

Interim Management Report of Fund Performance

for the period ended June 30, 2018



First Asset Active Credit ETF

Fund:

First Asset Active Credit ETF

Securities:

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

US\$ Common Units - Listed TSX: FAO.U

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

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Portfolio Manager:

Onex Credit Partners, LLC

910 Sylvan Avenue

Englewood Cliffs, New Jersey

U.S.A. 07632

First Asset Active Credit ETF

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This interim management report of fund performance contains financial highlights but does not contain the complete interim or annual financial statements of the investment fund. You can get a copy of the interim or 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.

RESULTS OF OPERATIONS

The Fund's net assets decreased by \$7.7 million to \$29.5 million from December 31, 2017 to June 30, 2018. The Fund had net redemptions of \$6.9 million for the period. The Fund paid distributions totalling \$1.0 million while the portfolio's performance increased assets by \$0.2 million. Common Units returned 0.0% after fees and expenses for the six-month period ended June 30, 2018. The Fund's benchmark returned 2.4%. The benchmark is the Credit Suisse Leveraged Loan Index. Please refer to the "Past Performance" section which outlines the performance of the Fund's other units of securities.

The first quarter of 2018 saw increased market volatility as a result of growing concerns about trade disputes and rising interest rates. In the second quarter, there was more stability as investors focused on continued improvement in corporate profits. Leveraged loans significantly outperformed high-yield bonds as interest rates rose.

Investment selection was one of the primary contributors to the Fund's performance. At the end of the period, 40% of the Fund was invested in secured, floating rate loans, up from 32% exposure at the beginning of the year. The Fund's focus on senior secured and unsecured debt of high-quality, stable businesses also contributed to performance. In many cases, the Portfolio Manager has followed or invested in these companies for several years. Top individual contributors to performance included holdings in American Commercial Lines Inc. ("American Commercial") and Hexion Inc. American Commercial recovered from poor 2017 results amid increased optimism for improved interest rates and utilization in 2018. Hexion Inc. saw stabilized results and an expectation of debt paydowns from the proceeds of an asset sale.

Investment selection and duration (interest rate sensitivity) positioning in high-yield bonds detracted from the Fund's performance. The largest individual detractors from performance included Hilton Inc., Husky Energy Inc. ("Husky") and Veritas US Inc. ("Veritas"). Hilton Inc.'s debt levels increased following a share repurchase during the first half of 2018. Husky posted poor quarterly results in the first quarter following a leveraged buyout (the purchase of a controlling share in the company by its management). Veritas faced concerns about revenue recognition and a delay in filing its quarterly report.

During the period, the Portfolio Manager increased the Fund's exposure to floating rate secured bank loans.

RECENT DEVELOPMENTS

The Portfolio Manager believes that volatility and rising interest rates will continue throughout 2018, which marks a significant shift from what investors saw in capital markets over the past several years. In this changing investment climate, the Portfolio Manager is confident that, with decades of investing experience and deep familiarity with the broader markets, they will be able to identify attractive investment opportunities in

all parts of the economic cycle. Given the Fund's partial focus on floating-rate leveraged loans, the portfolio should be better positioned to minimize duration risk than a fixed income bond portfolio if interest rates increase in the near term.

Effective April 1, 2018, Stuart Hensman became a member of the Independent Review Committee ("IRC") of the Fund. Meanwhile, Carl Solomon resigned from the role as a member of the IRC.

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 these parties. F.A. Administration Services Inc., an affiliate of First Asset, administers the Fund's relationship with the Fund's Independent Review Committee on behalf of First Asset, however, it receives no compensation for doing so.

The Fund has received standing instructions from its IRC with respect to the certain related party transactions: (a) trades in securities of CI Financial Corp. (referred to as "Related Issuer Trades"), which indirectly owns and controls First Asset; (b) purchases or sales of securities of an issuer from or to another investment fund managed by First Asset (referred to as "Inter-Fund Trades"); (c) purchases or sales by the Fund of securities of another investment fund managed by First Asset (referred to as "Related Fund Trades"); and (d) mergers of funds with another fund that is subject to National Instrument 81-102 ("Fund Mergers").

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

Except as otherwise noted below, First Asset and the Fund were not party to any related party transactions during the period ended June 30, 2018.

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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 since inception.

