

CI First Asset Long Duration Fixed Income ETF

Management Report of Fund Performance for the year ended December 31, 2019

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 1-800-563-5181, by writing to us at CI Investments Inc., 2 Queen Street East, Twentieth Floor, 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 OBJECTIVE AND STRATEGIES

The investment objective of the CI First Asset Long Duration Fixed Income ETF (the Fund) is to provide unitholders with: (a) regular distributions; and (b) the opportunity for capital appreciation from the performance of a portfolio comprised primarily of longer dated developed market Canadian and U.S. government issued fixed income securities.

RISK

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. Unitholders should refer to the prospectus as it contains a detailed discussion of risk and other considerations 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 decreased by \$19.1 million to \$33.9 million from December 31, 2018 to December 31, 2019. The Fund had net redemptions of \$23.6 million for the year. The Fund paid distributions totalling \$1.5 million while the portfolio's performance increased assets by \$6.0 million. The Fund returned 11.4% after fees and expenses for the year ended December 31, 2019. Over the same time period, the Fund's benchmark returned 12.2%. The benchmark is the FTSE Canada Long Term Government Bond Total Return Index (the Index or Benchmark).

The year ended December 31, 2019 saw a significant rise in global monetary policy easing and a fall in government bond yields. The global economic outlook continued to decline with expectations for 2020 revised noticeably lower from a year ago. Despite a recent de-escalation in the U.S-China trade conflict, the outcome of subsequent talks remains highly uncertain and continued to weigh on business sentiment and global growth.

In the U.S., despite moderate economic growth and a robust labour market, inflation continued to undershoot the U.S. Federal Reserve Board's (Fed) 2% target. This was largely the impetus behind the Fed's three interest rate cuts throughout 2019. Meanwhile, the Bank of Canada (BoC) continued to remain on hold as the economy held up better than expected and inflation was at the BoC's target. This was largely driven by very strong population growth. Nevertheless, escalated trade tensions and dimming global growth prospects continued to weigh on the economic outlook, forcing the BoC to remain cautiously neutral in its communication.

The Fund's duration (sensitivity to interest rates) positioning was the most significant contributor to the Fund's performance as Government of Canada (GoC) bond yields declined sharply. An overweight duration positioning in U.S. government bonds and an underweight duration positioning in GoC bonds contributed to the Fund's performance as U.S. government bond yields fell more than Canadian government bond yields. An overweight allocation to provincial bonds and underweight exposure to Canadian municipal bonds detracted from the Fund's performance.

The Fund's exposure to the 30-year portion of the yield curve was significantly reduced throughout the fourth quarter in favour of the 10-year portion of the yield curve. Overall duration was reduced throughout the year, once the downward momentum in interest rates subsided and is now neutral relative to benchmark.

Exposure was added to the U.S. market by selling 10-year and 30-year GoC bonds to purchase U.S. government bonds of the same maturity. Towards the end of the year, the Portfolio Manager took profits on the positioning by unwinding it. Exposure to Canadian municipal bonds was added in the fourth quarter as municipal balance sheets across Canada remained robust relative to most provincial balance sheets.

Overall, the Fund underperformed its benchmark for the year.

RECENT DEVELOPMENTS

Greater geopolitical uncertainty necessitates holding more duration rather than less. However, the shift to easier global monetary policy and hopes of easier fiscal policy going forward are broadly supportive of credit assets (such as provincial and municipal bonds). These assets generate badly needed yield in a low interest rate environment. Therefore, the Portfolio Manager maintains a positive outlook for credit, although with a preference for higher-quality corporate and sovereign bonds.

The negative correlation between government bonds and riskier assets (stocks, corporate bonds, emerging market sovereign spreads, etc.) strengthened into the end of 2019. Thus, the Fund's diversification continues to work. In the face of persistent geopolitical and economic uncertainty, the Fund will maintain a high amount of duration for the foreseeable future by allocating to GoC bonds.

Inflation is a key risk that will be monitored. As central banks attempt to salvage their inflation targeting credibility, it is possible that extremely accommodative global monetary policy could lead to inflation amid a backdrop of rising wage pressures. With regards to wage pressures specifically, the Portfolio Manager is closely monitoring U.S. and Canadian employment. If elevated geopolitical and economic uncertainties result in a rise in unemployment, wage pressures should subside, and market inflation expectations should fall.

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.

CI First Asset Long Duration Fixed Income ETF

Management Report of Fund Performance for the year ended December 31, 2019

Effective September 19, 2019, James McPhedran became a member of the IRC of CI Funds and effective August 15, 2019, John Reucassel resigned as a member of the IRC of CI Funds.

RELATED PARTY TRANSACTIONS

Manager, Trustee and Portfolio Manager

CI is the Manager, Trustee and Portfolio Manager of the Fund. CI is a subsidiary of CI Financial Corp. The Manager, in consideration of management fees, provided management services required in the day-to-day operations of the Fund.

