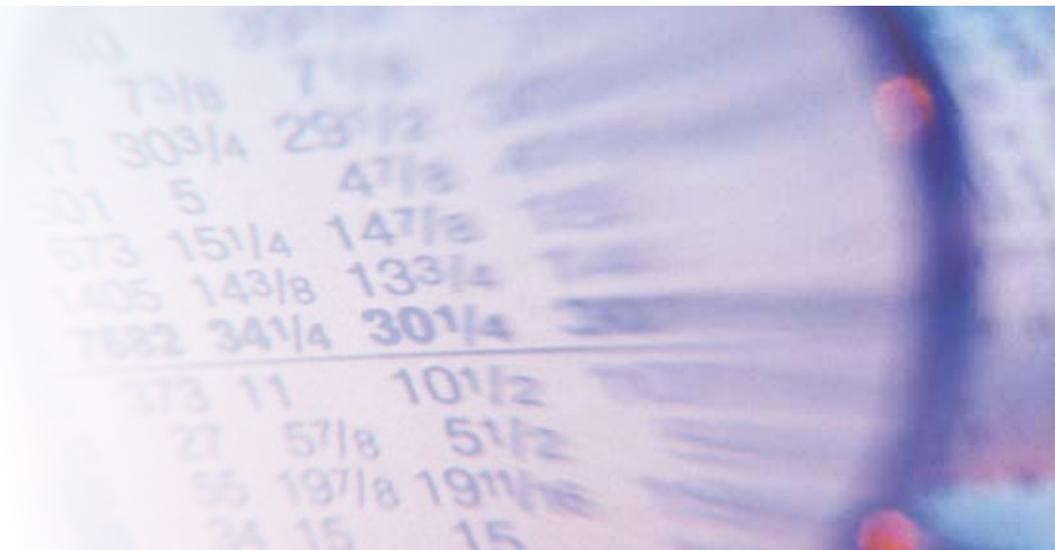


2019 Semi-Annual Management Report of Fund Performance



 **CI FIRST ASSET**
Exchange Traded Funds

CI First Asset Long Duration Fixed Income ETF

Fund:

CI First Asset Long Duration Fixed Income ETF

Securities:

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

Manager, Trustee and Portfolio Advisor:

CI Investments Inc. ("CI")

2 Queen Street East, Suite 1200

Toronto, ON M5C 3G7

(416) 642-1289 or (877) 642-1289

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CI First Asset Long Duration Fixed Income ETF

Management Report of Fund Performance for the period ended June 30, 2019

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual or annual financial statements of the investment fund. You can get a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-877-642-1289, by writing to us at CI Investments 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 increased by \$5.4 million to \$58.4 million from December 31, 2018 to June 30, 2019. The Fund paid distributions totalling \$0.8 million while the portfolio's performance increased assets by \$6.2 million. The Fund returned 11.6% after fees and expenses for the six-month period ended June 30, 2019. Over the same time period, the Fund's benchmark returned 12.0%. The benchmark is the FTSE Canada Long Term Government Bond Total Return Index.

During the first quarter of 2019, the U.S. Federal Reserve Board ("Fed") pivoted abruptly on the direction of U.S. monetary policy. In response to the financial market shocks in the fourth quarter of 2018, the Fed halted interest rate increases indefinitely. Furthermore, the Fed ended its balance sheet reduction earlier, and brought renewed focus on correcting for past inflation shortfalls. Riskier assets rebounded, recapturing the highs of October 2018.

In spite of the credit and equity rebound, government bond yields made substantial new lows as anticipated interest rate increases were repriced into interest rate cuts and recession fears emerged in response to weak growth data, primarily in Japan and Europe. The lack of room for policy support sparked concern as the European Central Bank ("ECB") postponed its plans to return interest rates to zero from negative territory. Prospects for interest rate cuts from the Bank of Canada ("BoC") took root in market pricing for the first time since 2016 amid lingering risks of renewed trade tensions and concerns of a global economic slowdown. Chinese stimulus progressed with tax cuts and fiscal spending, while further Chinese tariffs were postponed by the U.S. Administration and negotiations appeared to be progressing.

During the second quarter of 2019, the global economic outlook softened, with inflation remaining low. Despite a de-escalation in the U.S-China trade conflict during the recent G20 summit, the outcome of subsequent talks remained uncertain and continued to weigh on business sentiment and global growth. Anticipating economic deceleration, central banks around the world stood ready to ease monetary policy. Accordingly, markets moved to price in interest rate cuts from the Fed and ECB, precipitating a further decline in interest rates.

