

CI First Asset Preferred Share 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 Preferred Share 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 preferred shares of North American issuers. This actively managed portfolio will be comprised primarily of investment grade preferred shares and to a lesser extent investment grade corporate debt and convertible bonds. At least 75% of the preferred shares and corporate debt in the portfolio of the Fund shall be rated investment grade at the end of every reporting period (June 30th and December 31st).

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 increased by \$23.4 million to \$88.1 million from December 31, 2018 to December 31, 2019. The Fund had net sales of \$23.2 million for the year. The Fund paid distributions totalling \$2.9 million while the portfolio's performance increased assets by \$3.1 million. The Fund returned 4.5% after fees and expenses for the year ended December 31, 2019. Over the same time period, the Fund's benchmark returned 3.5%. The benchmark is the S&P/TSX Preferred Share Total Return Index (the Index or Benchmark).

Riskier assets globally rebounded during the year, largely as a result of decisions by the U.S. Federal Reserve Board (Fed). All riskier assets rebounded, with the exception of Canadian preferred shares until the last four months of 2019. The global economy slowed, leading many central banks to cut interest rates to stimulate their economies. The Bank of Canada (BoC), in contrast, kept interest rates on hold for the year, as it felt the economy would pick up. Canadian five-year interest rates declined during most of the year, which weighed significantly on the preferred share market. Five-year rates started the year at 1.9% and fell to a low of 1.1% at the beginning of September before rising to close out 2019 at 1.7%.

The Fund's underweight allocation to interest-sensitive rate reset preferred shares, and overweight exposure to perpetual preferred shares, contributed to performance. The value of these assets moves inversely to government bond yields, and they performed well as interest rates fell. Investment selection also contributed to performance. Top individual contributors to the Fund's performance included Sempra Energy Inc. 6% Series A preferred shares and Citigroup Inc. floating rate preferred shares. The Sempra Energy Inc. holding performed well after a series of successful announcements in the liquified

natural gas industry, as well as the potential for debt reduction through a sale of the company's Latin American assets. Investors' search for yield during the year continued to push value of the Citigroup Inc. holding higher. Its coupon rate is currently set at approximately 8.0%, giving this holding a nearly 7.4% current yield at year end.

An overweight exposure to the floating rate sector detracted from the Fund's performance as many central banks lowered interest rates and investors expected the BoC to follow suit. Individual detractors from performance included Power Financial Corp. (Power Financial) floating rate preferred shares and rate reset preferred shares issued by Capital Power Corp. (Capital Power). The Power Financial holding's dividend resets quarterly at 70% of prime rate. It declined in value amid anticipation of a cut in the prime rate. Capital Power continued to have challenges with the weak Alberta economy.

The Portfolio Manager increased an existing position in BCE Inc. floating rate preferred shares in the latter half of the year as the price became more attractive. The Fund's position in Series G preferred shares of Power Financial was eliminated after the company announced its intention to reorganize and likely redeem some of its preferred shares. These high dividend-rate preferred shares were sold above par to avoid being redeemed at a lower price.

Overall, the Fund outperformed its benchmark for the year.

RECENT DEVELOPMENTS

The Portfolio Manager believes that the Canadian preferred share market is attractively priced with a current yield of 5.5%, even though it dropped from 5.7% over the fourth quarter of 2019. Retail investors are searching for higher-yielding assets but have been impacted by the volatility of Canadian preferred shares and, as a result, are shying away from the asset class. More opportunistic and institutional investors are finding areas of the market very attractive.

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.

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.

CI First Asset Preferred Share ETF

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

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	0.650

The Manager received \$0.4 million in management fees for the year.

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 Preferred Share 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: FPR

Dec. 31, 2019	20.56	1.10	(0.19)	(0.70)	0.83	1.04	-	(0.84)	-	(0.08)	(0.92)	20.52
Dec. 31, 2018	22.77	1.06	(0.21)	0.15	(2.37)	(1.37)	-	(0.79)	(0.17)	-	(0.96)	20.56
Dec. 31, 2017	21.39	1.06	(0.23)	0.53	0.91	2.27	-	(0.80)	(0.32)	(0.01)	(1.13)	22.77
Dec. 31, 2016	20.00	0.67	(0.15)	0.01	1.36	1.89	-	(0.34)	(0.08)	(0.12)	(0.54)	21.39