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

Common Units	Six Months Ended Jun. 30, 2018	Year Ended Dec. 31, 2017	Year Ended Dec. 31, 2016	Period from Inception to Dec. 31, 2015
Commencement of operations January 12, 2015	\$	\$	\$	\$
Net assets, beginning of period	9.85	9.88	9.16	10.00
Increase (decrease) from operations				
Total revenue	0.29	0.59	0.64	0.56
Total expenses	(0.05)	(0.12)	(0.12)	(0.11)
Realized gains (losses) for the period	(0.62)	0.54	(0.09)	0.44
Unrealized gains (losses) for the period	0.38	(0.53)	0.81	(1.26)
Total increase (decrease) from operations ⁽²⁾	-	0.48	1.24	(0.37)
Distributions				
From income (excluding dividends)	(0.24)	(0.48)	(0.53)	(0.43)
From dividends	-	-	-	-
From capital gains	-	-	-	-
Return of capital	(0.03)	(0.06)	(0.02)	(0.10)
Total distributions ⁽³⁾	(0.27)	(0.54)	(0.55)	(0.53)
Net assets, end of the period ⁽⁴⁾	9.58	9.85	9.88	9.16

RATIOS AND SUPPLEMENTAL DATA

Total net asset value (\$000's) ⁽⁵⁾	26,228	33,375	17,411	16,146
Number of securities outstanding ⁽⁵⁾	2,737,565	3,387,565	1,762,453	1,762,454
Management expense ratio (%) ⁽⁶⁾	1.12	1.15	1.30	1.16
Management expense ratio before waivers or absorptions (%) ⁽⁶⁾	1.50	1.56	1.83	1.27
Portfolio turnover rate (%) ⁽⁷⁾	66.94	77.27	36.48	58.15
Trading expense ratio (%) ⁽⁸⁾	0.03	0.01	0.01	0.02
Net asset value per security (\$)	9.58	9.85	9.88	9.16
Closing market price (\$) ⁽⁹⁾	9.61	9.88	9.87	9.22

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

First Asset Active Credit ETF

Management Report of Fund Performance for the period ended June 30, 2018

Financial Highlights (cont'd)

THE FUND'S NET ASSETS PER SECURITY ⁽¹⁾

US\$ Common Units	Six Months Ended Jun. 30, 2018	Year Ended Dec. 31, 2017	Year Ended Dec. 31, 2016	Period from Inception to Dec. 31, 2015
Commencement of operations January 12, 2015	\$	\$	\$	\$
Net assets, beginning of period	US\$ 9.82	US\$ 9.74	US\$ 9.16	US\$ 10.00
Increase (decrease) from operations				
Total revenue	US\$ 0.28	US\$ 0.61	US\$ 0.63	US\$ 0.57
Total expenses	(0.05)	(0.12)	(0.11)	(0.11)
Realized gains (losses) for the period	(0.09)	(0.07)	(0.06)	0.32
Unrealized gains (losses) for the period	0.28	(0.57)	(0.18)	0.07
Total increase (decrease) from operations ⁽²⁾	US\$ 0.42	US\$ (0.15)	US\$ 0.28	US\$ 0.85
Distributions				
From income (excluding dividends)	US\$ (0.24)	US\$ (0.49)	US\$ (0.55)	US\$ (0.42)
From dividends	-	-	-	-
From capital gains	-	-	-	-
Return of capital	(0.03)	(0.07)	-	(0.10)
Total distributions ⁽³⁾	US\$ (0.27)	US\$ (0.56)	US\$ (0.55)	US\$ (0.52)
Net assets, end of the period ⁽⁴⁾	US\$ 9.52	US\$ 9.82	US\$ 9.74	US\$ 9.16

RATIOS AND SUPPLEMENTAL DATA

Total net asset value (\$000's) ⁽⁵⁾	3,232	3,791	2,396	5,457
Number of securities outstanding ⁽⁵⁾	258,236	308,236	183,150	433,151
Management expense ratio (%) ⁽⁶⁾	1.11	1.15	1.26	1.16
Management expense ratio before waivers or absorptions (%) ⁽⁶⁾	1.49	1.56	1.79	1.28
Portfolio turnover rate (%) ⁽⁷⁾	66.94	77.27	36.48	58.15
Trading expense ratio (%) ⁽⁸⁾	0.03	0.01	0.01	0.02
Net asset value per security (\$)	US\$ 9.52	US\$ 9.82	US\$ 9.74	US\$ 9.11
Closing market price (\$) ⁽⁹⁾	US\$ 9.51	US\$ 9.78	US\$ 9.74	US\$ 9.10

Notes:

(1) This information is derived from the Fund's unaudited interim and 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 June 30, 2018 and 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 period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between high turnover rate and the performance of a fund.

