



First Trust Canadian Capital Strength ETF
• FST, FST.A

Interim Management Report of Fund Performance
June 30, 2020

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2020

First Trust Canadian Capital Strength 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.

First Trust Canadian Capital Strength ETF Management Report of Fund Performance For the six-month period ended June 30, 2020

Investment Objective and Strategy

The fundamental investment objective of **First Trust Canadian Capital Strength ETF** (the “First Trust ETF”) is to provide unitholders with long term capital appreciation by investing primarily in securities traded on a Canadian exchange or market.

To achieve its investment objectives, the First Trust ETF will primarily invest in securities of issuers that are based in Canada or have significant business operations in the Canadian market. Securities invested in by the First Trust ETF include common shares of public companies that are traded on a Canadian exchange or market.

The First Trust ETF uses a multi-step, bottom-up quantitative selection process to identify its investible universe of securities, and fundamental analysis to make final portfolio selections. The selection process, described below, is designed to identify issuers that have certain objectives and easily determinable attributes that, in the portfolio advisor’s opinion, makes them capital strength issuers.

The first step in the portfolio advisor’s selection process is to identify the universe of securities from which the portfolio advisor will select the portfolio. The portfolio advisor begins by selecting securities of issuers that, primarily, are traded on a Canadian exchange or market.

Next, the portfolio advisor evaluates issuers based on multiple quantitative metrics, including, but not limited to, cash on hand, return on equity and long-term debt to market value of equity. These factors are designed to identify those issuers which exhibit strong fundamental characteristics at the time of purchase and to eliminate those that do not meet the investment criteria.

After establishing the investment universe, the portfolio advisor examines other factors, including valuation and future growth prospects, to determine securities it may purchase for the First Trust ETF. The portfolio advisor then uses fundamental analysis to select securities that meet the First Trust ETF’s investment objectives, trade at attractive valuations and in the opinion of the portfolio advisor, are likely to exceed market expectations of future cash flows.

Risk

There were no changes to the First Trust ETF over the reporting period that materially affected the overall level of risk associated with the First Trust ETF. Investors should refer to the most recent prospectus as it contains detailed discussion of risk relating to the investment of the First Trust ETF.

Results of Operations

General

The First Trust ETF’s total net asset value as of June 30, 2020 was \$40,135,324 or \$30.54 per Common Class unit (“FST”) and \$25.59 per Advisor Class unit (“FST.A”). The First Trust ETF’s total net asset value as of December 31, 2019 was \$60,423,944 or \$34.59 per FST and \$28.95 per FST.A.

For the six-month period ended June 30, 2020, the First Trust ETF paid total cash distributions per unit of \$0.3200 for FST and \$0.1100 for FST.A. In addition, the First Trust ETF declared cash distributions per unit of \$0.1600 for FST and \$0.0550 for FST.A for record date of June 30, 2020 with payment date of July 8, 2020.

Investment Performance

For the six-month period ended June 30, 2020, FST returned -10.69% and FST.A returned -11.17% compared to S&P/TSX Composite Index (the “benchmark”) return of -7.47%. Unlike the benchmark, the First Trust ETF’s returns are net of fees and expenses.

FST has underperformed the benchmark in the first half of the year. Allocation effect for the portfolio was a positive contributor to relative performance while stock selection effect was negative. Positive contributions to relative performance can be attributed to an overweight allocation in Information Technology, underweight allocations in

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Energy and Financials, and stock selection in Communication Services. Negative contributions can mostly be attributed to stock selection in Information Technology, Materials, and Consumer Discretionary.

The top-performing stocks for the year, based on total return, were Kinaxis, Inc., Enghouse Systems Limited, and Barrick Gold Corporation. These stocks returned +81.38%, 72.02%, and 32.98% respectively, in CAD, including dividends. The bottom-performing stocks, based on total return, were Suncor Energy Inc., Teck Resources Limited Class B, and CAE Inc. These stocks returned -57.22%, -52.75%, and -43.39%, respectively, in CAD, including dividends.

