

CI First Asset Active Credit ETF

Management Report of Fund Performance for the year ended December 31, 2020

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.

To request an alternate format of this document, please contact us at service@ci.com or 1-800-792-9355.

INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of the CI First Asset Active Credit ETF (the Fund) is to maximize long term risk-adjusted total returns, delivered through cash distributions and long term capital appreciation, in a manner consistent with preservation of capital and prudent risk management by actively investing primarily in Credit Securities of North American issuers, including high yield bonds (senior secured and senior unsecured), investment grade bonds, senior floating rate loans of varying maturities and other floating rate fixed income securities.

RISK

No changes affecting the overall level of risk associated with investing in the Fund were made during the year. The risks of the Fund remain as discussed in the Fund's most recently filed simplified prospectus or its amendments. The Manager reviews the risk rating for the Fund on an annual basis, at a minimum, based on the methodology mandated by the Canadian Securities Administrators to determine the risk level of the Fund. Any change to the risk rating made during the year was as a result of such review and was not a result of any change to the investment objective, strategies or management of the Fund.

RESULTS OF OPERATIONS

The Fund's net assets decreased by \$5.6 million to \$20.5 million from December 31, 2019 to December 31, 2020. The Fund had net redemptions of \$2.8 million for the year. The Fund paid distributions totalling \$1.4 million while the portfolio's performance decreased assets by \$1.4 million. Common Units returned -1.8% after fees and expenses for the one-year period ended December 31, 2020. Over the same time period, the Fund's benchmark returned 4.4%. The benchmark is a combination of the Credit Suisse High Yield Index - 60% and the Credit Suisse Leveraged Loan Index - 40% (the Benchmark or the Index).

Please refer to the "Past Performance" section which outlines the performance of the Fund's other units.

Marret Asset Management Inc. is the portfolio Manager to the Fund.

Riskier assets continued to rebound into year-end after several pharmaceutical companies released studies demonstrating high COVID-19 vaccine efficacy rates. A strong cyclical rotation ensued as investors became increasingly confident that the economy would return to normal in 2021. U.S. stocks posted strong gains, rising despite a divided government, increasing numbers of COVID-19 cases and further lockdown restrictions around the world. The commitment of central banks to provide ongoing policy support while awaiting further fiscal policy action to bridge the fragile economy comforted investors.

Credit markets finished the year on a positive note as well, with both investment-grade and high-yield bond spreads tightening in each of the last three months. Interest rates rose, presenting a challenge for corporate bond returns, and resulting in losses for government debt. High-yield credit stood out, with commodity credits, COVID-19 sensitive businesses and other lower-rated companies providing significant gains. High-yield spreads fell to pre-pandemic levels, while yields declined to an all-time low of approximately 4.2%. Default rates, which had climbed rapidly for most of the year, also plateaued, validating the view that the economy was slowly on the mend.

The majority of the Fund's returns since mid-2020 were generated by high-yield credit exposure. Investment-grade credit and other government bond positions also made a small contribution to performance. Top individual contributors included holdings in Charter Communications Inc., HCA Healthcare Inc. and Bausch Health Companies Inc.

We maintained the Fund's credit exposure throughout the year, despite a precarious economic environment, based on the belief that central banks would provide the necessary liquidity to bridge the battered economy until a vaccine solution was available. Credit exposure was added several times during bouts of spread widening, which enhanced performance given the overall spread-tightening trend.

The Fund is focused in higher-quality credit given the attractive spread compensation offered for companies that have defensible business models and sustainable balance sheets. The Fund was also invested in attractive secured credit opportunities in a variety of sectors where companies pledged their assets to raise liquidity, and shorter-dated credit of companies that were assessed to have adequate liquidity to mature their upcoming debt. The Fund ended the year with a more neutral credit exposure given significant spread compression that seems to be well ahead of fundamentals. We intend to keep the Fund well exposed to credit based on the view of an improving economy and strong liquidity backdrop, and are ready to tactically increase credit duration if volatility resurfaces. We are focused on rotating the Fund's exposure across opportunity sets at appropriate times to provide attractive returns to help clients navigate through the economic cycle.

Overall, the Fund underperformed its benchmark for the year.

RECENT DEVELOPMENTS

Looking forward, it is evident that a strong consensus is building across all investor groups. A common belief appears to have evolved, where short-term fundamentals are irrelevant as the U.S. Federal Reserve and other central banks continue to do whatever is necessary to support the economy. There is also a belief that a strong cyclical recovery is underway and may be long lasting, as investors look through the impacts of COVID-19

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toward economic normalization. This is a result of the pent-up demand across many impacted sectors and a high level of savings, which is expected to benefit consumption in the future. Additionally, there is a belief that the high efficacy rates of COVID-19 vaccines guarantee that life, along with the economy, will soon return to normal.

As it pertains to credit, there is a view that the excess money in the system will be risk-seeking, forcing investors to gravitate toward excess yield available and resulting in further spread compression. While we agree with this view in the near term, valuations are among the most extended in history, and aggregate debt levels across the world are some of the highest in history. Additional concerns include a fragile small business sector, tightening credit conditions for those who need it most, and low structural growth across many developed economies.

