



First Trust JFL Fixed Income Core Plus ETF • FJFB

Interim Management Report of Fund Performance
June 30, 2025

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2025

First Trust JFL Fixed Income Core Plus ETF (the “First Trust ETF”)

This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the First Trust ETF. You can get a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling 1-877-622-5552, by writing to us at FT Portfolios Canada Co., 40 King Street West, Suite 5102, Scotia Plaza, Box 312, Toronto, Ontario M5H 3Y2 or by visiting our web site at www.firsttrust.ca or SEDAR+ at www.sedarplus.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.

Forward-looking Statements

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent beliefs regarding future events. By their nature, forward-looking statements are based on assumptions and are subject to inherent risks and uncertainties. There is significant risk that forward-looking statements will not prove to be accurate. Readers of this document should not place undue reliance on forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the expectations, estimates or intentions expressed or implied in the forward-looking statements. These factors include but are not limited to market and general economic conditions, interest rates, foreign currency exchange rates, the extent of industry sector exposure, the performance of the securities of the issuers held in the portfolio and regulatory developments and the risks detailed in the First Trust ETF's prospectus. The Manager does not undertake and specifically disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Investment Objective and Strategy

The fundamental investment objective of **First Trust JFL Fixed Income Core Plus ETF** (the "First Trust ETF") is to provide unitholders with income and preserve capital by investing at least 75% of the First Trust ETF's net assets in a diversified portfolio of investment grade Canadian corporate, federal, provincial, and municipal bonds. The First Trust ETF may also invest up to 25% of the fund's net assets in non-investment grade corporate bonds (at the time of purchase, as rated by a designated rating organization), high yield bonds, developed international bonds, emerging market bonds, preferred shares and convertible bonds of North American and/or international issuers.

Risk

The risks associated with an investment in the First Trust ETF remain as discussed in the First Trust ETF's most recent prospectus. There have been no significant changes during the reporting period that affected the overall level of risk associated with the First Trust ETF.

Results of Operations

General

The First Trust ETF's net asset value as of June 30, 2025 was \$14,732,814 or \$17.33 per unit. The First Trust ETF's net asset value as of December 31, 2024 was \$15,706,107 or \$17.45 per unit.

For the six-month period ended June 30, 2025, the First Trust ETF paid total cash distributions per unit of \$0.3510. In addition, the First Trust ETF declared cash distributions per unit of \$0.0550 for record date of June 30, 2025 with payment date of July 8, 2025.

Investment Performance

For the six-month period ended June 30, 2025, the First Trust ETF returned 1.24% compared to FTSE Canada Universe Bond Index (the "benchmark") total return of 1.44%. Unlike the benchmark, the First Trust ETF's return is net of fees and expenses.

For the first quarter, the First Trust ETF underperformed the FTSE Canada Universe Bond Index. Corporate spreads were wider quarter over quarter, as risk sentiment negatively impacted corporate bond valuations and market participants began to price a weaker domestic and global growth outlook. Headwinds facing risk assets and corporate credit were partially mitigated by the portfolio's select financial and consumer-related corporate holdings, which outperformed.

With Canadian corporate credit spreads trading near the tight end of the historical range, the portfolio's activity in the primary corporate debt market was muted. Specifically, during the quarter, we participated in the primary transactions of the subordinated bank debt from CIBC and Caisse centrale Desjardins. The portfolio was active in secondary markets, initiating positions in highly rated Toyota Motor Canada and John Deere Inc while reducing select positions based on valuation reasons, including the exit of Anheuser-Busch InBev Inc. In the high-yield space, the portfolio participated in two primary offerings: Heavy Metals Inc. and Top Aces; both transactions were viewed as attractive for their idiosyncratic credit features.

For the second quarter, the First Trust ETF modestly underperformed the FTSE Canada Universe Bond Index. Corporate spreads tightened meaningfully in the period, narrowing 16 bps to 97 bps at quarter-end. While our modest overweight in duration detracted from performance, both allocation and selection contributed positively. Financial sector bonds, particularly those lower in the capital structure, such as subordinated debt and Tier 1 paper, experienced notable spread tightening, and our overweight in these areas further supported performance.

With Canadian corporate credit spreads trading near the tight end of the historical range, the portfolio's activity in the primary corporate debt market was muted and at the short end. Specifically, during the quarter, the portfolio participated in the primary transactions of senior paper from BCIMCO, RBC, CIBC and Arc Resources. On the relative value side, we trimmed some longer-dated paper such as Hydro One and Suncor, due to the credit curve being very

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flat, and trimmed high-yield paper from Cooper Equipment Rentals and Keyera Hybrids, due to valuation. Additionally, we trimmed some provincial paper in the mid part of the curve, which we felt was not pricing in the tariff-related risks.

