



First Trust AlphaDEX™ U.S. Industrials Sector Index
ETF • FHG, FHG.F

Interim Management Report of Fund Performance
June 30, 2022

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2022

First Trust AlphaDEX™ U.S. Industrials Sector Index ETF (the “First Trust ETF”)

This interim management report of fund performance contains financial highlights but does not contain the complete unaudited interim financial statements of the First Trust ETF. All references to dollars contained herein are to Canadian dollars.

Securityholders may also contact us to request a copy of the First Trust ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosures relating to the First Trust ETF 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 website at www.firsttrust.ca or SEDAR at www.sedar.com.

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 AlphaDEX™ U.S. Industrials Sector Index ETF** (the “First Trust ETF”) is to replicate, to the extent possible, the performance of the StrataQuant® Industrials Index (“Index”), net of expenses.

The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the Index in the same proportion as they are reflected in the Index or securities intended to replicate the performance of such Index. The Index results from applying the AlphaDEX™ methodology to the Russell 1000® Index, a market index representing the large and mid-capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Industrials/Producer Durables Sector.

The Manager may use a sampling methodology in selecting investments for the First Trust ETF. As an alternative or in conjunction with investing in and holding constituent securities, the First Trust ETF may also invest in other securities to obtain exposure to the constituent securities of the applicable Index in a manner that is consistent with the investment objective and investment strategy of the First Trust ETF.

In this case, the First Trust ETF may also obtain exposure to the applicable Index by holding securities of a US-listed index ETF, First Trust Industrials/Producer Durables AlphaDEX® Fund (NYSE Arca ticker: FXR), of an affiliate of the Manager, which replicates or substantially replicates the applicable Index.

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. The First Trust ETF provides exposure to the industrials sector of the U.S. equity market in either a non-U.S. currency hedged and U.S. currency hedged manner.

Results of Operations

General

The First Trust ETF’s total net asset value as of June 30, 2022 was \$30,996,958 or \$33.12 per Unit (“FHG”) and \$22.51 per Hedged Unit (“FHG.F”). The First Trust ETF’s total net asset value as of December 31, 2021 was \$50,933,664 or \$42.29 per FHG and \$29.42 per FHG.F.

For the six-month period ended June 30, 2022, the First Trust ETF paid total cash distributions per unit of \$0.0888 for FHG and \$0.1247 for FHG.F. In addition, the First Trust ETF declared cash distributions per unit of \$0.0900 for FHG and \$0.0625 for FHG.F for record date of June 30, 2022 with payment date of July 8, 2022.

Investment Performance

For the six-month period ended June 30, 2022, FHG returned -21.38% compared to the Russell 1000® Industrials Index (CAD) (the “benchmark”) total return of -19.61% while FHG.F returned -23.21% compared to the Russell 1000® Industrials Index (USD) (the “hedged benchmark”) total return of -21.28%. Unlike the benchmark and the hedged benchmark, the First Trust ETF’s returns are net of fees and expenses.

As of June 30, 2022, the Industrials sector accounted for 12.49% of the weight of the Russell 1000® Index. The benchmark underperformed the Russell 1000® Index (CAD) which returned -19.27%. The hedged benchmark underperformed the Russell 1000® Index (USD) which returned -20.94%.

The portfolio held 129 equity securities as of June 30, 2022. The top ten equity holdings accounted for 14.16% of the total NAV. The AlphaDEX™ stock selection process is a rules-based process and can result in industry weightings that differ from that of the benchmark and the hedged benchmark.

The First Trust ETF underperformed the benchmark and the hedged benchmark during the period. The primary drivers of underperformance include an underweight allocation to Aerospace and Defense and an overweight

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allocation to Construction and Materials. The former was the best performing sub-sector that the First Trust ETF was invested in while the latter was the worst performing on a total return basis during the period. The underperformance was mitigated by stock selection within General Industrials.

The U.S. dollar appreciated 1.87% against the Canadian dollar from December 31, 2021, to June 30, 2022. FHG.F hedges its exposure to the U.S. dollar.

The top five stocks by contribution to return were Northrop Grumman Corp., Huntington Ingalls Industrials, Inc., L3Harris Technologies Inc., Lockheed Martin Corporation, and FTI Consulting, Inc. The bottom five stocks by contribution to return were Bread Financial Holdings, Inc., Trex Company, Inc., Synchrony Financial, Builders FirstSource, Inc., and Stanley Black & Decker, Inc.

