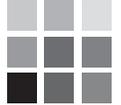


FIRST ASSET GLOBAL FINANCIAL SECTOR ETF

(formerly, First Asset Hamilton Capital European Bank Fund)



Interim Management Report of Fund Performance for the period
January 1, 2016 to June 30, 2016

Fund:

First Asset Global Financial Sector ETF (formerly, *First Asset Hamilton Capital European Bank Fund*)

Securities:

ETF Units - Listed Toronto Stock Exchange ("TSX"): FSF (formerly, *EB.UN - see Recent Developments*)

Period:

January 1, 2016 to June 30, 2016

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:

Signature Global Asset Management
2 Queen Street East
20th Floor
Toronto, Ontario M5C 3G7

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, 2016.
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

Prior to its conversion into an exchange-traded fund on April 25, 2016 (the "Conversion"), the Fund's investment objective was 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.

In conjunction with the Conversion, the Fund's investment objectives, strategies and restrictions changed in order to permit the Fund to invest in securities of global financial issuers thereby broadening the scope of eligible investments available to the Fund, both geographically and by type of financial institutions.

Results of Operations

In connection with the Conversion:

- The Fund's name changed from "First Asset Hamilton Capital European Bank Fund" to "First Asset Global Financial Sector ETF" and its ticker symbol changed from EB.UN to FSF.
- The Fund's investment objectives, strategies and restrictions changed in order to permit the Fund to invest in securities of global financial issuers.
- Signature Global Asset Management, a division of CI Investments Inc. and an affiliate of First Asset, assumed the portfolio management responsibilities for the Fund effective April 18, 2016.

For the six-month period, the Fund returned -28.5% compared to the MSCI World Index and the MSCI ACWI Financials Index, which returned -5.6% and -12.4%, respectively.

The Fund's net assets were \$13.4 million as at June 30, 2016, a decrease from \$26.5 million as at December 31, 2015. The largest factors contributing to this decrease were net losses on investments of \$6.9 million and redemptions of \$5.9 million.

Global yields declined as a result of weak growth, deflation fears and investors' search for safe-haven investments. European markets had a difficult first half of 2016 as worries leading up to the U.K.'s vote on whether to exit the European Union ("Brexit"), as well as the result, led to uncertainty. Brexit risks depressed the U.K. financials sector ahead of the vote and resulted in a decline in the U.K. pound sterling immediately afterward. Concerns rose over the Brexit decision and the fate of European economies and their relatively fragile banks, particularly in Portugal and Italy.

In North America, the U.S. Federal Reserve Board delayed making any interest rate increases during the first half of the year, despite its intentions in December 2015. The U.S. KBW Nasdaq Bank Index, which serves as a benchmark for the banking industry, bottomed out in February, and has recently reached that level again. Interestingly, within the MSCI World Financials Index, the Canadian financials sector recently moved ahead of the U.K.'s in benchmark weight, an extremely rare occurrence.

Recently, emerging markets financial valuations have risen from extremely depressed levels.

BORROWING

Prior to the Conversion, the Fund could borrow up to a maximum of 25% of the Fund's net asset value. The Fund had obtained such leverage by way of a prime brokerage arrangement. This arrangement provided the Fund with margin to execute trades and for working capital purposes. The prime broker was also the custodian of the Fund's portfolio, a portion of which was required to be deposited as collateral for amounts borrowed under this arrangement. Interest on amounts borrowed was based on a floating rate. The amount of borrowings ranged between nil and \$4 million during the period. The Fund can no longer utilize leverage as an ETF.

Recent Developments

Regulatory requirements have hampered returns of global financial services firms over the last number of years. However, with capital requirements seemingly addressed, global banks now have increased potential for both higher valuations and superior dividend growth compared to other global sectors. Dividend levels are projected to be 30 to 40% higher in 2017 than in 2015 for U.S. and European banks. Valuations of global financial firms are still trading at material discounts relative to the broad MSCI World Index. With increased capital requirements leading to more resilient banks and dividends set for steady growth, valuations will unlikely remain this discounted for long. Financials is one of the only sectors that will likely benefit from higher interest rates.

The Portfolio Manager believes the U.S. economy should remain healthy and U.S. dollar strength should continue. Holdings in the payments and credit card industries, as well as wealth management, are at compelling valuations, and are expected to perform well in the coming years. U.K. banks will likely face significant pressure in the next couple of years as a result of uncertainty surrounding its exit from the European Union.

