

Interim Management Report of Fund Performance

for the period ended June 30, 2018



First Asset Global Financial Sector ETF

Fund:

First Asset Global Financial Sector ETF

Securities:

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

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, ON M5C 3G7

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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 \$5.2 million to \$57.7 million from December 31, 2017 to June 30, 2018. The Fund had net redemptions of \$3.2 million for the period. The Fund paid distributions totalling \$0.7 million while the portfolio's performance decreased assets by \$1.3 million. The Fund returned -2.6% after fees and expenses for the six-month period ended June 30, 2018. Over the same time period, the Fund's benchmark returned -1.6%. The benchmark is the MSCI ACWI Financials Index.

Investor fears over the European Union rose after the Italian elections in March. The outcome of the elections and weak economic data from the region negatively impacted investor appetite towards Europe in general and the European financials sector in particular. The U.S. administration's stance towards global trade and the imposition of new tariffs introduced uncertainty to the global economy. Interest rates rose in the U.S., which impacted investors' appetite towards emerging markets. Although still positive for the year so far, inflows into emerging markets have slowed since 2017.

Stock selection in North and South America contributed to the Fund's performance. While both regions' financials stocks had negative overall returns for the period, stock selection helped the fund outperform. Top individual contributors to performance included holdings in Wells Fargo & Co. ("Wells Fargo") and Banco BPM SPA. Wells Fargo was a top holding to begin 2018 and performed well in January, providing an opportunity to reduce the Fund's exposure to it as its relative valuation became less compelling. The profits attained in January exceeded subsequent losses on the Fund's smaller exposure held throughout the remainder of the period. Overall, Wells Fargo's net contribution was 65 basis points. Banco BPM SPA was purchased in 2017 when the Portfolio Manager believed in the potential for a turnaround of the bank's balance sheet. Pre-election profits were locked in as the holding's valuation became less compelling.

An overweight allocation to European financials detracted from the Fund's performance. Although the European financials sector continued to offer value, the postponement of interest rate increases combined with political uncertainty left investors with little appetite for sector. The Fund's overweight exposure to emerging markets in Asia and Latin America detracted from performance as U.S. interest rates rose, as well as fear over slowing growth. Individual detractors included ICICI Bank Ltd. and Synchrony Financial. ICICI Bank Ltd.'s shares declined as a result of an investigation of the CEO regarding loans extended to family members. The CEO is on a leave until the investigation is complete, and the Portfolio Manager does not expect the potential resignation of the CEO to negatively impact the company's share price. Synchrony Financial's share price weakened, along with other U.S. consumer finance companies, amid fears that U.S. consumer credit losses will accelerate. The Portfolio Manager is not concerned for the company as the equity risk premium on Synchrony Financial is extremely high relative to the quality of the business and the strength of the U.S. economy.

A new position in UBS AG was purchased for the Fund based on the belief that the company's transformation from an investment bank to more of an asset manager has been underappreciated by the market. The company's new strategy combined with its continued effort on cost cutting should help increase returns in the coming years. A holding in Lloyds Bank PLC was eliminated amid worries over a stalemate regarding the U.K.'s negotiations to exit the European Union.

RECENT DEVELOPMENTS

The Portfolio Manager maintains a positive outlook for the global financials sector as risk premiums remain attractive relative to the broader market. The financial system is healthy, despite a prolonged period of low interest rates. While peripheral European financial systems remain fragile, the region is making gradual progress on repairing balance sheets. U.S. financials are especially well positioned to benefit from lower U.S. corporate tax rates, relaxed regulation and higher interest rates. Emerging market financials are offering value again as many markets sold off after recent interest rate increases in the U.S.

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 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 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

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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, the Portfolio Manager and the Fund were not party to any related party transactions during the period ended June 30, 2018.

Inter-Fund Trades – During the period, the Fund engaged in Inter-Fund Trades. The Inter-Fund Trades were executed by an unrelated broker and through the facilities of the TSX at prevailing market prices on the days of the transactions. No related parties received any fees in connection with the trades. The trades were executed in reliance on a standing instruction issued by both Funds' IRC.

