

Annual Management Report of Fund Performance

for the year ended December 31, 2018



First Asset Canadian REIT ETF

Fund:

First Asset Canadian REIT ETF

Securities:

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

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

First Asset Canadian REIT ETF

Management Report of Fund Performance for the year ended December 31, 2018

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. Securityholders 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 \$39.5 million to \$344.9 million from December 31, 2017 to December 31, 2018. The Fund had net sales of \$45.5 million for the year. The Fund paid distributions totalling \$17.1 million while the portfolio's performance increased assets by \$11.1 million. The Fund returned 4.0% after fees and expenses for year ended December 31, 2018. Over the same time period, the Fund's benchmark returned 6.3%. The benchmark is the S&P/TSX Capped REIT Total Return Index.

Many equity assets sold off sharply in late 2018 amid recession fears, trade tensions and political uncertainty. Despite elevated market volatility, Canadian real estate investment trusts ("REIT") fared comparatively well, with the S&P/TSX Capped REIT Index up 6.3% versus -8.9% for the broader equity market, as measured by the S&P/TSX Composite Index. The U.S. REIT market, as measured by the MSCI U.S. REIT Index, returned -4.5% (in U.S.-dollar terms).

There was significant divergence in total returns between individual REITs in 2018. By property type, multi-family residential and industrial REITs outperformed, supported by a strong operating environment, while seniors' housing underperformed, largely as a result of supply-related concerns.

Overweight allocations to multi-family residential REITs and industrial REITs contributed to the Fund's performance. In Canada, these types of REITs benefited from significant supply and demand imbalances skewed in favour of landlords, particularly in the areas of Toronto and Vancouver. Top individual contributors to performance included holdings in InterRent REIT, Canadian Apartment Properties REIT and Pure Industrial Real Estate Trust ("Pure Industrial").

Exposure to real estate services, health care facilities, and hotels and resorts industries detracted from the Fund's performance. Individual detractors from performance included holdings in Tricon Capital Group Inc., American Hotel Income Properties REIT L.P. and Chartwell Retirement Residences.

The Portfolio Manager participated in two initial public offerings during the year: Minto Apartment REIT and Cushman & Wakefield.

In calendar 2018, the Fund benefitted from merger and acquisition activity related to three of its holdings: Pure Industrial, Canadian REIT and Agellan Commercial REIT. Pure Industrial was acquired in January by an affiliate of Blackstone Property Partners for \$8.10 in an all-cash transaction valued at \$3.8 billion. The transaction price represented a 22% premium to the unaffected 30-day volume-weighted average unit price, a 27% premium to consensus net asset value. Canadian REIT was acquired by Choice Properties REIT in February in a cash and stock transaction valued at \$6.0 billion, representing a 23% premium to Canadian REIT's unaffected closing price on February 14, 2018. In November, Agellan Commercial REIT announced that it would be acquired by its largest unitholder, El-Ad Group, for \$14.25 per unit, representing a 10% premium to the REIT's 20-day volume-weighted average price.

Throughout the year, several of the Fund's REIT holdings were selectively trimmed after strong performance and redeployed into other issuers. Names that generated notably strong returns included Canadian Apartment Properties REIT and InterRent REIT.

The Fund underperformed its benchmark for the year.

RECENT DEVELOPMENTS

At the end of 2018, Canadian and U.S. REITs were trading, on average, at double-digit discounts to net asset value, and could offer compelling value at current levels. In the current environment, the Fund remains biased in favour of REITs with quality, urban portfolios, exposure to higher growth markets, value add development/intensification potential, and conservative balance sheets. From a sector perspective, the Fund continues to favour multi-family, industrial and seniors housing, and defensive daily necessity-oriented retail.

There continued to be a marked disconnect between private (direct property) and public (REIT) valuations across most property types. Since 2013, capitalization rates have held relatively steady despite bond yields dipping lower (and trending higher) over the year.

First Asset Canadian REIT ETF

Management Report of Fund Performance for the year ended December 31, 2018

Recent capitalization rate surveys, discussions with brokers, and public and private real estate owners, property tours and transaction data reinforce the expectation for steady operating fundamentals and continued demand for real estate. First Asset expects the depth of bid and real estate pricing to remain favourable in 2019, as many institutional investors remain significantly underinvested in real estate, despite rising allocation targets.

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 which outlines fees paid to these parties. Effective January 1, 2019, F.A. Administration Services Inc. amalgamated with First Asset.

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, the Portfolio Manager and the Fund were not party to any related party transactions during the year ended December 31, 2018.

First Asset Canadian REIT ETF

Management Report of Fund Performance for the year ended December 31, 2018

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 for the past five years.