European banks have underperformed their markets for more than a decade, with many institutions lacking the resiliency to generate adequate shareholder returns in challenging macro-economic environments. The overall fragility and negativity has resulted in excessive pessimism, impacting valuations of some of the more resilient financial franchises. The Fund holds positions in banks that are adapting to the challenges, generating attractive returns and paying attractive dividends.

Low banking penetration in emerging markets supports attractive long-term growth prospects in some countries, notably Mexico, Peru, India and Indonesia.

The Portfolio Manager seeks to identify the best risk-adjusted return opportunities in the financials sector by focusing on companies that are generating high returns on risk-weighted assets. This focus should generate sizable outperformance relative to the broad market over time, coupled with attractive dividend income.

On March 15, 2016, securityholders approved the Conversion, including changes to the Fund's investment objectives, strategies and restrictions in order to permit the Fund to invest in securities of global financial issuers. The Conversion was implemented on April 25, 2016, and in connection with the Conversion, the Fund's name was changed to "First Asset Global Financial Sector ETF" and Signature Global Asset Management assumed the portfolio management responsibilities for the Fund.

The securities of the Fund were consolidated on a two for one basis effective July 18, 2016.

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. F.A. Administration Services Inc., an affiliate of First Asset, administers the Fund's relationship with the Fund's Independent Review Committee ("IRC") on behalf of First Asset, however, it receives no compensation for doing so.

The Fund has received standing instructions from its IRC with respect to the certain related party transactions: (a) trades in securities of CI Financial Corp. (referred to as "Related Issuer Trades"), which indirectly owns and controls First Asset; (b) purchases or sales of securities of an issuer from or to another investment fund managed by First Asset (referred to as "Inter-Fund Trades"); (c) purchases or sales by the Fund of securities of another investment fund managed by First Asset (referred to as "Related Fund Trades"); and (d) mergers of funds with another fund that is subject to National Instrument 81-102 ("Fund Mergers").

The applicable standing instructions require that related party transactions be conducted in accordance with First Asset's policies and procedures. First Asset is required to advise the IRC of any material breach of a condition of the standing instructions. The standing instructions require, among other things, that the investment decision in respect to related party transactions (a) are made by First Asset free from any influence by any entities related to First Asset and without taking into account any consideration to any affiliate of First Asset; (b) represent the business judgment of First Asset uninfluenced by considerations other than the best interests of the Fund; and (c) are made in compliance with First Asset's policies and procedures. Transactions made by First Asset in respect of the Fund under the standing instructions are subsequently reviewed by the IRC on a semi-annual basis to monitor compliance.

First Asset, the Portfolio Manager and the Fund were not party to any related party transactions during the period ended June 30, 2016.

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⁾

	2016	2015	2014 ⁽²⁾
Net Assets, beginning of period	\$8.63	\$9.07	\$9.33 ⁽³⁾
Increase (decrease) from operations			
Total revenue	0.12	0.18	0.00
Total expenses	(0.11)	(0.23)	(0.05)
Realized gains (losses) for the period	(2.26)	(0.19)	(0.14)
Unrealized gains (losses) for the period	(0.23)	(0.19)	(0.07)
Total decrease from operations⁽⁴⁾	(2.48)	(0.43)	(0.26)
Distributions			
From income (excluding dividends)	0.00	0.00	0.00
From dividends	0.00	0.00	0.00
From capital gains	0.00	0.00	0.00
Return of capital	(0.02)	0.00	0.00
Total Distributions⁽⁵⁾	(0.02)	0.00	0.00
Net Assets, end of period⁽⁶⁾	\$6.15	\$8.63	\$9.07

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 October 29, 2014 (inception date) to December 31, 2014.
- (3) The net assets per unit reflects the issue price of \$10 less offering expenses.
- (4) 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.
- (5) Distributions were paid in cash.
- (6) This is not a reconciliation of the beginning and ending net assets per security.