Recent Developments

The Russell 1000® Index lost 20.94% in the first half of 2022, including dividends, its largest drawdown since March 2020. The U.S. dollar appreciated relative to the Canadian dollar, meaning the index lost 19.27% over the same period measured in Canadian dollars. Inflation continued to rise during the period from 7% at the end of 2021 to 9.1% in June, which is the highest rate since 1981. The continued rise prompted the U.S. Federal Reserve to raise interest rates more aggressively than expected at the beginning of the year, increasing fears that aggressive monetary policy will tip the U.S. economy into a recession. Rising interest rates resulted in the yield on the U.S. 10-year Treasury rising from 1.51% at the start of the period to 3.01% at the end of the period. Meanwhile, Russia's invasion of Ukraine caused significant disruptions to world energy markets and sent oil prices surging 41% in the first half of the year. Taken together, investors turned increasingly bearish during the period, with surveys of investor bearishness reaching their highest levels since 2009. Overall, the energy sector was the lone economic sector to post a positive return during the period. Defensive stocks like utilities, consumer staples, and health care also performed relatively well during the period, while cyclical stocks, including consumer discretionary, performed relatively poorly. Growth stocks, particularly from the information technology and communication services sectors, fell from high valuations and underperformed in the first half of 2022. The Russell 1000® Index finished the first half trading at a 19.5 P/E multiple with a 1.68% dividend yield, cheaper than 25.5 and 1.25%, respectively, at the end of 2021.

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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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 past five years for FHG and past four years for FHG.F. This information is derived from the First Trust ETF's current unaudited interim and audited annual financial statements.

Net Asset Value per Unit

FHG	Jun. 30, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Net asset value, beginning of period/year ⁽¹⁾	\$42.29	\$34.22	\$31.55	\$25.16	\$27.70	\$24.07
Increase (Decrease) from operations:						
Total revenue	0.31	0.57	0.65	0.52	0.85	0.42
Total expenses	(0.19)	(0.38)	(0.33)	(0.31)	(0.28)	(0.25)
Realized gains (losses) for the period/year	(0.62)	3.28	7.55	5.42	0.98	2.90
Unrealized gains (losses) for the period/year	(8.08)	3.88	1.99	3.46	(1.96)	1.01
Total increase (decrease) from operations ⁽²⁾	\$(8.58)	\$7.35	\$9.86	\$9.09	\$(0.41)	\$4.08
Distributions:						
From income (excluding dividends)	(0.13)	(0.15)	(0.38)	(0.25)	(0.55)	-
From dividends	-	-	-	-	-	-
From capital gains	-	(1.94)	-	-	(1.08)	-
Return of capital	-	-	-	-	-	(0.15)
Total annual distributions ⁽³⁾	\$(0.13)	\$(2.09)	\$(0.38)	\$(0.25)	\$(1.63)	\$(0.15)
Net asset value, end of period/year ⁽⁴⁾	\$33.12	\$42.29	\$34.22	\$31.55	\$25.16	\$27.70

FHG.F	Jun. 30, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017 ^(a)
Net asset value, beginning of period/year ⁽¹⁾	\$29.42	\$23.87	\$22.28	\$17.09	\$20.64	\$20.00 ^(b)
Increase (Decrease) from operations:						
Total revenue	0.22	0.43	0.34	0.30	0.45	0.01
Total expenses	(0.13)	(0.26)	(0.21)	(0.21)	(0.20)	(0.02)
Realized gains (losses) for the period/year	(1.25)	2.39	4.03	3.49	(2.11)	1.17
Unrealized gains (losses) for the period/year	(6.30)	2.52	(2.20)	1.39	(3.16)	(0.53)
Total increase (decrease) from operations ⁽²⁾	\$(7.46)	\$5.08	\$1.96	\$4.97	\$(5.02)	\$0.63
Distributions:						
From income (excluding dividends)	(0.09)	(0.16)	(0.37)	(0.17)	(0.22)	-
From dividends	-	-	-	-	-	-
From capital gains	-	(2.38)	-	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	\$(0.09)	\$(2.54)	\$(0.37)	\$(0.17)	\$(0.22)	\$-
Net asset value, end of period/year ⁽⁴⁾	\$22.51	\$29.42	\$23.87	\$22.28	\$17.09	\$20.64

(a) FHG.F: December 31, 2017 does not relate to the full year as FHG.F commenced operations on December 8, 2017.

(b) Seed capital

(1) This information is provided as at June 30, 2022 and December 31 of the period/years shown and is prepared under IFRS.

(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.

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Ratios and Supplemental Data

FHG	Jun.30, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Net asset value (000's)	\$26,495	\$46,520	\$13,687	\$7,887	\$6,291	\$6,926
Number of units outstanding	800,000	1,100,000	400,000	250,000	250,000	250,000
Management expense ratio ⁽¹⁾	0.78%	0.78%	0.76%	0.76%	0.76%	0.78%
Management expense ratio before waivers or absorption	0.80%	0.79%	0.78%	0.78%	0.78%	0.80%
Trading expense ratio ⁽²⁾	0.02%	0.02%	0.03%	0.03%	0.02%	0.03%
Portfolio turnover rate ⁽³⁾	66.92%	121.92%	262.37%	227.48%	319.01%	197.91%

FHG.F	Jun. 30, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Net asset value (000's)	\$4,502	\$4,414	\$2,387	\$2,228	\$4,271	\$1,032
Number of units outstanding	200,000	150,000	100,000	100,000	250,000	50,000
Management expense ratio ⁽¹⁾	0.77%	0.76%	0.79%	0.79%	0.79%	0.73%
Management expense ratio before waivers or absorption	0.79%	0.77%	0.81%	0.81%	0.80%	0.99%
Trading expense ratio ⁽²⁾	0.02%	0.02%	0.03%	0.03%	0.02%	0.03%
Portfolio turnover rate ⁽³⁾	66.92%	121.92%	262.37%	227.48%	319.01%	197.91%

(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.