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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⁾

	Six Months Ended Jun. 30, 2018	Year Ended Dec. 31, 2017	Year Ended Dec. 31, 2016	Year Ended Dec. 31, 2015	Period from Inception to Dec. 31, 2014
	\$	\$	\$	\$	\$
Commencement of operations October 29, 2014					
Net assets, beginning of period	21.01	17.18	17.26	18.14	18.66
Increase (decrease) from operations					
Total revenue	0.57	0.24	0.38	0.36	-
Total expenses	(0.12)	(0.32)	(0.43)	(0.46)	(0.10)
Realized gains (losses) for the period	1.76	2.28	(3.67)	(0.38)	(0.28)
Unrealized gains (losses) for the period	(2.64)	2.29	1.88	(0.38)	(0.14)
Total increase (decrease) from operations ⁽²⁾	(0.43)	4.49	(1.84)	(0.86)	(0.52)
Distributions					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	(0.18)	(0.20)	(0.11)	-	-
Total distributions ⁽³⁾	(0.18)	(0.20)	(0.11)	-	-
Net assets, end of the period ⁽⁴⁾	20.29	21.01	17.18	17.26	18.14

RATIOS AND SUPPLEMENTAL DATA

Total net asset value (\$000's) ⁽⁵⁾	57,659	62,854	12,745	26,546	27,878
Number of securities outstanding ⁽⁵⁾	2,841,952	2,991,952	741,952	1,537,500	1,537,500
Management expense ratio excluding offering expenses (%) ⁽⁶⁾	1.14	1.41	2.10	1.73	1.46
Management expense ratio (%) ⁽⁶⁾	1.14	1.41	2.10	1.73	8.87
Portfolio turnover rate (%) ⁽⁷⁾	93.90	149.62	107.09	123.03	1.54
Trading expense ratio (%) ⁽⁸⁾	0.57	0.68	0.60	0.47	0.91
Net asset value per security (\$)	20.29	21.01	17.18	17.26	18.14
Closing market price (\$) ⁽⁹⁾	20.27	21.00	17.14	16.62	19.40

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. The MER for the year 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.

(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. 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 securities of the Fund. The transaction costs used in the trading expense ratio have been reduced by these fees.

(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, First Asset is entitled to receive an annual management fee from the Fund. The fee is based on the net asset value of the Fund, 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 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
0.85%	-	100%

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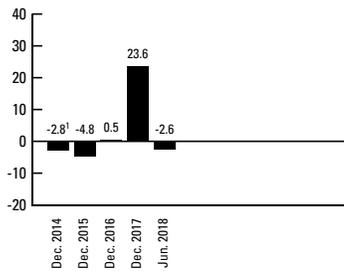
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Past Performance

Please note that the performance information shown in this section assumes that all distributions made by the Fund in the 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 chart shows the Fund's interim and annual performance for the financial periods shown and illustrates how the Fund's performance has changed from period to period. The bar chart shows, 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 2014 return is for the period from October 29, 2014 to December 31, 2014.

(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	40.3	Financials	94.0	Synchrony Financial	8.0
Sweden	6.7	Industrials	2.6	Wells Fargo & Co.	4.7
France	6.6	Information Technology	2.4	Nordea Bank AB	4.6
United Kingdom	6.1	Cash and Cash Equivalents	0.6	UBS Group AG, Registered	4.4
Italy	4.6	Other assets, net of liabilities	0.4	SLM Corp.	4.2
Netherlands	4.5			ICICI Bank Ltd., ADR	3.9
Switzerland	4.4			BNP Paribas SA	3.8
India	3.9			Bank of America Corp.	3.5
Czech Republic	3.3			Discover Financial Services	3.3
Denmark	3.2			Moneta Money Bank AS	3.3
Peru	2.9			Danske Bank AS	3.2
Russia	2.5			Intercorp Financial Services Inc.	2.9
China	2.4			ING Groep NV	2.8
Spain	1.9			BrightSphere Investment Group PLC	2.7
Canada	1.7			Credit Agricole SA	2.7
Indonesia	1.5			Air Lease Corp.	2.6
Austria	1.5			Intesa Sanpaolo SPA	2.6
Brazil	1.0			Alliance Data Systems Corp.	2.5
Cash and Cash Equivalents	0.6			Prudential PLC	2.5
Other assets, net of liabilities	0.4			Sberbank of Russia PJSC, ADR	2.5
				Citigroup Inc.	2.4
				Ping An Insurance (Group) Co. of China Ltd.	2.4
				Bank of the Ozarks	2.3
				Swedbank AB, Series 'A'	2.1
				Anima Holding SPA	2.0
				Total Net Asset Value	\$57,659,044

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.