RATIOS AND SUPPLEMENTAL DATA

	2016	2015	2014
Total net asset value (000s) ⁽¹⁾	\$13,425	\$26,546	\$27,878
Number of securities outstanding ⁽¹⁾	2,183,904	3,075,000	3,075,000
Management expense ratio excluding offering expenses ⁽²⁾	2.28%	1.73%	1.46%
Management expense ratio ⁽²⁾	2.28%	1.73%	8.87%
Management expense ratio before waivers or absorptions ⁽²⁾	2.28%	1.73%	8.87%
Portfolio turnover rate ⁽³⁾	125.44%	123.03%	1.54%
Trading expense ratio ⁽⁴⁾	0.53%	0.47%	0.91%
Net asset value per security	\$6.15	\$8.63	\$9.07
Closing market price	\$6.09	\$8.31	\$9.70

Notes:

- (1) This information is provided as at December 31 of the year shown, except 2016, which is provided as at June 30.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transactions costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The MER for the period ending December 31, 2014 includes agents' fees and other offering expenses, which are one-time expenses and therefore are not annualized. Total expenses also include interest expense on leverage utilized by the Fund prior to Conversion. MER for the period ended June 30, 2016 excluding interest expense is 1.76%.
- (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. The Fund may charge a fee to designated brokers/dealers to offset the impact of certain transaction costs associated with a purchase or redemption of a prescribed number of units of the Fund. The transaction costs used in the trading expense ratio have been reduced by these fees.

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, First Asset is entitled to receive an annual management fee from the Fund. Prior to the Conversion, First Asset received an annual management fee from the Fund in an amount equal to 1.00% of the net asset value of the Fund, and after the Conversion, the management fee was reduced to 0.85%, in each case calculated daily and paid monthly in arrears. First Asset pays the Portfolio Manager out of its management fee.

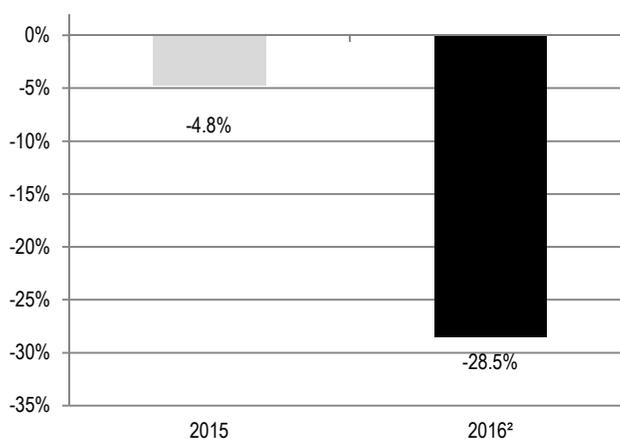
The services provided by First Asset to the Fund include, without limitation, the proper oversight to ensure implementation of the Fund's investment strategies, negotiating contracts with certain third-party service providers, authorizing the payment of operating expenses incurred on behalf of the Fund, maintaining certain accounting and financial records, calculating the amount 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.

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 annual performance for the financial years shown and illustrates how the Fund's performance has changed from year to year. The bar chart shows, 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. In connection with the Conversion, the annual management fee payable to First Asset, as manager, was reduced to 0.85% (from 1.00%) of the net asset value of the Fund and certain changes were made to the investment objectives, strategies and restrictions applicable to the Fund. If these changes had been in effect when the Fund was created, the performance would have been different.

(2) Returns for the period January 1, 2016 to June 30, 2016.

Summary of Investment Portfolio

The following is a summary of the Fund's investment portfolio as at June 30, 2016. 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, 2016

Description	% of Net Asset Value
Cash and Cash Equivalents	19.02
Citigroup Inc.	7.95
Swedbank AB	7.09
Synchrony Financial	6.45
Banco Bilbao Vizcaya Argentaria SA	5.92
Capital One Financial Corp., Warrants	5.51
Wells Fargo & Co., Warrants	3.85
JPMorgan Chase & Co., Warrants	3.51
Genworth Mortgage Insurance Australia Ltd.	3.32
Nordea Bank AB	3.23
Anima Holding SpA	2.97
Lloyds Banking Group PLC	2.96
Lazard Ltd.	2.95
Erste Group Bank AG	2.73
Air Lease Corporation	2.73
Intesa Sanpaolo SpA	2.64
Bank of Ireland	2.49
Intercorp Financial Services Inc.	2.02
MGIC Investment Corporation	2.00
Prudential PLC	1.93
Essent Group Ltd.	1.68
Legg Mason, Inc.	1.67
MetLife, Inc.	1.53
ICICI Bank Ltd.	1.42
Grupo Financiero Banorte SAB de CV	1.41
Total Net Asset Value	\$13,424,942

SECTOR ALLOCATIONS AS AT JUNE 30, 2016

Industry	% of Net Asset Value
Financials	87.42
Cash and Cash Equivalents	19.02
	106.44
Other Liabilities, Net of Assets	(6.44)
Total Net Asset Value	100.00