(8) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period, including the Fund's proportionate share of such expenses of any underlying fund in which the Fund has invested.

(9) Closing market price.

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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 Units and US\$ Common 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. 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. 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
Common Units	0.85%	-	100%
US\$ Common Units	0.85%	-	100%

For the period ended June 30, 2018, First Asset waived and absorbed expenses of the Fund totalling \$65,889.

First Asset Active Credit ETF

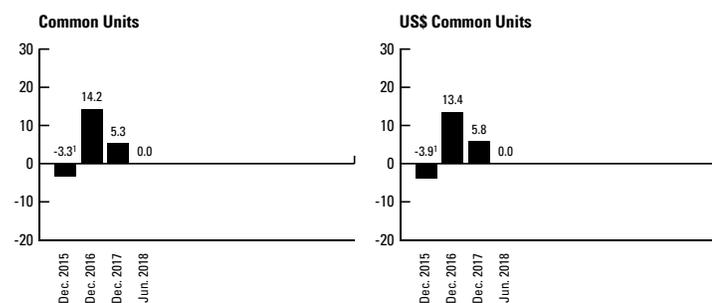
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Past Performance

Please note that the performance information shown in this section assumes that all distributions made by the Fund in the 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 interim and annual performance for each class of the Fund's securities for the financial periods shown and illustrate how the Fund's performance has changed from period to period. The bar charts show, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.



¹ 2015 return is for the period from January 12, 2015 to December 31, 2015.

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

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Summary of Investment Portfolio as at June 30, 2018

Category	% of Net Asset Value	Category	% of Net Asset Value	Top 25 Holdings	% of Net Asset Value
Country allocation		Sector allocation			
United States	78.1	Consumer Discretionary.....	19.9	Cash and Cash Equivalents	3.8
Canada	6.3	Information Technology.....	15.2	iShares iBoxx \$ High Yield Corporate Bond ETF	2.8
Cash and Cash Equivalents	3.8	Industrials	14.6	SPDR Bloomberg Barclays High Yield Bond ETF.....	2.8
Netherlands	3.2	Energy.....	9.9	Citigo Holding Inc., 10.75%, February 15, 2020	2.4
Luxembourg.....	2.4	Financials	8.3	Infor (US) Inc., 6.50%, May 15, 2022	2.3
United Kingdom	2.3	Health Care.....	7.9	OCI NV, 6.63%, April 15, 2023	2.3
Ireland	2.2	Investment Fund.....	5.6	PBF Logistics LP / PBF Logistics Finance Corp., 6.88%, May 15, 2023	2.3
Cayman Islands.....	1.1	Utilities.....	5.1	Select Medical Corp., 6.38%, June 1, 2021	2.3
Other assets, net of liabilities.....	0.6	Cash and Cash Equivalents	3.8	American Axle & Manufacturing Inc., 6.25%, April 1, 2025	2.2
		Telecommunication Services.....	3.2	Endo Dac / Endo Finance LLC / Endo Finco Inc., 5.88%, October 15, 2024	2.2
		Consumer Staples.....	3.1	LPL Holdings Inc., 5.75%, September 15, 2025	2.2
		Materials.....	2.8	Matterhorn Merger Sub LLC / Matterhorn Finance Sub Inc., 8.50%, June 1, 2026	2.2
		Other assets, net of liabilities.....	0.6	1011778 B.C. ULC / New Red Finance Inc., 5.00%, October 15, 2025	2.1
				Change Healthcare Holdings LLC / Change Healthcare Finance Inc., 5.75%, March 1, 2025	2.1
				CommScope Technologies LLC, 5.00%, March 15, 2027	2.1
				Hexion U.S. Finance Corp., 6.63%, April 15, 2020	2.1
				Titan Acquisition Ltd. / Titan Co-Borrower LLC, 7.75%, April 15, 2026	2.1
				Vistra Operations Co. LLC.....	1.8
				YRC Worldwide Inc.....	1.8
				Federal-Mogul Corp.....	1.7
				Scientific Games International Inc.....	1.7
				Idera Inc.....	1.6
				MGM Resorts International, 5.75%, June 15, 2025	1.6
				Sequa Mezzanine Holdings LLC	1.6
				St. George's University Scholastic Services LLC	1.6
				Total Net Asset Value	\$29,460,035

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.