(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 Preferred Share 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 ⁽⁵⁾ 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: FPR							
Dec. 31, 2019	88,143	4,295	0.87	0.87	0.05	51.46	20.40
Dec. 31, 2018	64,652	3,145	0.88	0.86	0.05	43.26	20.57
Dec. 31, 2017	68,199	2,995	0.95	0.94	0.06	48.47	22.80
Dec. 31, 2016	59,790	2,795	0.94	0.85	0.20	49.22	21.46

(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 Preferred Share ETF

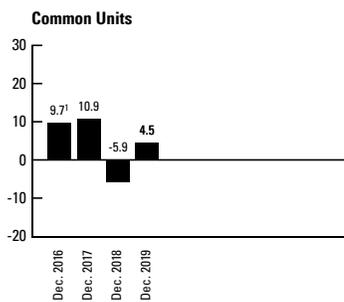
Management Report of Fund Performance for the year ended December 31, 2019

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 Preferred Share 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 S&P/TSX Composite Total Return Index and the S&P/TSX Preferred Share Total Return Index.

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.

The S&P/TSX Preferred Share Index is a float-adjusted market capitalization weighted index designed to track the performance of the Canadian preferred stock market. The Index is comprised of preferred stocks trading on the Toronto Stock Exchange, including floating and fixed rate preferreds, cumulative and noncumulative preferred, preferred stocks with a callable or conversion feature, and trust preferred.

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	4.5	2.9	n/a	n/a	5.1
S&P/TSX Composite Total Return Index	22.9	6.9	n/a	n/a	9.3
S&P/TSX Preferred Share Total Return Index	3.5	2.7	n/a	n/a	5.2

CI First Asset Preferred Share 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	90.4	Financials	48.4	Citigroup Capital XIII, 7.87%, Preferred, Callable	3.4
U.S.A.	4.4	Utilities	17.5	Enbridge Inc., Preferred, Series '1', Variable Rate, Perpetual	3.3
Bermuda	3.4	Energy	14.0	Bank of Nova Scotia, Preferred, Series '31', Floating Rate, Perpetual	2.6
Cash & Cash Equivalents	2.0	Communication Services	7.1	Canadian Imperial Bank of Commerce, Preferred, Series '45', Variable Rate, Perpetual	2.4
Other Net Assets (Liabilities)	(0.2)	Real Estate	6.6	Bank of Nova Scotia, Preferred, Series '32', Variable Rate, Perpetual	2.0
		Consumer Staples	4.6	Cash & Cash Equivalents	2.0
		Cash & Cash Equivalents	2.0	Bank of Nova Scotia, Preferred, Series '30', Callable	1.9
		Other Net Assets (Liabilities)	(0.2)	Loblaws Cos. Ltd., 5.30%, Preferred, Series 'B', Perpetual	1.6
				Brookfield Renewable Partners L.P., Preferred, Class 'A', Series '13', Variable Rate, Perpetual	1.6
				TransAlta Corp., Preferred, Series 'E', Variable Rate, Perpetual ..	1.4
				Capital Power Corp., Preferred, Series '3', Variable Rate, Perpetual	1.4
				National Bank of Canada, Preferred, Series '38', Variable Rate, Perpetual	1.4
				Bank of Montreal, Preferred, Class 'B', Series '25', Variable Rate, Perpetual	1.4
				Sun Life Financial Inc., 4.45%, Preferred, Class 'A', Series '4', Perpetual	1.4
				Sun Life Financial Inc., 4.80%, Preferred, Class 'A', Series '2', Perpetual	1.4
				Brookfield Office Properties Inc., Preferred, Series 'P', Variable Rate, Perpetual	1.3
				Capital Power Corp., Preferred, Series '7', Variable Rate, Perpetual	1.3
				BCE Inc., Preferred, Series 'AA', Variable Rate, Perpetual	1.3
				George Weston Ltd., 5.20%, Preferred, Series 'III', Perpetual	1.3
				Power Corp. of Canada, 5.60%, Preferred, Series 'A', Perpetual..	1.3
				Brookfield Office Properties Inc., Preferred, Class 'CC', Variable Rate, Perpetual	1.3
				Great-West Lifeco Inc., 5.20%, Preferred, Series 'G', Perpetual ..	1.2
				Brookfield Infrastructure Partners L.P., Preferred, Series '3', Variable Rate, Perpetual	1.2
				Capital Power Corp., Preferred, Series '5', Variable Rate, Perpetual	1.2
				Manulife Financial Corp., 4.65%, Preferred, Class 'A', Series '2', Perpetual	1.2
				Total Net Assets (in \$000's)	\$88,143

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.