolio as at December 31, 2017

Category	% of Net Asset Value	Category	% of Net Asset Value	Top 25 Holdings	% of Net Asset Value
Country allocation		Sector allocation			
Canada	88.4	Real Estate	89.7	Cash and Cash Equivalents	6.6
Cash and Cash Equivalents	6.6	Cash and Cash Equivalents	6.6	Canadian Apartment Properties REIT	4.5
United States	5.1	Health Care	2.2	First Capital Realty Inc.	4.5
Other assets, net of liabilities	(0.1)	Financials	1.6	Tricon Capital Group Inc.	4.3
		Other assets, net of liabilities	(0.1)	RioCan REIT	4.2
				Morguard North American Residential REIT	4.0
				H&R REIT	4.0
				InterRent REIT	3.9
				Chartwell Retirement Residences	3.9
				CREIT	3.8
				Killam Apartment REIT	3.7
				Pure Industrial Real Estate Trust	3.7
				Pure Multi-Family REIT L.P., Class 'A'	3.6
				Dream Global REIT	3.3
				Allied Properties REIT	3.2
				Dream Industrial REIT	3.1
				Crombie REIT	3.0
				SmartCentres REIT	2.9
				WPT Industrial REIT	2.9
				American Hotel Income Properties REIT L.P.	2.8
				Sienna Senior Living Inc.	2.2
				Brookfield Property Partners L.P.	1.9
				Granite REIT	1.8
				Choice Properties REIT	1.6
				Morguard REIT	1.6
				Total Net Asset Value	\$305,391,048

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.

A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective," and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any

forward-looking statement made by the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchanges rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.