

FIRST ASSET HAMILTON CAPITAL EUROPEAN BANK ETF



Interim Management Report of Fund Performance for the period
January 1, 2015 to June 30, 2015

Fund:

First Asset Hamilton Capital European Bank ETF

Securities:

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

Advisor Class Units - Listed TSX: FHB.A

Period:

January 1, 2015 to June 30, 2015

Manager & Trustee:

First Asset Investment Management Inc. ("First Asset")

95 Wellington Street West, Suite 1400

Toronto, Ontario M5J 2N7

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

www.firstasset.com • info@firstasset.com

Portfolio Manager:

Hamilton Capital Partners Inc.

55 York Street, Suite 1202

Toronto, Ontario M5J 1R7

Notes:

1. This interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the Fund. You can get a copy of the interim financial statements at your request, and at no cost, by contacting us (contact information above) or on SEDAR at www.sedar.com. Holders may also contact us to request a free copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.
2. This report may contain forward looking statements. Forward looking statements involve risks and uncertainties and are predictive in nature and actual results could differ materially from those contemplated by the forward looking statements.
3. Unless otherwise indicated all information is as at June 30, 2015.
4. None of the websites that are referred to in this report, nor any of the information on any such websites, are incorporated by reference in this report.

Investment Objectives and Strategies

The Fund's investment objective is to seek long-term total returns consisting of long-term capital appreciation and regular dividend income from an actively managed portfolio comprised primarily of equity securities of European banks.

The Fund will seek to achieve its investment objective through the application of specialized analysis and expertise and intends to invest in a portfolio of equity securities that in the view of the Portfolio Manager represents a diversified portfolio of the most attractive opportunities in the European banking sector. The Fund's investments may be selected from any subsector or capitalization level of the European banking sector.

Results of Operations

For the six-month period ended June 30, 2015, the Fund's Common Units returned 9.7%. The following tables highlight the performance of the Fund's Common Units and Advisor Class Units on a net asset value basis and market price basis.

Net Asset Value	June 30, 2015	December 31, 2014	Return
FHB	\$10.54	\$9.62	9.7%
FHB.A	\$10.48	\$9.59	9.3%

Market Value	June 30, 2015	December 31, 2014	Return
FHB	\$10.64	\$9.73	9.6%
FHB.A	\$10.52	\$9.50 ⁽¹⁾	10.7%

(1) Closing market price taken from last trade on December 17, 2014.

The above returns, whether based on net asset value or market price, assume the reinvestment of all distributions. The Fund's Common Units had per unit cash distributions of \$0.02 during the period.

The Fund's net assets were \$63.8 million as at June 30, 2015, an increase from \$26.5 million as at December 31, 2014. The largest factors contributing to this increase include \$35.1 million in net subscriptions and \$2.7 million from net gains on investments.

During the period, European bank stocks responded positively to the European Central Bank's ("ECB's") implementation of its quantitative easing program. In the amount of 60 billion euros per month, the ECB's program is expected to continue until at least September 2016 (and to reach approximately 1 trillion euros), with purchases that will be roughly apportioned by each country's gross domestic product. This has helped push down longer-term interest rates, as well as the euro currency.

From a regional perspective, in the U.K. the surprise majority victory for the pro-business Conservative government was greeted positively by financial markets. Italy is in the midst of bank reform (for the popolari banks) and proposed bankruptcy reform, both of which should be positive for the country's banks and their stocks, with the former expected to spur consolidation and the latter to be capital positive. Italian electoral reform has increased the probability of fiscal reforms becoming entrenched. The election in Greece of the Syriza party, which resulted in a reversal of some of the austerity policies and highly contentious negotiations between Greece and its creditors, was a source of financial market volatility during the period.

Notwithstanding some macro volatility, the earnings recovery for the European banking sector continues to gain traction. Year-over-year (as at March 31, 2015), earnings for the top 50 banks rose, on average, a significant 25%, supporting strong stock performance during the first six months of 2015. The Fund's bank holdings have demonstrated even more impressive earnings improvement. During this most recent earnings season, the Fund's holdings (as at June 30, 2015) reported earnings that exceeded analyst consensus by an average of 15%, as falling loan losses continued to drive progress to a full normalization of earnings. Trading at approximately tangible book value ("TBV"), the Fund's banks are attractively valued and priced at a significant discount to Canadian and U.S. banks.

The Fund hedges much of its currency exposure and, therefore did not benefit as much as the Index from the decline in the euro relative to other currencies, particularly the British pound ("GBP"), which rose 8% against the EUR and the CAD over the period. As a result, the currency hedges were a detractor from the Fund's performance during the period.

With the objectives of improving diversification, reducing concentration risk and increasing the Fund's direct exposure/leverage to those countries with an improving economic recovery in continental Europe, the Fund has underweight exposure to most global banks, including Standard Chartered PLC, as well as Banco Santander SA and Banco Bilbao Vizcaya Argentaria SA.

