



Independent Review Committee

Report to Securityholders for the Year-Ended December 31, 2018

This Report to Securityholders is prepared and delivered by the Independent Review Committee (the “**IRC**”) for the First Asset family of investment funds (see Schedule “A” hereto) (each, a “**Fund**”; collectively, the “**Funds**”) in accordance with Section 4.4 of National Instrument 81-107. A securityholder of any of the Funds may request a copy of this report free of charge by calling (416) 642-1289 or 1-877-642-1289, or by emailing info@firstasset.com or by visiting www.firstasset.com or www.sedar.com.

All information contained herein is for the period January 1, 2018 to December 31, 2018.

(a) Members of the IRC

Required Disclosure - The name of each member of the IRC at the date of the report, with (i) the member’s length of service on the IRC; (ii) the name of any other fund family on whose IRC the member serves; and (iii) if applicable, a description of any relationship that may cause a reasonable person to question the member’s independence and the basis upon which the IRC determined that the member is independent.

Name	(i) Service	(ii) Other IRC(s)	(iii) Independence
Douglas A. S. Mills	Since May 1, 2007 †	None	N/A
John Reucassel	September 1, 2016 to current	Board of Governors of CI Investments Inc.	N/A
Stuart Hensman	April 1, 2018 to current ††	Board of Governors of CI Investments Inc.	N/A

† For funds in existence on May 1, 2007. For Funds launched after May 1, 2007, on the date that the initial public offering was completed. The IRC members were appointed on May 1, 2007, however, the IRC did not become functional until November 1, 2007. For First Asset Global Dividend Fund, the current IRC was constituted on August 1, 2009 following acquisition by First Asset of Criterion Investments. The IRC members’ appointments were terminated on November 30, 2015 in connection with the change of control of First Asset Investment Management Inc., the manager of the Funds, however the same members were re-appointed on November 30, 2015.

†† Mr. Hensman filled the vacancy created when Mr. Carl Solomon resigned as an IRC member effective March 31, 2018.

(b) Ownership of Securities

Required Disclosure – The percentage of securities of each class or series of voting or equity securities beneficially owned, directly or indirectly, in aggregate by all members of the IRC: (i) in the investment fund if the aggregate level of ownership exceeds 10%; (ii) in the manager; (iii) in any person or company that provides services to the investment fund or the manager; or (iv) in CI Financial Corp. (TSX: CIX) if the aggregate level of ownership exceeds 10%.

<u>Name</u>	<u>Funds</u>	<u>Managers</u>	<u>Service Providers</u>	<u>CIX</u>
Douglas A.S. Mills	Nil	Nil	Nil	Nil
John Reucassel	Nil	Nil	Nil	Nil
Stuart Hensman	Nil	Nil	Nil	Nil

(c) Chair

Required Disclosure – The Identity of the Chair of the IRC.

Douglas A. S. Mills.

(d) Changes in Composition

Required Disclosure – Any changes in the composition or membership of the IRC during the period.

Carl Solomon resigned as a member of the IRC effective March 31, 2018. See †† above in (a).

(e) Compensation

Required Disclosure – The aggregate compensation paid to the IRC and any indemnities paid to members of the IRC by the investment funds during the period.

Aggregate Compensation Paid: \$137,200
Indemnities Paid: Nil

(f) Compensation Criteria

Required Disclosure – A description of the process and criteria used by the IRC to determine the appropriate level of compensation of its members and any instance when, in setting the compensation of its members, the IRC did not follow the recommendation of the manager, including (i) a summary of the manager’s recommendation, and (ii) the IRC’s reasons for not following the recommendation.

Compensation remained unchanged for the year-ended December 31, 2018.

(g) Conflict of Interest Matters

Required Disclosure – If known, a description of each instance when the manager acted in a conflict of interest matter referred to the IRC for which the IRC did not give a positive recommendation, including (i) a summary of the recommendation, and (ii) if known, the manager’s reasons for proceeding without following the recommendation of the IRC and the result of the proceeding.

The IRC is not aware of any such instances.

(h) Managers Failure to Meet Conditions

Required Disclosure – If known, a description of each instance when the manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its recommendation or approval, including (i) the nature of the condition, (ii) if known, the manager’s reasons for not meeting the condition, and (iii) whether the IRC is of the view that the manager has taken, or proposes to take, appropriate action to deal with the matter.

The IRC is not aware of any such instances.

(i) Managers Reliance on Recommendations/Approvals

Required Disclosure – A brief summary of any recommendations and approvals the manager relied upon during the period.

During the period January 1, 2018 to December 31, 2018, the Manager acted in reliance on positive recommendations and/or approvals (including those granted by way of Standing Instructions), as applicable, granted by the IRC relating to certain conflicts of interest matters referred to the IRC as set out in Schedule “B” hereto.

DATED as of this 6th day of March, 2019.

{signed} Douglas A. S. Mills

Douglas A. S. Mills
Chair, Independent Review Committee

FIRST ASSET

SCHEDULE "A"

FUND AND MANAGERS

First Asset Investment Management Inc. ("FAIMI") served as Manager of all of the Funds between January 1, 2018 and December 31, 2018.