For the time being, we will continue to keep a core exposure to credit while also remaining tactical as opportunities present themselves. We believe that active management in fixed income is as important as ever in an environment with the lowest yield levels in history.

Effective April 3, 2020, Stuart Hensman resigned as a member of the Independent Review Committee (IRC) of CI Funds and effective April 3, 2020, Donna Toth was appointed as a member of the IRC.

Portfolio Manager

Effective July 1, 2020, Marret Asset Management Inc., replaced Onex Credit Partners, LLC as the Portfolio Manager of the Fund.

Risk rating

Effective September 25, 2020, the risk rating for the Fund changed from "Low" to "Low-to-Medium". This change is the result of an annual review to comply with the methodology mandated by the Canadian Securities Administrators and is not the result of any changes to investment objective, strategies or management of the Fund.

Fixed administration fees

On September 25, 2020, the Manager announced a proposal where fixed administration fees will replace the current variable operating expense being charged to the Fund. Once the proposal is implemented, the Manager of the Fund, will be responsible for the operating expenses of the Fund, other than certain expenses, in exchange for the payment by the Fund of a fixed administration fee. The MER of each Series of the Fund will consist of the management fee, the fixed administration fee, certain expenses and applicable taxes. On December 3, 2020, securityholders of the Fund approved the proposal; therefore, effective January 1, 2021, the following fixed administration fees will be charged by the Fund: for Common Units – 0.18% and for US\$ Common Units – 0.18%.

CI Investments Inc. rebrands as CI Global Asset Management Inc.

On November 10, 2020, CI Investments Inc. announced that it is rebranding to CI Global Asset Management Inc. The rebrand is underway and is scheduled to be completed by the end of the first quarter of 2021. With the rebrand, legacy in-house investment boutique brands will be phased out and they will operate under CI Global Asset Management. The affected brands are Cambridge Global Asset Management, Harbour Advisors, Sentry Investment Management, and Signature Global Asset Management.

RELATED PARTY TRANSACTIONS

Manager and Trustee

CI Investments Inc. is the Manager and Trustee of the Fund. CI Investments Inc. 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 rates as at December 31, 2020, for each of the Series are shown below:

	Annual management fee rate (%)
Common Units	0.850
US\$ Common Units	0.850

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

During the year ended December 31, 2020, the Manager of the Fund absorbed \$20,013 in operating expenses.

Management Fees

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

Portfolio Manager

Marret Asset Management Inc. and Altrinsic Global Advisors, LLC, affiliates of CI Financial Corp., provide investment advice to the Fund. CI Financial Corp., an affiliate of CI Investments Inc., owns a majority interest in Marret Asset Management Inc. and a minority interest in Altrinsic Global Advisors, LLC.

Independent Review Committee

The Fund has standing instructions from the Fund's IRC with respect to the following related party transactions:

- trades in securities of CI Financial Corp.; and
- 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.

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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, 2020.

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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 five years.

Net Assets per Unit (\$) ⁽¹⁾⁽²⁾⁽⁴⁾	Increase (decrease) from operations:					Distributions:					Net assets at the end of the year shown ⁽⁵⁾	
	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 January 12, 2015												
Listed TSX: FAO												
Dec. 31, 2020	9.58	0.44	(0.12)	(0.57)	(0.33)	(0.58)	(0.34)	-	-	(0.20)	(0.54)	8.83
Dec. 31, 2019	9.12	0.58	(0.11)	0.14	0.41	1.02	(0.48)	-	-	(0.06)	(0.54)	9.58
Dec. 31, 2018	9.85	0.59	(0.11)	(0.75)	0.13	(0.14)	(0.48)	-	-	(0.06)	(0.54)	9.12
Dec. 31, 2017	9.88	0.59	(0.12)	0.54	(0.53)	0.48	(0.48)	-	-	(0.06)	(0.54)	9.85
Dec. 31, 2016	9.16	0.64	(0.12)	(0.09)	0.81	1.24	(0.53)	-	-	(0.02)	(0.55)	9.88
US\$ Common Units ⁽⁵⁾												
Commencement of operations January 12, 2015												
Listed TSX: FAO.U												
Dec. 31, 2020	9.65	0.47	(0.13)	(0.59)	(0.07)	(0.32)	(0.35)	-	-	(0.19)	(0.54)	9.05
Dec. 31, 2019	9.11	0.60	(0.11)	0.09	0.04	0.62	(0.47)	-	-	(0.07)	(0.54)	9.65
Dec. 31, 2018	9.82	0.56	(0.11)	(0.09)	0.26	0.62	(0.54)	-	-	-	(0.54)	9.11
Dec. 31, 2017	9.74	0.61	(0.12)	(0.07)	(0.57)	(0.15)	(0.49)	-	-	(0.07)	(0.56)	9.82
Dec. 31, 2016	9.16	0.63	(0.11)	(0.06)	(0.18)	0.28	(0.55)	-	-	-	(0.55)	9.74

(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 Series 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 Series 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.