THE FUND'S NET ASSETS PER SECURITY ⁽¹⁾

Common Units	Year Ended Dec. 31, 2018	Year Ended Dec. 31, 2017	Year Ended Dec. 31, 2016	Year Ended Dec. 31, 2015	Year Ended Dec. 31, 2014
Commencement of operations October 28, 2004	\$	\$	\$	\$	\$
Net assets, beginning of year	16.03	15.08	13.52	13.13	12.28
Increase (decrease) from operations					
Total revenue	0.49	0.53	0.76	0.70	0.65
Total expenses	(0.15)	(0.17)	(0.14)	(0.17)	(0.22)
Realized gains (losses) for the year	0.60	0.52	0.36	1.29	0.59
Unrealized gains (losses) for the year	(0.38)	0.80	1.13	(0.87)	0.49
Total increase (decrease) from operations ⁽²⁾	0.56	1.68	2.11	0.95	1.51
Distributions					
From income (excluding dividends)	(0.11)	(0.03)	(0.13)	(0.04)	(0.05)
From dividends	(0.22)	(0.39)	(0.19)	(0.19)	(0.20)
From capital gains	(0.51)	(0.37)	(0.67)	(0.98)	(0.48)
Return of capital	-	(0.02)	-	-	(0.01)
Total distributions ⁽³⁾	(0.84)	(0.81)	(0.99)	(1.21)	(0.74)
Net assets, end of the year ⁽⁴⁾	15.86	16.03	15.08	13.52	13.13

RATIOS AND SUPPLEMENTAL DATA

Total net asset value (\$000's) ⁽⁵⁾	344,920	305,391	190,122	84,549	65,028
Number of securities outstanding ⁽⁵⁾	21,746,068	19,046,068	12,603,986	6,253,986	4,953,986
Management expense ratio (%) ⁽⁶⁾	0.90	0.93	0.97	1.24	1.44
Portfolio turnover rate (%) ⁽⁷⁾	21.66	33.28	32.69	79.70	49.85
Trading expense ratio (%) ⁽⁸⁾	0.03	0.07	0.07	0.12	0.08
Net asset value per security (\$)	15.86	16.03	15.08	13.52	13.13
Closing market price (\$) ⁽⁹⁾	15.89	16.05	15.10	13.60	12.41

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.

First Asset Canadian REIT ETF

Management Report of Fund Performance for the year ended December 31, 2018

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 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. 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
0.75%	-	100%

First Asset Canadian REIT ETF

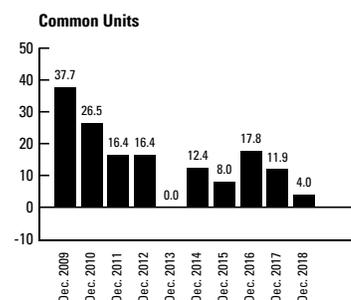
Management Report of Fund Performance for the year ended December 31, 2018

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 following table shows the Fund's annual compound returns for each year indicated, compared to the S&P/TSX Capped REIT Total Return Index and the S&P/TSX Composite Total Return Index.

The S&P/TSX Capped REIT Index is a sub-index of the broad-based S&P/TSX Income Trust Index. This sector-based index comprises real estate income trusts, which are classified in the Global Industry Classification Standards real estate sector. The relative weight of any single index constituent is capped at 25%.

The S&P/TSX Composite Index is a float-adjusted market capitalization weighted index, which is the principal broad measure of the Canadian equity market. It includes common stocks and income trust units of companies incorporated in Canada which are listed on the Toronto Stock Exchange.

A discussion of the performance of the Fund as compared to the benchmark is found in the Results of Operations section of this report.

	One Year (%)	Three Years (%)	Five Years (%)	Ten Years (%)	Since Inception (%)
Common Units	4.0	11.1	10.7	14.7	n/a
S&P/TSX Capped REIT Total Return Index	6.3	11.2	7.7	14.0	n/a
S&P/TSX Composite Total Return Index	(8.9)	6.4	4.1	7.9	n/a

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

First Asset Canadian REIT ETF

Management Report of Fund Performance for the year ended December 31, 2018

Summary of Investment Portfolio as at December 31, 2018

Category	% of Net Asset Value	Category	% of Net Asset Value	Top 25 Holdings	% of Net Asset Value
Country allocation		Sector allocation			
Canada	90.5	Real Estate	87.6	Cash and Cash Equivalents	5.2
Cash and Cash Equivalents	5.2	Health Care	6.1	Canadian Apartment Properties REIT	4.8
U.S.A.	2.5	Cash and Cash Equivalents	5.2	Morguard North American Residential REIT	4.6
U.K.	1.8	Financials	1.1	InterRent REIT	4.6
Other Net Assets (Liabilities)	0.0	Other Net Assets (Liabilities)	0.0	Killam Apartment REIT	4.5
				H&R REIT	4.2
				Allied Properties REIT	4.2
				RioCan REIT	4.1
				First Capital Realty Inc.	4.1
				Pure Multi-Family REIT L.P., Class 'A'	4.1
				WPT Industrial REIT	4.0
				Dream Industrial REIT	3.9
				Tricon Capital Group Inc.	3.9
				Chartwell Retirement Residences	3.6
				Choice Properties REIT	3.4
				Dream Global REIT	3.2
				Crombie REIT	3.1
				Summit Industrial Income REIT	3.0
				Sienna Senior Living Inc.	2.4
				SmartCentres REIT	2.0
				Granite REIT	2.0
				CT REIT	1.8
				Cushman & Wakefield PLC	1.8
				American Hotel Income Properties REIT L.P.	1.7
				Brookfield Property Partners L.P.	1.5
				Total Net Asset Value	\$344,920,016

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.