The First Trust ETF held 25 equity positions for the six-month period ending June 30, 2020 and made no net change to the number of positions from the beginning of the period. Portfolio changes were made in March 2020 (5 positions added, 5 positions eliminated and June 2019 (3 positions added, 3 positions eliminated). The top ten equity holdings of the First Trust ETF at June 30, 2020 accounted for 40.58% of total NAV and the top ten equity holdings of the First Trust ETF at December 31, 2019 accounted for 37.72% of total NAV. Financials, Information Technology, and Materials (in order) were the top three sector weightings at the end of the period. Financials, Industrials and Materials were the top three sector weights at the beginning of the period. Relative to its benchmark over the period, the First Trust ETF was overweight the Information Technology, Industrials, Consumer Staples, Consumer Discretionary, and Real Estate sectors and underweight the Energy, Utilities, Communication Services, and Financials sectors. The sector weighting of the First Trust ETF changed somewhat over the reporting period, primarily as the result of our bottom-up, multi-step quantitative and fundamental stock selection strategy. Portfolio changes were made in March and June of 2020. There was no net change to the total number of portfolio positions over the period. In March, four positions, Suncor Energy, CAE Inc., Teck Resources Ltd., and Nutrien Ltd. were eliminated for failing to meet the initial screening criteria and Bank of Montreal was removed at the portfolio manager's discretion. Positions in Saputo Inc., Enghouse Systems Ltd., Kinaxis, Inc., Barrick Gold Corp, and Kirkland Lake Gold Ltd. were established to replace them. In June, Colliers International Group Inc. and Saputo Inc. were eliminated for failing to meet screening criteria. Ritchie Bros Auctioneers Inc. and B2Gold Corp. were subsequently established as new positions.

Recent Developments

As with the rest of the world, Canada experienced a downturn in economic activity in the first half of 2020. The ongoing COVID-19 pandemic has forced governments to intervene and take the necessary policy actions to assist their economies. Looking forward, Canadian business sentiment is strongly negative as almost 50% of businesses have reported an outright decline in sales over the past 12 months. Businesses in most sectors intend to significantly cut their investment spending as demand weakens and production levels drop. According to the June Monetary Policy Report ("MPR"), the Bank Rate was lowered to 0.25% and is expected to remain there until the 2% inflation target can be sustainably achieved. The Bank of Canada (the "BoC") also intends on extending Quantitative Easing by continuing their large-scale asset purchases every week of at least \$5 billion worth of government bonds. So far, these actions have had their intended effect as household incomes have been supported, borrowing has become easier for businesses and households, and the foundation has been set for recovery. In a scenario laid out in the MPR, barring a second wave of the virus, 40% of the economic collapse is expected to be made up in the third quarter of 2020. While overall GDP is projected to be down 7.8% for the year, 2021 and 2022 are projected to increase by 5.1% and 3.7%, respectively. There is still plenty of uncertainty moving forward, but banks have stated that they are prepared to supply more stimulus if needed and the government will provide appropriate fiscal policy measures as needed.

After a strong 2019 in which the benchmark increased 22.88% on a total return basis, the Canadian equity market took a step back in the first half of 2020. The benchmark was down -7.47% on a total return basis the first half of the year, which can largely be attributed to the emergence of the coronavirus and an overall decrease in global economic activity. On a total return basis for the first half of the year, the Health Care sector dropped about 30% due to a large exposure to the cannabis industry. The Energy sector also declined about 30% as a result of the significant decline in oil prices. On the other hand, Information Technology significantly outperformed the benchmark for the first half of the year with a total return over 60%. The Information Technology sector's outperformance was largely due to the increased demand for the services of technology-related companies as the economy adapted to the shutdown caused

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by the pandemic. The Materials sector's total return exceeded 15% for the first half of the year. The sector's strong first half was largely due to the stock performance of gold mining companies.

According to the International Monetary Fund (the "IMF"), the global economy is projected to contract by 4.9% by the end of 2020 as the world attempts to limit the spread of COVID-19. The effects of the virus are being felt all around the world as labour markets are struggling, consumption is drastically decreasing, global trade is contracting, and governments and central banks are being forced to intervene with fiscal and monetary policy. While the second half of 2020 is still expected to experience a downturn in the economy, the Bank of Canada forecasts that the recovery will begin in 2021, assuming no second wave of the virus. Low interest rates and successful quantitative easing policies could allow Canada to return to pre-pandemic growth levels in 2022. Much of the overall recovery is reliant on upon other countries doing their part to reduce the infection rate. Foreign demand is expected to remain lower than normal due to subdued consumer and business confidence worldwide. For now, interest rates will remain at 0.25% through 2022 and the BoC intends to purchase \$5 billion of government bonds per week in an effort to revitalize the economy. Despite the current economic conditions, there are still plenty of attractive opportunities in Canada. We believe that the catalysts behind the downturn in the economy are shorter-term, and as the country reopens, the economy should rebound. As COVID-19 comes under control and oil prices begin to normalize, we expect the Canadian equity market will provide ample returns for investors with longer time horizons.

We continue to find attractive candidates from within our selection universe of "capital strength" companies. The First Trust ETF is positioned to provide exposure to one of the world's most developed nations, but with less overall concentration in the three leading sectors (Financials, Energy and Materials represented roughly 56% of the sector weights for the benchmark over the period versus roughly 44% within the First Trust ETF portfolio).

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. This information is derived from the First Trust ETF's current unaudited interim financial statements and audited annual financial statements for the twelve-months ended December 31, 2019, 2018, and 2017, for the six-month period ended December 31, 2016, and for the fiscal year ending June 30, 2016.