At December 31, 2024, the First Trust ETF held 161 individual positions. The portfolio has a strong Canada focus and as at December 31, 2024 is comprised of 98.23% bonds, 0.17% in preferred, and 1.6% cash. The top 10 holdings by issuer accounted for 27.68% of the total portfolio.

By comparison, at June 30, 2025, the First Trust ETF held 156 individual positions. The portfolio has a strong Canada focus and as at June 30, 2025 is comprised of 98.09% bonds, 0.2% in preferred, and 0.76% cash. The top 10 holdings by issuer accounted for 29.39% of the total portfolio.

Recent Developments

The real effects of U.S. policy announcements made in the first half of 2025 are expected to start filtering through the economy in the second half of the year. This could have a significant impact on financial asset prices, particularly given the current optimism in the markets. Labour markets are likely to continue to soften as companies reduce hiring in response to margin pressures from new tariffs. Meanwhile, the U.S. housing market is showing early signs of weakness, with prices starting to decline due to reduced affordability amid higher interest rates. Despite these headwinds, corporate earnings remain strong, largely fueled by AI-related investments. Historically, strong earnings have supported risk assets such as equities and credit, but with equity valuations elevated and credit spreads near historic lows, there is little margin for error.

Our fixed income portfolios are conservatively positioned, with limited yield curve exposure and a cautious approach to corporate risk. We remain overweight in shorter-duration credits, as long-term corporate spreads are extremely tight due to limited new issuance. Should yields decline, we anticipate a surge in issuance, which could cause long-term spreads to widen and lead to weaker returns.

Related Party Transactions

FT Portfolios Canada Co. is the Manager of the First Trust ETF and is a Canadian affiliate of First Trust Advisors L.P., the investment advisor (the "Advisor") of the First Trust ETF.

Pursuant to terms of the declaration of trust of the First Trust ETF, the Manager provides or arranges for all management, administrative and other services required by the First Trust ETF. The Manager receives a management fee from the First Trust ETF. For further details, please see "Management Fees".

The Manager has retained the Advisor to provide certain services to the First Trust ETF pursuant to an investment advisory agreement. The Advisor receives advisory fees from the Manager out of the management fee.

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For the six-month period ended June 30, 2025

Financial Highlights

The following tables show selected key financial information about the First Trust ETF and are intended to help you understand the First Trust ETF's financial performance for the six-month period ended June 30, 2025, for the three years ended December 31, and for the period from commencement of operations to December 31, 2021. This information is derived from the First Trust ETF's unaudited interim and audited annual financial statements.

Net Asset Value per Unit

FJFB	2025	2024	2023	2022	2021 ^(a)
Net asset value, beginning of period/year ⁽¹⁾	\$17.45	\$17.24	\$16.69	\$20.34	\$20.00 ^(b)
Increase (Decrease) from operations:					
Total revenue	0.36	0.66	0.62	0.60	0.46
Total expenses	(0.05)	(0.11)	(0.11)	(0.12)	(0.11)
Realized gains (losses) for the period/year	0.14	0.45	(0.20)	(0.87)	0.11
Unrealized gains (losses) for the period/year	(0.23)	(0.20)	0.98	(2.02)	0.22
Total increase (decrease) from operations ⁽²⁾	\$0.22	\$0.80	\$1.29	\$(2.41)	\$0.68
Distributions:					
From income (excluding dividends)	(0.34)	(0.58)	(0.44)	(1.23)	(0.30)
From dividends	-	-	-	-	(0.03)
From capital gains	-	-	-	-	(0.12)
Return of capital	-	-	(0.12)	(0.01)	-
Total annual distributions ⁽³⁾	\$(0.34)	\$(0.58)	\$(0.56)	\$(1.24)	\$(0.45)
Net asset value, end of period/year ⁽⁴⁾	\$17.33	\$17.45	\$17.24	\$16.69	\$20.34

(a) December 31, 2021 does not relate to the full year as the First Trust ETF commenced operations on March 19, 2021.

(b) Seed capital

(1) This information is provided as at June 30, 2025 and December 31 of the periods/years shown, and is prepared under IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB").

(2) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the period/year.

(3) Distributions were paid in cash or reinvested in additional units of the First Trust ETF, or both. Non-cash distributions are reinvested in additional units of the First Trust ETF and subsequently consolidated. Neither the number of units held by the unitholder, nor the net asset per unit of the First Trust ETF change as a result of any non-cash distributions.