Management fee rate as at December 31, 2019, for the class is shown below:

	Annual management fee rate (%)
Common Units	0.300

The Manager received \$0.2 million in management fees for the year.

During the year ended December 31, 2019, the Manager of the Fund absorbed \$9,627 in management fees.

Management Fees

100% of management fees were used to pay for investment management and other general administration.

Inter Fund Trading

Inter fund trading occurs when a Fund purchases or sells a security of any issuer from or to another Fund managed by the Manager. These transactions are executed through market intermediaries and under prevailing market terms and conditions. The IRC reviews such transactions during scheduled meetings. During the year ended December 31, 2019 the Fund executed inter fund trades.

Independent Review Committee

The Fund received standing instructions from the Fund's IRC 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 the 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 year.

Except as otherwise noted above, the Fund was not a party to any related party transactions during the year ended December 31, 2019.

CI First Asset Long Duration Fixed Income ETF

Management Report of Fund Performance for the year ended December 31, 2019

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 for the past periods.

Net Assets per Unit (\$) ⁽¹⁾⁽²⁾⁽⁴⁾	Increase (decrease) from operations:					Distributions:					Net assets at the end of the year shown ⁽²⁾	
	Net assets at the beginning of year ⁽²⁾	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the year	Unrealized gains (losses) for the year	Total increase (decrease) from operations ⁽²⁾	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital		Total distributions ⁽²⁾⁽³⁾
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Common Units

Commencement of operations May 4, 2016

Listed TSX: FLB

Dec. 31, 2019	18.94	0.63	(0.10)	0.74	0.99	2.26	(0.49)	-	-	(0.02)	(0.51)	20.57
Dec. 31, 2018	19.56	0.60	(0.06)	(0.55)	(0.06)	(0.07)	(0.48)	-	-	(0.04)	(0.52)	18.94
Dec. 31, 2017	19.13	0.59	(0.08)	(0.11)	0.52	0.92	(0.47)	-	-	(0.04)	(0.51)	19.56
Dec. 31, 2016	20.00	0.35	(0.03)	0.38	(1.51)	(0.81)	(0.26)	-	(0.33)	-	(0.59)	19.13

(1) This information is derived from the Fund's audited annual financial statements.

(2) Net assets per unit and distributions per unit are based on the actual number of units outstanding for the relevant class at the relevant time. The increase (decrease) in net assets from operations per unit is based on the weighted average number of units outstanding for the relevant class over the fiscal year.

(3) Distributions are automatically reinvested in additional units of the Fund.

(4) This information is provided for the years ended December 31.

CI First Asset Long Duration Fixed Income ETF

Management Report of Fund Performance for the year ended December 31, 2019

FINANCIAL HIGHLIGHTS (cont'd)

Ratios and Supplemental Data ⁽¹⁾⁽⁶⁾

	Total net assets ⁽¹⁾ \$000's	Number of units outstanding ⁽¹⁾ 000's	Management expense ratio before waivers or absorptions ⁽²⁾ %	Management expense ratio after taxes ⁽²⁾ %	Trading expense ratio ⁽³⁾ %	Portfolio turnover rate ⁽⁴⁾ %	Closing market price (\$) ⁽⁶⁾ %
Common Units							
Commencement of operations May 4, 2016							
Listed TSX: FLB							
Dec. 31, 2019	33,947	1,650	0.51	0.49	0.01	72.53	20.96
Dec. 31, 2018	53,030	2,800	0.55	0.51	0.01	122.11	18.90
Dec. 31, 2017	55,741	2,850	0.71	0.66	-	50.09	19.61
Dec. 31, 2016	37,312	1,950	0.53	0.49	0.01	31.47	18.92

(1) This information is derived from the Fund's audited annual financial statements.

(2) Management expense ratio is calculated based on expenses charged to the Fund (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net assets for the year, including the Fund's proportionate share of any underlying fund(s) expenses, if applicable. The Effective HST tax rate is calculated using the attribution percentage for each province based on unitholder residency and can be different from 13%.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the year, including the Fund's proportionate share of such expenses of any underlying fund(s), if applicable.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its 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 fiscal 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 a higher turnover rate and the performance of a Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the year, and excluding cash and short-term investments maturing in less than one year, and before assets acquired from a merger, if applicable, by the average of the monthly fair value of investments during the year.

(5) This information is provided for the years ended December 31.

(6) Closing market price.