Net Asset Value per Unit

FST.A	Jun. 30, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Jun. 30, 2016
Net asset value, beginning of period/year ⁽¹⁾	\$28.95	\$25.27	\$28.14	\$24.68	\$21.74	\$23.67
Increase (Decrease) from operations:						
Total revenue	0.31	0.70	0.62	0.51	0.28	0.66
Total expenses	(0.23)	(0.50)	(0.50)	(0.47)	(0.29)	(0.60)
Realized gains (losses) for the period/year	(1.59)	2.09	0.36	2.14	1.05	(0.23)
Unrealized gains (losses) for the period/year	(1.66)	1.74	(3.19)	1.37	1.97	(1.90)
Total increase (decrease) from operations ⁽²⁾	\$(3.17)	\$4.03	\$(2.71)	\$3.55	\$3.01	\$(2.07)
Distributions:						
From income (excluding dividends)	(0.11)	-	-	-	-	-
From dividends	-	(0.18)	(0.03)	-	-	-
From capital gains	-	-	(0.10)	-	-	-
Return of capital	-	(0.07)	-	(0.09)	-	-
Total interim/annual distributions ⁽³⁾	\$(0.11)	\$(0.25)	\$(0.13)	\$(0.09)	\$-	\$-
Net asset value, end of period/year ^{(4), (5)}	\$25.59	\$28.95	\$25.27	\$28.14	\$24.68	\$21.74

FST	Jun. 30, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Jun. 30, 2016
Net asset value, beginning of period/year ⁽¹⁾	\$34.59	\$30.18	\$33.44	\$29.12	\$25.50	\$27.46
Increase (Decrease) from operations:						
Total revenue	0.37	0.84	0.75	0.63	0.34	0.77
Total expenses	(0.11)	(0.23)	(0.23)	(0.22)	(0.19)	(0.42)
Realized gains (losses) for the period/year	(1.91)	2.33	0.07	2.28	1.27	(0.26)
Unrealized gains (losses) for the period/year	(3.55)	2.73	(3.97)	2.77	2.20	(2.15)
Total increase (decrease) from operations ⁽²⁾	\$(5.20)	\$5.67	\$(3.38)	\$5.46	\$3.62	\$(2.06)
Distributions:						
From income (excluding dividends)	(0.32)	-	-	-	-	-
From dividends	-	(0.48)	(0.34)	(0.08)	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	(0.14)	-	-
Total interim/annual distributions ⁽³⁾	\$(0.32)	\$(0.66)	\$(0.34)	\$(0.22)	\$-	\$-
Net asset value, end of period/year ^{(4), (5)}	\$30.54	\$34.59	\$30.18	\$33.44	\$29.12	\$25.50

(1) This information is provided for the six-month period ended June 30, 2020, for the twelve-months ended December 31, 2019, 2018, and 2017, six-month period ended December 31, 2016, and fiscal year ended June 30, 2016, 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) At the time of the conversion to an ETF, there was an exchange of units whereby holders of Series F units received 1 Common unit for each Series F unit held and holders of Series A units received 1 Advisor Class unit for each Series A held.

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

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For the six-month period ended June 30, 2020**

Ratios and Supplemental Data

FST.A	Jun. 30, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Jun. 30, 2016
Net asset value (000's)	\$22,028	\$27,810	\$26,803	\$35,547	\$34,626	\$35,433
Number of units outstanding	860,726	960,726	1,060,726	1,263,337	1,402,854	1,630,111
Management expense ratio ⁽¹⁾	1.77%	1.77%	1.76%	1.76%	2.41%	2.67%
Management expense ratio before waivers or absorption	1.79%	1.79%	1.78%	1.78%	2.41%	2.67%
Trading expense ratio ⁽²⁾	0.04%	0.02%	0.03%	0.03%	0.04%	0.04%
Portfolio turnover rate ⁽³⁾	33.56%	45.10%	63.24%	54.57%	26.70%	52.71%
Net asset value per unit	\$25.59	\$28.95	\$25.27	\$28.14	\$24.68	\$21.74

FST	Jun. 30, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	June 30, 2016
Net asset value (000's)	\$18,107	\$32,614	\$42,046	\$39,815	\$7,207	\$6,644
Number of units outstanding	592,993	942,993	1,392,993	1,190,807	247,534	260,571
Management expense ratio ⁽¹⁾	0.65%	0.65%	0.66%	0.66%	1.29%	1.56%
Management expense ratio before waivers or absorption	0.68%	0.67%	0.68%	0.68%	1.29%	1.56%
Trading expense ratio ⁽²⁾	0.04%	0.02%	0.03%	0.03%	0.04%	0.04%
Portfolio turnover rate ⁽³⁾	33.56%	45.10%	63.24%	54.57%	26.70%	52.71%
Net asset value per unit	\$30.54	\$34.59	\$30.18	\$33.44	\$29.12	\$25.50

(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 0.60% and, in respect of the FST.A, an additional amount for a service fee (see "FST.A Service Fee" below) 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.