In the U.S., despite moderate economic growth and a robust labour market, inflation continued to stay below the Fed's 2% target. Similarly, in Europe, a worsening economic outlook and uncertainty over the U.K.'s exit from the European Union emphasized the risks to growth. The BoC maintained its policy rate steady. Recent Canadian economic and inflation data had been relatively strong, largely as a result of a recovery in the energy sector. However, escalating trade tensions and dimming global growth prospects continued to weigh on the economic outlook.

The Fund's duration (sensitivity to interest rates) positioning was the most significant contributor to the Fund's performance. During the first quarter, duration and yield curve positioning added to the Fund performance, primarily as a result of an overweight duration position in Canadian bonds maturing in seven to 10 years, as interest rates fell and the yield curve steepened. The Government of Canada 10-year bond yield declined while the 10-year to 30-year segment of the yield curve steepened in the same time frame. During the second quarter, an overweight duration position in U.S. 10-year bonds relative to Canadian notes of a similar maturity contributed to performance.

Government credit exposure detracted from the Fund's performance. The performance of the Fund's overweight positions in provincial bonds was unable to keep pace with underweight exposures in municipal and agency debt as central bank policies became more accommodative. U.S. dollar positions, net of hedges, also detracted from performance as the U.S. dollar weakened against the Canadian dollar.

In the first quarter, the Portfolio Manager added to the Fund's exposure to the steepening yield curve by selling duration-equivalent quantities of 30-year bonds in favour of 10-year bonds. There were concerns that evidence of an economic slowdown domestically and abroad could accumulate and drive the market toward expectations of interest rate cuts from the BoC. An underweight position in government credit was also eliminated as the environment became more supportive for credit spreads in the presence of more accommodative central bank policy.

During the second quarter, the Fund's duration exposure to the U.S. market was shifted, with the sale of 10-year Government of Canada bonds and purchase of U.S. Treasuries of the same maturity. This change reflected concerns that the Fed would likely be more responsive to signs of a slowdown in economic activity than the BoC, leading to a convergence of policy rates from the two central banks.

At the end of the reporting period, the Fund's duration was modestly ahead of the benchmark, featuring an overweight exposure in the seven- to 10-year area and an underweight allocation in the 20-year portion of the yield curve. Within spread products, the Fund holds an overweight allocation to provincial credit and underweight in exposure to municipal and Canadian government agency debt.

The Fund slightly underperformed the benchmark for the period.

RECENT DEVELOPMENTS

The global economic outlook has softened, with inflation remaining low. Against this backdrop, central banks around the world have signaled a bias to ease monetary policy, and markets have moved to price in such scenario. Overall, the Portfolio Manager has a positive outlook for global interest rates.

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In the U.S., with roughly 70 bps of Fed interest rate cuts by year-end currently priced into markets, a tactical approach is warranted. The near-term direction of government bond yields will depend on the evolution of economic data uncertainty around trade disputes. Longer term, however, the significant decline in government bond yields can be viewed as part of a recalibration of market expectations to structurally lower interest rates.

In Europe, the economic outlook has also weakened, and inflation remains stubbornly low. The ECB has also opened the door for interest rate cuts deeper into negative territory and an expansion of quantitative easing.

Market pricing of the BoC policy rate path continues to reflect the anticipation of interest rate cuts, with an initial 25 bps reduction over the next twelve months. U.S.-led trade conflicts with other nations have increased the risks to already slowing global economic activity and the Canadian economy is not immune to these risks. Inversion remains a feature of the Canadian yield curve for now, but the Portfolio Manager believes that the degree of inversion is likely to be reduced moving forward.

Effective April 29, 2019, First Asset ETFs were rebranded as CI First Asset ETFs.

On July 1, 2019, First Asset Investment Management Inc. amalgamated with CI Investments Inc. ("CI"). After the amalgamation, members of the Independent Review Committee ("IRC") of the CI family of funds also became members of the First Asset Funds' IRC (together, the "CI Funds IRC"). Previous members of the First Asset Funds' IRC resigned on June 30, 2019.