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.

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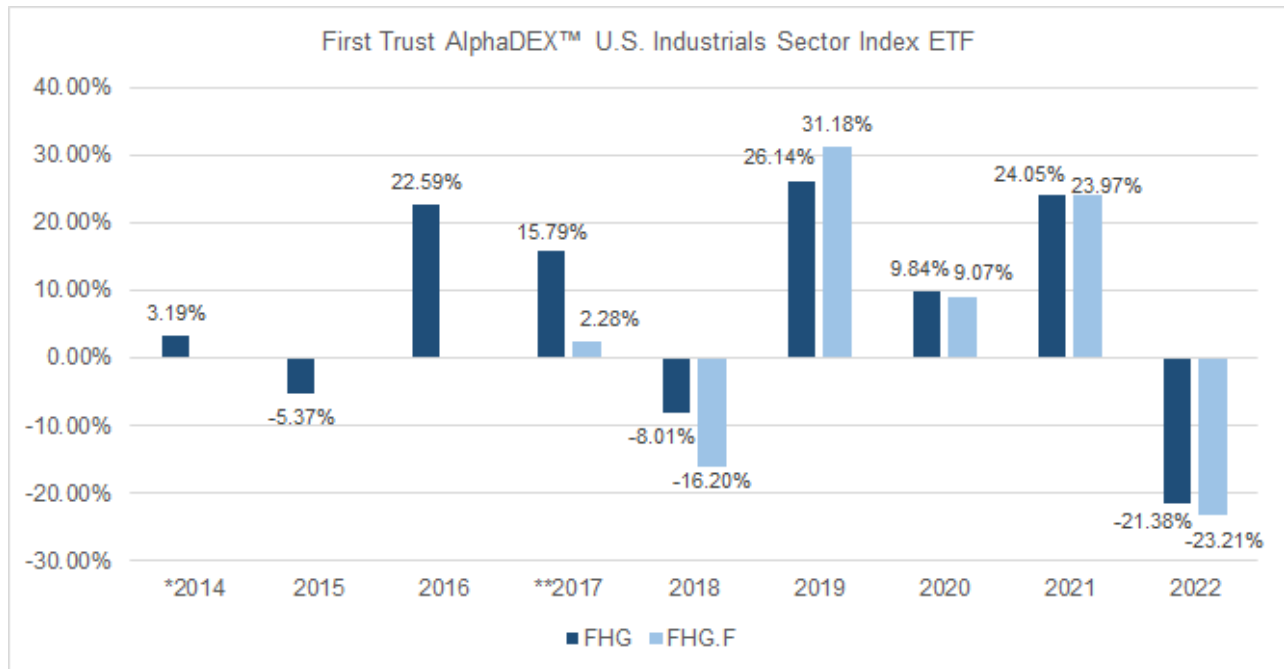
Past Performance

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, per class, for the six-month period ended June 30, 2022, for the years ended December 31, for the period from commencement of operations to December 31, 2017 for FHG.F, and for the period from commencement of operations to December 31, 2014 for FHG 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.



*FHG Commencement: October 30, 2014

**FHG.F Commencement: December 8, 2017

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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 as at June 30, 2022. 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	% of ETF Total Net Asset Value
MDU Resources Group Inc.	1.52%
Mohawk Industries Inc.	1.50%
FedEx Corp.	1.47%
Carlisle Cos. Inc.	1.46%
Snap-On Inc.	1.44%
C.H. Robinson Worldwide Inc.	1.41%
Knight-Swift Transportation Holdings Inc.	1.38%
Ryder System Inc.	1.35%
Schneider National Inc.	1.32%
Huntington Ingalls Industries Inc.	1.31%
Sealed Air Corp.	1.30%
Northrop Grumman Corp.	1.29%
Louisiana Pacific Corp.	1.27%
WestRock Co.	1.27%
Builders FirstSource Inc.	1.25%
Graphic Packaging Holding Co.	1.23%
Owens Corning	1.22%
Brunswick Corp.	1.21%
Capital One Financial Corp.	1.19%
Synchrony Financial	1.19%
Allison Transmission Holdings Inc.	1.18%
J.B. Hunt Transport Services Inc.	1.18%
Lockheed Martin Corp.	1.17%
Expeditors International of Washington Inc.	1.14%
Berry Global Group Inc.	1.14%
Total	32.39%

Portfolio Breakdown

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's portfolio, by industry, as at June 30, 2022.

Industry Weightings	% of ETF Total Net Asset Value
Industrial Support Services	20.61%
Industrial Transportation	19.11%
General Industrials	16.52%
Construction and Materials	13.84%
Industrial Engineering	10.86%
Aerospace and Defense	9.63%
Electronic and Electrical Equipment	8.83%
Medical Equipment and Services	0.50%
Cash and Cash Equivalents	0.33%
Other Assets, Less Liabilities	-0.23%
Total	100.00%

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