The Fund held significant cash positions at various times over the last few months in an effort to mitigate risk during the discussions between Greece and its creditors. Ultimately, concerns regarding potential financial contagion did not greatly impact the market given Greece's small size relative to the rest of Europe (Greece accounts for just 1% of European gross domestic product ["GDP"]).

In terms of absolute performance and individual stock names, the Fund was helped by several factors. Of significance, the Fund did not own Greek banks and, consequently, the Fund's exposure to Greek sovereign debt was close to zero. All of the Fund's top contributors to performance during the period were eurozone banks whose stocks responded positively to the ECB's quantitative easing measures. Individual contributors to performance included Intesa Sanpaolo SPA ("Intesa Sanpaolo"), Banco Popolare Societa Cooperativa ("Banco Popolare") and Credit Agricole SA ("Credit Agricole"). Italian bank Intesa Sanpaolo stands to benefit from the changes in bankruptcy rules, and is viewed as a best-in-class bank, with peer-leading capital levels. Banco Popolare is one of Italy's banks whose stock has benefited from the bank and proposed bankruptcy reform packages put forward by the Italian government. Like its peers, Banco Popolare shares has reacted positively to those changes and their implications for industry consolidation. The Fund's overweight position in French bank Credit Agricole SA contributed to performance as the bank announced peer-leading and market-beating earnings reports.

All of the Fund's holdings at 2014 year-end were reduced to allow for new positions to be added. The Portfolio Manager added several positions in order to diversify the portfolio, including Banco Comercial Portugues SA (Portugal), Bank of Ireland (Ireland), Erste Group Bank AB (Austria), Lloyds Banking Group PLC (U.K.), Banco de Sabadell SA (Spain) and Unione di Banche Italiane ScpA (Italy). Positions eliminated from the Fund included Raiffeisen (Austria), because of its exposure to Russia, and Credit Suisse Group (Switzerland) amid concerns over potential dilution from a capital raise.

Recent Developments

With the ECB's monetary policy to forestall deflationary pressures and support a recovery in GDP across the eurozone, the Portfolio Manager expects the ongoing recovery in European bank earnings to continue and, with it, bank stock valuations, particularly those in the periphery countries of the eurozone to which the Fund has an overweight position. The Portfolio Manager believes that any market turmoil related to a possible Greek exit from the eurozone will not result in broader financial contagion, owing to the country's small size, recapitalization of the European banking sector over the past five to seven years, and entrenched fiscal reform in Italy, Spain, Ireland and Portugal. At 1.1x TBV, the Fund's banks are attractively valued, particularly when compared to the Canadian banks at over 2.4x TBV and the U.S. large-cap banks at 1.6x TBV.

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 below which outlines fees paid to these parties.

These parties and the Fund were not party to any other related party transactions during the period ended June 30, 2015. F.A. Administration Services Inc., an affiliate of First Asset, administers the Fund's relationship with the Fund's Independent Review Committee on behalf of First Asset, however, it receives no compensation for doing so.

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 since inception.

THE FUND'S NET ASSETS PER SECURITY⁽¹⁾

	Common Units	
	2015	2014 ⁽²⁾
Net Assets, beginning of period	\$9.62	\$10.00
Increase (decrease) from operations		
Total revenue	0.15	0.03
Total expenses	(0.06)	(0.05)
Realized gains (losses) for the period	0.00	(0.22)
Unrealized gains (losses) for the period	0.53	(0.86)
Total increase (decrease) from operations⁽³⁾	0.62	(1.10)
Distributions		
From income (excluding dividends)	0.00	0.00
From dividends	(0.02)	0.00
From capital gains	0.00	0.00
Return of capital	0.00	0.00
Total Distributions⁽⁴⁾	(0.02)	0.00
Net Assets, end of period⁽⁵⁾	\$10.54	\$9.62

	Advisor Class Units	
	2015	2014 ⁽²⁾
Net Assets, beginning of period	\$9.59	\$10.00
Increase (decrease) from operations		
Total revenue	0.14	0.04
Total expenses	(0.11)	(0.09)
Realized gains (losses) for the period	0.00	(0.23)
Unrealized gains (losses) for the period	0.54	(0.30)
Total increase (decrease) from operations⁽³⁾	0.57	(0.58)
Distributions		
From income (excluding dividends)	0.00	0.00
From dividends	0.00	0.00
From capital gains	0.00	0.00
Return of capital	0.00	0.00
Total Distributions	0.00	0.00
Net Assets, end of period⁽⁴⁾	\$10.48	\$9.59

Notes:

- (1) This information is derived from the Fund's audited annual and unaudited interim 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) Results for the period from July 18, 2014 (inception date) to December 31, 2014.
- (3) 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.
- (4) Distributions were paid in cash.
- (5) This is not a reconciliation of the beginning and ending net assets per security.