CI First Asset Long Duration Fixed Income ETF

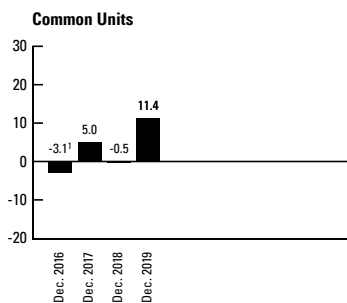
Management Report of Fund Performance for the year ended December 31, 2019

PAST PERFORMANCE

This section describes how the Fund has performed in the past. Remember, past returns do not indicate how the Fund will perform in the future. The information shown assumes that distributions made by the Fund in the years shown were reinvested in additional units of the Fund. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

Year-by-Year Returns

The following chart shows the Fund's annual performance for each of the years shown and illustrates how the Fund's performance has changed from year to year. In percentage terms, the chart shows 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, except where noted.



1 2016 return is for the period from May 11, 2016 to December 31, 2016.

CI First Asset Long Duration Fixed Income ETF

Management Report of Fund Performance for the year ended December 31, 2019

Annual Compound Returns

The following table shows the Fund's annual compound returns for each year indicated, compared to the FTSE Canada Long Term Government Bond Total Return Index and the FTSE Canada Universe Bond Total Return Index.

The FTSE Canada Long Term Government Bond Index is comprised primarily of semi-annual pay fixed rate government bonds issued domestically in Canada and denominated in Canadian dollars, with an investment grade rating and a remaining effective term to maturity of at least ten years.

The FTSE Canada Universe Bond Index is a market capitalization weighted index that measures the performance of the Canadian investment-grade fixed income market. The Index consists of fixed rate bonds denominated in Canadian dollars, with a remaining effective term to maturity of at least one year, rated BBB or higher. The Index is comprised of four main credit or borrower categories: bonds issued by the Government of Canada (including Crown Corporations), Provincial bonds (including provincially-guaranteed securities), Municipal bonds and Corporate bonds. The Corporate sector is further divided into sub-sectors based on major industry groups: Financial, Communication, Industrial, Energy, Infrastructure, Real Estate and Securitization. The Corporate sector is also divided into sub-indices based on credit rating: a combined AAA/AA sector, a single A sector and a BBB sector.

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	11.4	5.2	n/a	n/a	3.4
FTSE Canada Long Term Government Bond Total Return Index	12.2	6.3	n/a	n/a	4.9
FTSE Canada Universe Bond Total Return Index	6.9	3.6	n/a	n/a	3.0

CI First Asset Long Duration Fixed Income ETF

Management Report of Fund Performance for the year ended December 31, 2019

SUMMARY OF INVESTMENT PORTFOLIO as at December 31, 2019

Category	% of Net Assets	Category	% of Net Assets	Top 25 Holdings	% of Net Assets
Country allocation		Sector allocation			
Canada	97.4	Provincial Government & Guaranteed	79.2	Province of Quebec, 3.50%, December 1, 2048	13.9
U.S.A.	2.0	Government of Canada & Guaranteed	17.9	Province of Ontario, 2.90%, December 2, 2046	13.7
Cash & Cash Equivalents	0.5	U.S. Federal Bonds & Guaranteed	2.0	Province of Quebec, 2.75%, September 1, 2028	9.2
Other Net Assets (Liabilities)	0.1	Cash & Cash Equivalents	0.5	Province of British Columbia, 6.35%, June 18, 2031	8.4
		Consumer Staples	0.3	Government of Canada, 2.25%, June 1, 2029	8.4
		Other Net Assets (Liabilities)	0.1	Province of British Columbia, 4.95%, June 18, 2040	7.1
				Province of Ontario, 2.80%, June 2, 2048	6.7
				Province of Ontario, 2.65%, December 2, 2050	6.0
				Government of Canada, 2.75%, December 1, 2064	6.0
				Province of Nova Scotia, 4.70%, June 1, 2041	5.5
				Province of Ontario, 2.90%, June 2, 2049	3.6
				Government of Canada, 2.75%, December 1, 2048	3.3
				Province of Quebec, 3.10%, December 1, 2051	1.6
				United States Treasury Bond, 1.63%, August 15, 2029	1.5
				Cash & Cash Equivalents	0.5
				Province of British Columbia, 2.95%, June 18, 2050	0.4
				City of Winnipeg, 4.30%, November 15, 2051	0.4
				United States Treasury Bond, 2.25%, August 15, 2049	0.4
				City of Toronto, 2.80%, November 22, 2049	0.3
				City of Ottawa, 4.20%, July 30, 2053	0.3
				City of Montreal, 4.10%, December 1, 2034	0.3
				City of Vancouver, 3.70%, October 18, 2052	0.2
				City of Toronto, 2.95%, April 28, 2035	0.2
				City of Montreal, 6.00%, June 1, 2043	0.2
				Regional Municipality of York, Series 'F', 4.00%, May 31, 2032 ..	0.2
				Total Net Assets (in \$000's)	\$33,947

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and updates will be available on a quarterly basis.

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.