(4) This table is not intended to be a reconciliation of beginning to ending net asset value per unit.

Ratios and Supplemental Data

FJFB	2025	2024	2023	2022	2021
Net asset value (000's)	\$14,733	\$15,706	\$22,410	\$1,669	\$2,034
Number of units outstanding	850,000	900,000	1,300,000	100,000	100,000
Management expense ratio ⁽¹⁾	0.63%	0.63%	0.65%	0.67%	0.68%
Management expense ratio before waivers or absorption	0.74%	0.75%	0.77%	0.79%	0.80%
Trading expense ratio ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.03%
Portfolio turnover rate ⁽³⁾	25.59%	83.72%	52.94%	65.10%	34.11%

(1) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period/year and is expressed as an annualized percentage of daily average net asset value during the period/year.

(2) 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/year.

(3) The First Trust ETF's portfolio turnover rate indicates how actively the First Trust ETF's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the First Trust ETF buying and selling all of the securities in its portfolio once in the course of the period/year. The higher a First Trust ETF's portfolio turnover rate in a period/year, the greater the trading cost payable by the First Trust ETF in the period/year, and the greater the chance of an investor receiving taxable capital gains in the period/year. There is not necessarily a relationship between high turnover rate and the performance of a First Trust ETF.

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Management Fees

The First Trust ETF will pay the Manager a management fee of 0.70% based on the average daily NAV of the First Trust ETF. The management fee, plus applicable taxes including HST, will be accrued daily and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

The First Trust ETF currently pays the Manager a management fee equal to 0.60%.

Maximum annual management fee of 0.70%. The Manager has agreed to waive a portion of the management fee equal to 0.10% of average daily net assets of the First Trust ETF and is subject to review periodically.

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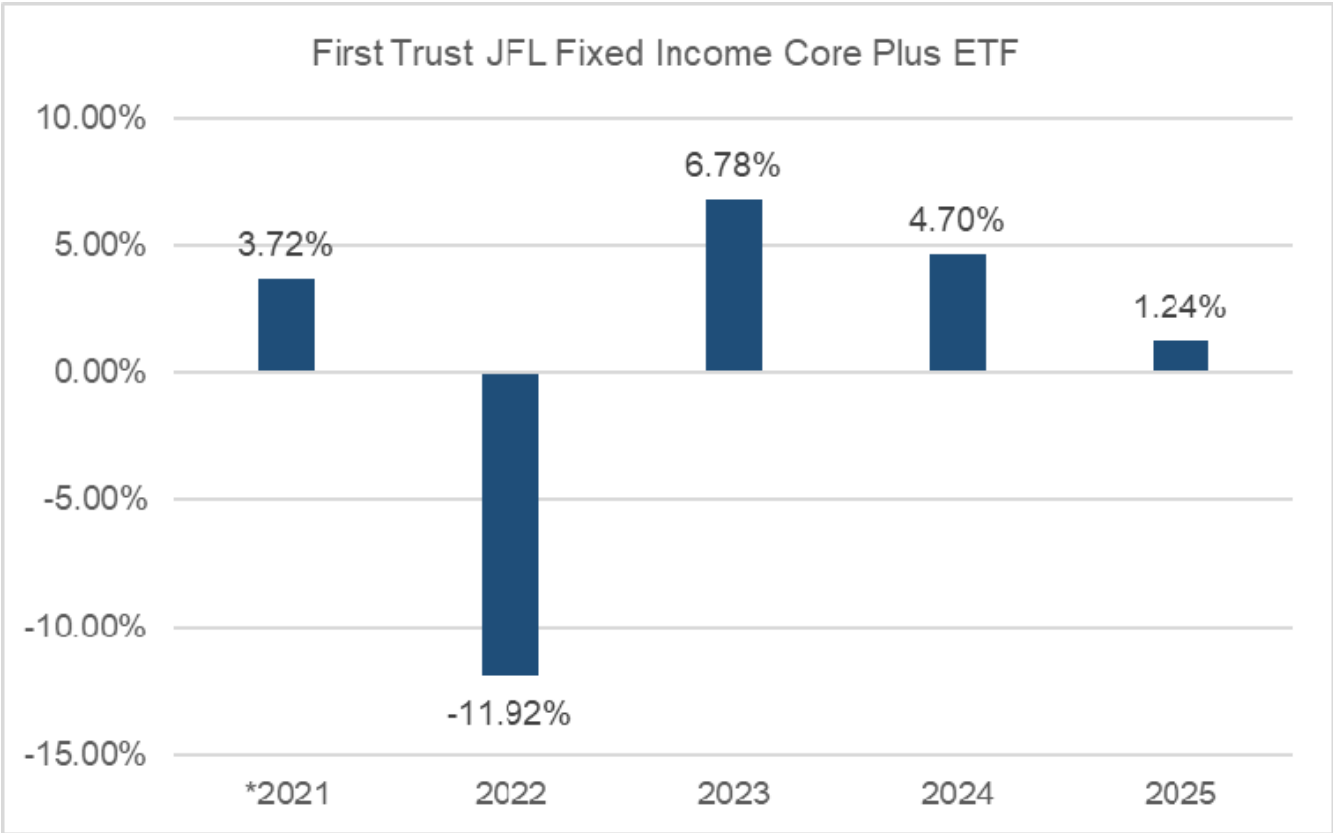
Past Performance