(5) Per units amounts are presented in U.S. dollars.

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FINANCIAL HIGHLIGHTS (cont'd)

Ratios and Supplemental Data ⁽¹⁾⁽⁵⁾

	Total net assets ⁽⁵⁾ \$000's	Number of units outstanding ⁽⁵⁾ 000's	Management expense ratio before waivers or absorptions after taxes ⁽²⁾ %	Management expense ratio before taxes ⁽²⁾ %	Harmonized sales tax ⁽²⁾ %	Management expense ratio after taxes ⁽²⁾ %	Effective HST rate for the year ⁽²⁾ %	Trading expense ratio ⁽³⁾ %	Portfolio turnover rate ⁽⁴⁾ %	Closing market price ⁽⁶⁾ \$
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Common Units

Commencement of operations January 12, 2015

Listed TSX: FAO

Dec. 31, 2020	17,559	1,988	1.36	1.14	0.13	1.27	11.42	0.08	348.42	8.85
Dec. 31, 2019	22,871	2,388	1.33	n/a [^]	n/a [^]	1.13	n/a [^]	0.03	119.00	9.56
Dec. 31, 2018	22,219	2,438	1.39	n/a [^]	n/a [^]	1.12	n/a [^]	0.03	157.60	9.19
Dec. 31, 2017	33,375	3,388	1.56	n/a [^]	n/a [^]	1.15	n/a [^]	0.01	77.27	9.88
Dec. 31, 2016	17,411	1,762	1.83	n/a [^]	n/a [^]	1.30	n/a [^]	0.01	36.48	9.87

US\$ Common Units ⁽⁷⁾

Commencement of operations January 12, 2015

Listed TSX: FAO.U

Dec. 31, 2020	2,976	258	1.34	1.14	0.12	1.26	10.11	0.08	348.42	9.52
Dec. 31, 2019	3,236	258	1.32	n/a [^]	n/a [^]	1.13	n/a [^]	0.03	119.00	9.62
Dec. 31, 2018	3,213	258	1.40	n/a [^]	n/a [^]	1.13	n/a [^]	0.03	157.60	9.06
Dec. 31, 2017	3,791	308	1.56	n/a [^]	n/a [^]	1.15	n/a [^]	0.01	77.27	9.78
Dec. 31, 2016	2,396	183	1.79	n/a [^]	n/a [^]	1.26	n/a [^]	0.01	36.48	9.74

(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.

(7) Per units amounts are presented in U.S. dollars.

[^]Historical information pertaining to HST is not available.

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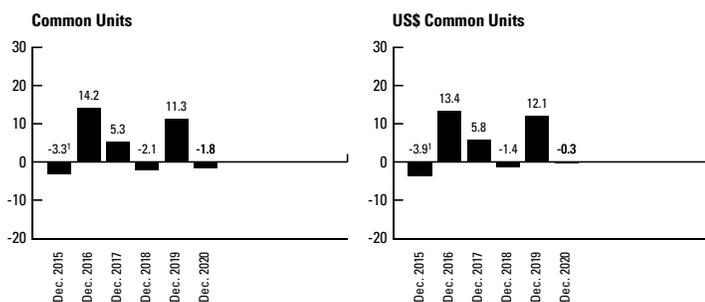
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PAST PERFORMANCE

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 relevant Series 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 charts show the Fund's annual performance for each of the years shown and illustrate how the Fund's performance has changed from year to year. In percentage terms, the charts show 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 2015 return is for the period from January 12, 2015 to December 31, 2015.

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Annual Compound Returns

The following table shows the Fund's annual compound returns for each year indicated, compared to the Credit Suisse High Yield Total Return Index (USD) and the Credit Suisse Leveraged Loan Total Return Index (USD).

The Credit Suisse High Yield Index is designed to mirror the investable universe of the U.S. dollar denominated high yield debt market.

The Credit Suisse Leveraged Loan Index tracks the investable market of the U.S. dollar denominated leveraged loan market. It consists of issues rated 5B or lower, meaning that the highest rated issues included in the Index are Moody's/S&P ratings of Baa1/BB+ or Ba1/BBB+. All loans are funded term loans with a tenor of at least one year and are made by issuers domiciled in developed countries.

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	(1.8)	2.2	5.1	n/a	3.7
Blended Index	4.4	4.9	7.0	n/a	5.3
Credit Suisse High Yield Total Return Index (USD)	5.5	5.5	8.2	n/a	6.0
Credit Suisse Leveraged Loan Total Return Index (USD)	2.8	4.0	5.2	n/a	4.3
US\$ Common Units	(0.3)	3.3	5.8	n/a	4.1
Blended Index	4.4	4.9	7.0	n/a	5.3
Credit Suisse High Yield Total Return Index (USD)	5.5	5.5	8.2	n/a	6.0
Credit Suisse Leveraged Loan Total Return Index (USD)	2.8	4.0	5.2	n/a	4.3