RATIOS AND SUPPLEMENTAL DATA

	2015 Common Units	2014 Common Units
Total net asset value (000s) ⁽¹⁾	\$62,173	\$25,738
Number of securities outstanding ⁽¹⁾	5,898,000	2,675,000
Management expense ratio ⁽²⁾	1.21 %	1.15 %
Management expense ratio before waivers or absorptions ⁽²⁾	1.28 %	1.66 %
Portfolio turnover rate ⁽³⁾	80.34 %	15.35 %
Trading expense ratio ⁽⁴⁾	0.83 %	0.71 %
Net asset value per security	\$10.54	\$9.62
Closing market price ⁽⁵⁾	\$10.64	\$9.73

	2015 Advisor Class Units	2014 Advisor Class Units
Total net asset value (000s) ⁽¹⁾	\$1,593	\$719
Number of securities outstanding ⁽¹⁾	152,014	75,000
Management expense ratio ⁽²⁾	2.04 %	1.91 %
Management expense ratio before waivers or absorptions ⁽²⁾	2.11 %	2.43 %
Portfolio turnover rate ⁽³⁾	80.34 %	15.35 %
Trading expense ratio ⁽⁴⁾	0.83 %	0.71 %
Net asset value per security	\$10.48	\$9.59
Closing market price ⁽⁵⁾	\$10.52	\$9.50

Notes:

- (1) This information is provided as at December 31 of the year shown, except 2015, which is provided as at June 30.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
- (3) The Fund's portfolio turnover rate indicates how actively the Portfolio Manager 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.
- (4) 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.
- (5) If the securities traded during the period, the closing market price on the last trading day during the period that the securities traded, as reported on the TSX.

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 on the Common and Advisor Class Units at the maximum annual rate set out below. The fee is based on the net asset value of the relevant class, and is calculated daily and paid monthly in arrears, except for the portion of the Advisor Class management fee that is in respect of the service fee payable to dealers which is calculated daily and paid quarterly 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.

	As a percentage of management fee		
	Maximum annual management fee rate	Dealer compensation	General administration and profit
Common Units	0.85%	–	100%
Advisor Class Units	1.60%	47%	53%

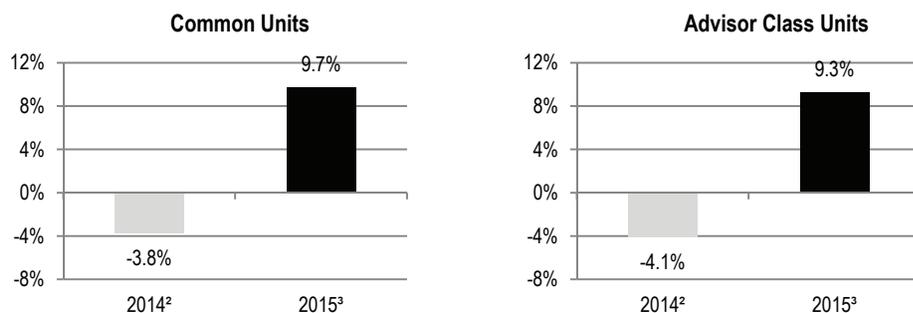
For the period ended June 30, 2015, First Asset waived or absorbed expenses of the fund totaling \$13,400.

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 charts show annual performance for each class of the Fund's securities for the financial years shown and illustrate how the Fund's performance has changed from year to year. The bar charts show, 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.



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

(2) Return for the period July 23, 2014 to December 31, 2014.

(3) Return for the period January 1, 2015 to June 30, 2015.

Summary of Investment Portfolio

The following is a summary of the Fund's investment portfolio as at June 30, 2015. 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.

TOP 25 HOLDINGS AS AT JUNE 30, 2015

Description	% of Net Asset Value
Cash and Cash Equivalents	23.31
Barclays PLC	5.10
Societe Generale SA	4.97
Commerzbank AG	4.51
Banco Popolare SC	4.44
Intesa Sanpaolo SpA	4.37
CaixaBank SA	4.18
Lloyds Banking Group PLC	3.54
BNP Paribas SA	3.44
Credit Agricole SA	3.36
Bank of Ireland	3.33
HSBC Holdings PLC	3.32
UniCredit SpA	3.27
Banco Bilbao Vizcaya Argentaria SA	3.22
Deutsche Bank AG	2.90
UBS Group AG	2.77
Jyske Bank A/S	2.72
Danske Bank A/S	2.69
Erse Group Bank AG	2.62
Unione di Banche Italiane SCpA	2.56
Royal Bank of Scotland Group PLC	2.48
Banco Santander SA	2.48
DNB ASA	2.42
Banco de Sabadell SA	2.41
Banco Comercial Portugues SA	1.54
Total Net Asset Value	\$63,765,771

SECTOR ALLOCATIONS AS AT JUNE 30, 2015

Industry	% of Net Asset Value
Financials	81.45
Cash and Cash Equivalents	23.31
	104.76
Other Liabilities, Net of Assets	(4.76)
Total Net Asset Value	100.00



95 Wellington Street West, Suite 1400, Toronto, Ontario M5J 2N7
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