First Asset Family of Closed-End Funds

- | | | |
|----|--|---------------------------------|
| 1. | JFT Strategies Fund | |
| 2. | First Asset Morningstar US Consumer Defensive Index Fund | <i>Until September 14, 2018</i> |
| 3. | First Asset Diversified Convertible Debenture Fund | <i>Until December 7, 2018</i> |
| 4. | First Asset Canadian Convertibles Fund | <i>Until December 7, 2018</i> |
| 5. | First Asset North American Convertibles Fund | <i>Until December 7, 2018</i> |

First Asset Family of Mutual Funds

- | | | |
|----|--|-------------------------------|
| 1. | First Asset Resource Fund Inc. | <i>Until January 22, 2018</i> |
| 2. | First Asset Global Dividend Fund | <i>Until June 8, 2018</i> |
| 3. | First Asset Canadian Convertible Bond Fund | |
| 4. | First Asset REIT Income Fund | |
| 5. | First Asset Utility Plus Fund | |
| 6. | First Asset Canadian Energy Convertible Debenture Fund | <i>Until August 27, 2018</i> |
| 7. | First Asset Canadian Dividend Opportunity Fund | |

First Asset Family of Exchange Traded Funds

- | | | |
|-----|---|--------------------------------|
| 1. | First Asset Can-Energy Covered Call ETF | <i>Until February 16, 2018</i> |
| 2. | First Asset Can-Materials Covered Call ETF | |
| 3. | First Asset Canadian Convertible Bond ETF | |
| 4. | First Asset Tech Giants Covered Call ETF | |
| 5. | First Asset Energy Giants Covered Call ETF | |
| 6. | First Asset Morningstar Canada Dividend Target 30 Index ETF | |
| 7. | First Asset Morningstar US Dividend Target 50 Index ETF | |
| 8. | First Asset Morningstar National Bank Quebec Index ETF | |
| 9. | First Asset Morningstar Canada Momentum Index ETF | |
| 10. | First Asset Morningstar Canada Value Index ETF | |
| 11. | First Asset Morningstar US Momentum Index ETF | |
| 12. | First Asset Morningstar US Value Index ETF | |
| 13. | First Asset Morningstar International Value Index ETF | |
| 14. | First Asset Morningstar International Momentum Index ETF | |
| 15. | First Asset 1-5 Year Laddered Government Strip Bond Index ETF | |
| 16. | First Asset MSCI Canada Low Risk Weighted ETF | |
| 17. | First Asset MSCI USA Low Risk Weighted ETF | |
| 18. | First Asset MSCI Europe Low Risk Weighted ETF | |
| 19. | First Asset MSCI World Low Risk Weighted ETF | |
| 20. | First Asset U.S. & Canada Lifeco Income ETF | |
| 21. | First Asset European Bank ETF | |
| 22. | First Asset Active Canadian Dividend ETF | |
| 23. | First Asset Active Credit ETF | |
| 24. | First Asset Core Canadian Equity ETF | |
| 25. | First Asset Core U.S. Equity ETF | |
| 26. | First Asset Active Utility & Infrastructure ETF | |
| 27. | First Asset Canadian REIT ETF | |
| 28. | First Asset Global Financial Sector ETF | |
| 29. | First Asset Preferred Share ETF | |

- 30. First Asset Long Duration Fixed Income ETF
- 31. First Asset Investment Grade Bond ETF
- 32. First Asset Canadian Buyback Index ETF
- 33. First Asset U.S. Buyback Index ETF
- 34. First Asset Cambridge Core U.S. Equity ETF *Until December 3, 2018*
- 35. First Asset U.S. Equity Multi-Factor Index ETF *Until June 11, 2018*
- 36. First Asset Canadian Dividend Low Volatility Index ETF *Until June 11, 2018*
- 37. First Asset U.S. Tactical Sector Allocation Index ETF
- 38. First Asset U.S. Trendleaders Index ETF
- 39. First Asset Cambridge Global Dividend ETF *Until December 3, 2018*
- 40. First Asset Enhanced Short Duration Bond ETF
- 41. First Asset MSCI International Low Risk Weighted ETF
- 42. First Asset Health Care Giants Covered Call ETF
- 43. First Asset Enhanced Government Bond ETF

Classes of First Asset Fund Corp.:

- 44. First Asset CanBanc Income Class ETF
- 45. First Asset Core Canadian Equity Income Class ETF
- 46. First Asset Short Term Government Bond Index Class ETF
- 47. First Asset MSCI Canada Quality Index Class ETF


FIRST ASSET
SCHEDULE "B"
MANAGER'S RELIANCE ON RECOMMENDATIONS/APPROVALS

Conflict of Interest Matter		Related Policy & Procedure
X	Valuing Portfolio Securities	Valuation of Portfolio Securities
X	Best Execution of Trades	Best Execution of Trades
X	Use of Soft Dollars	Soft Dollar Standards
X	Allocation of Orders	Allocation of Orders and Standard of Fairness
X	Inter-Fund Trades	Inter-Fund Trade Policy
X	Investments in Related Funds	Related Fund Investment Policy
X	Investments in Related Issuers	Related Issuer Investment Policy
	Investments in Employee Entities	Investments in Employee Entities
X	Correcting Errors	Trade Errors and Trade Modification Policy
	Proxy Voting Conflicts	Proxy Voting Conflicts
X	Use of External Managers	Supervision of External Portfolio Managers
	Internalizing 3 rd Party Agreements	Internalizing 3 rd Party Agreements
X	Launching/Marketing New Funds	Policy on Launching/Marketing New Funds
X	Allocating Expenses Among Funds	Allocating Expenses Among Funds
X	Merger Policy	Merger Policy
X	Personal Trading by Portfolio Managers	Portfolio Management Conflicts Policy
X	Establishing a New Fund	Establishing a New Fund
	Change of Auditor	Change of Auditor
X	Illiquid Securities	Illiquid Securities
	Transactions with Employee Entities	Transactions with Employee Entities

"X" indicates that the Manager relied on the particular policy.