RELATED PARTY TRANSACTIONS

Manager, Trustee and Portfolio Advisor

CI Investments Inc. is the Manager, Trustee and Portfolio Advisor of the Fund. CI Investments Inc. is a subsidiary of CI Financial Corp. Please refer to the "Management Fee" section which outlines fees paid to the Manager.

Independent Review Committee

The Fund received standing instructions from the Fund's Independent Review Committee with respect to the following related party transactions:

- a) trades in securities of CI Financial Corp.; and
- b) purchases or sales of securities of an issuer from or to another investment fund managed by the Manager.

The applicable standing instructions require, amongst others, that related party transactions be conducted in accordance with the Manager's policies and procedures and applicable law and that Manager advise the IRC of any material breach of such policies. The standing instructions also require that investment decisions in respect of related party transactions (a) are free from any influence by an entity related to the Manager and without taking into account any consideration relevant to an entity related to the Manager; (b) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; (c) are made in compliance with the Manager's policies and procedures; and (d) achieve a fair and reasonable result for the Fund. Transactions made by the Manager under the standing instructions are subsequently reviewed by the IRC on a quarterly basis to monitor compliance.

The Fund relied on the IRC's standing instructions regarding related party transactions during this reporting period.

Except as otherwise noted below, CI and the Fund were not party to any related party transactions during the period ended June 30, 2019.

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 Toronto Stock Exchange 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⁾

Common Units	Six Months Ended Jun. 30, 2019	Year Ended Dec. 31, 2018	Year Ended Dec. 31, 2017	Period from Inception to Dec. 31, 2016
Commencement of operations May 4, 2016	\$	\$	\$	\$
Net assets, beginning of period	18.94	19.56	19.13	20.00
Increase (decrease) from operations				
Total revenue	0.29	0.60	0.59	0.35
Total expenses	(0.03)	(0.06)	(0.08)	(0.03)
Realized gains (losses) for the period	0.23	(0.55)	(0.11)	0.38
Unrealized gains (losses) for the period	1.72	(0.06)	0.52	(1.51)
Total increase (decrease) from operations ⁽²⁾	2.21	(0.07)	0.92	(0.81)
Distributions				
From income (excluding dividends)	(0.24)	(0.48)	(0.47)	(0.26)
From dividends	-	-	-	-
From capital gains	-	-	-	(0.33)
Return of capital	(0.02)	(0.04)	(0.04)	-
Total distributions ⁽³⁾	(0.26)	(0.52)	(0.51)	(0.59)
Net assets, end of the period ⁽⁴⁾	20.86	18.94	19.56	19.13

RATIOS AND SUPPLEMENTAL DATA

Total net asset value (\$000's) ⁽⁵⁾	58,417	53,030	55,741	37,312
Number of securities outstanding ⁽⁵⁾	2,800,000	2,800,000	2,850,000	1,950,000
Management expense ratio (%) ⁽⁶⁾	0.50	0.51	0.66	0.49
Management expense ratio before waivers or absorptions (%) ⁽⁶⁾	0.56	0.55	0.71	0.53
Portfolio turnover rate (%) ⁽⁷⁾	33.06	122.11	50.09	31.47
Trading expense ratio (%) ⁽⁸⁾	0.01	0.01	-	0.01
Net asset value per security (\$)	20.86	18.94	19.56	19.13
Closing market price (\$) ⁽⁹⁾	20.88	18.90	19.61	18.92

Notes:

(1) This information is derived from the Fund's unaudited semi-annual 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 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 June 30, 2019 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 Advisor 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.

CI First Asset Long Duration Fixed Income ETF

Management Report of Fund Performance for the period ended June 30, 2019

Management Fee

CI manages and administers the business, operations and affairs of the Fund. As compensation for the services it provides to the Fund, the Fund pays CI an annual management fee at the maximum 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. The services provided by CI 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, CI 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
0.30%	-	100%

For the period ended June 30, 2019, CI waived or absorbed expenses of the Fund totalling \$15,140.

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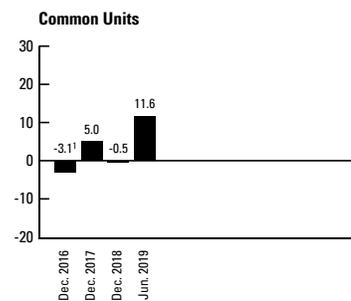
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Past Performance

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 semi-annual 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 2016 return is for the period from May 11, 2016 to December 31, 2016.

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