General

The past performance information shown assumes that all distributions made by the First Trust ETF in the periods/years shown were reinvested in additional securities of the First Trust ETF. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the First Trust ETF has performed in the past does not necessarily indicate how it will perform in the future.

Year by Year Returns

The bar chart below shows the First Trust ETF's performance for the six-month period ended June 30, 2025, for the years ended December 31 and for the period from commencement of operations to December 31, 2021 and illustrates how the investment fund's performance has changed from year to year. The chart also 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.



*First Trust ETF Commencement: March 19, 2021

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Summary of Investment Portfolio

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's top 25 holdings, by issuer, as at June 30, 2025. This summary of portfolio holdings may change due to ongoing portfolio transactions of the First Trust ETF. Daily and quarterly updates are available at www.firsttrust.ca.

Top 25 Holdings	Coupon Rate/Yield	Maturity Date	% of ETF Total Net Asset Value
Government of Canada	2.75%	01-Jun-33	4.78%
Province of Ontario	4.15%	02-Jun-34	3.73%
Government of Canada	2.75%	01-Dec-55	3.56%
Province of Ontario	4.15%	02-Dec-54	3.05%
Parkland Corp., Callable	4.38%	26-Mar-29	2.44%
Canada Housing Trust No. 1	3.50%	15-Dec-34	2.38%
Canadian Imperial Bank of Commerce, Callable	4.95%	29-Jun-27	2.38%
Royal Bank of Canada	4.61%	26-Jul-27	2.26%
Province of Ontario	3.75%	02-Dec-53	2.14%
Province of Quebec	5.00%	01-Dec-41	2.12%
Province of Ontario	4.70%	02-Jun-37	2.09%
NuVista Energy Ltd., Callable	7.88%	23-Jul-26	1.63%
Government of Canada	3.00%	01-Jun-34	1.60%
Toronto-Dominion Bank (The)	4.21%	01-Jun-27	1.52%
Fédération des caisses Desjardins du Québec, Callable	5.47%	17-Nov-28	1.39%
Toyota Credit Canada Inc.	4.52%	19-Mar-27	1.38%
Province of Ontario	4.65%	02-Jun-41	1.29%
Heavy Metal Equipment & Rentals, Callable	7.25%	26-Feb-30	1.19%
Province of Quebec	3.50%	01-Dec-48	1.16%
Province of Ontario	2.80%	02-Jun-48	1.15%
Government of Canada	1.75%	01-Dec-53	1.14%
Fédération des caisses Desjardins du Québec	4.41%	19-May-27	1.12%
Government of Canada	2.00%	01-Jun-32	1.11%
Province of Ontario	3.65%	02-Jun-33	1.05%
First Nations Finance Authority, Series '2017-1'	4.10%	01-Jun-34	1.03%
Total			48.69%

Portfolio Breakdown

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's portfolio, by sector, as at June 30, 2025.

Sector Weightings	% of ETF Total Net Asset Value
Corporate Bonds	51.54%
Provincial Bonds & Guarantees	28.34%
Federal Bonds & Guarantees	18.54%
Municipal Bonds & Guarantees	0.22%
Cash and Cash Equivalents	0.89%
Other Assets, Less Liabilities	0.47%
Total	100.00%

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The table below sets out the percentage (based on total net asset value) of the First Trust ETF's portfolio, including equities, by country, as at June 30, 2025.

Country Weightings	% of ETF Total Net Asset Value
Canada	92.75%
United States	3.52%
United Kingdom	2.37%
Total	98.64%

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's portfolio by credit rating, as at June 30, 2025.

S&P Rating	% of ETF Total Net Asset Value
AAA	20.42%
AA	20.37%
A	31.30%
BBB	16.91%
Below BBB	9.64%
Total	98.64%

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