FST.A Service Fee

The Manager pays registered dealers a service fee equal to 1.00% per annum of the NAV of the Advisor Class Units held by clients of the registered dealer, plus any applicable taxes. The service fee will be calculated and accrued daily and paid quarterly at the end of each calendar quarter.

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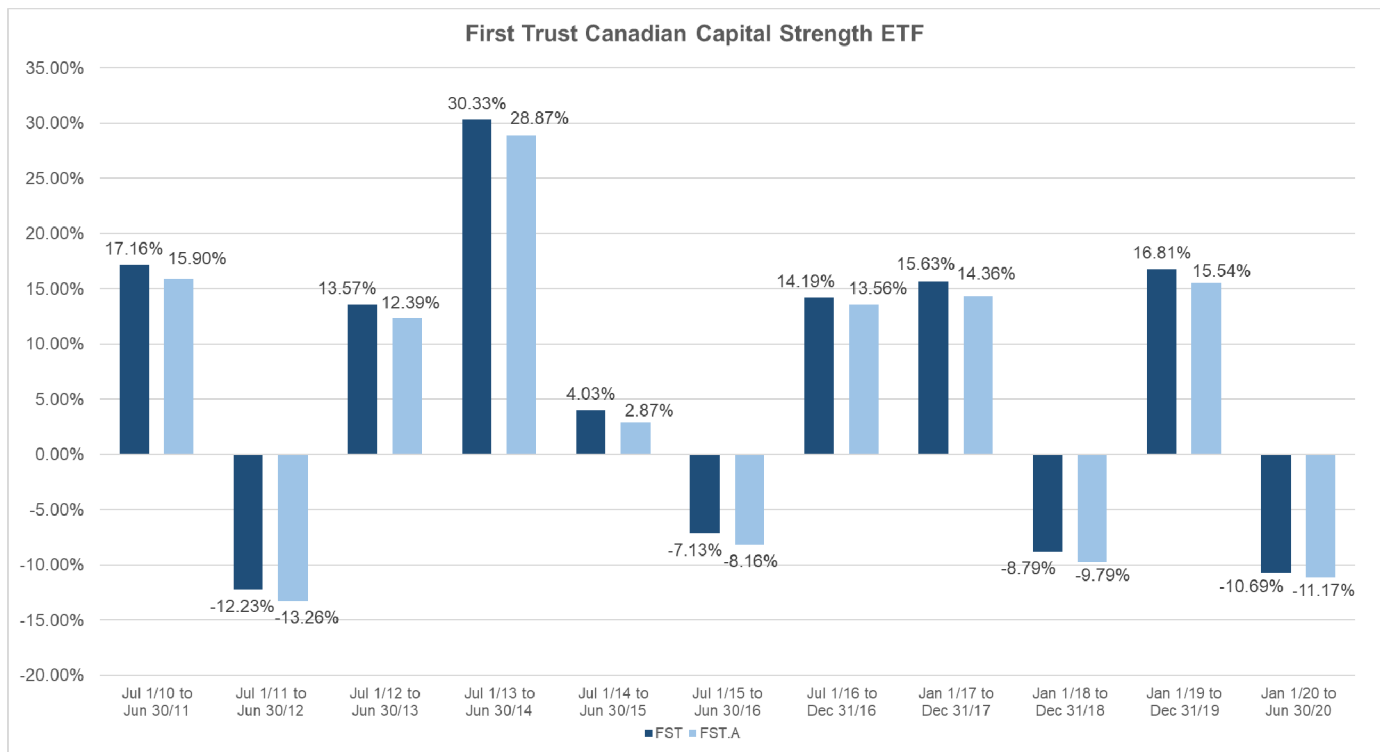
Past Performance

General

The past performance information shown assumes that all distributions made by the First Trust ETF in the period/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, 2020, for the twelve-months ended December 31, 2019, 2018, and 2017, for the six-month period ended December 31, 2016, and for the fiscal years ended June 30 and illustrate 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.



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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 holdings as at June 30, 2020. 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.

Holdings	% of ETF Net Asset Value
Kirkland Lake Gold Ltd.	4.13%
B2Gold Corp.	4.09%
Pembina Pipeline Corporation	4.08%
CCL Industries (Class B)	4.06%
Manulife Financial Corporation	4.05%
The Bank of Nova Scotia	4.04%
Barrick Gold Corporation	4.04%
Sun Life Financial Inc.	4.04%
Magna International Inc	4.04%
Toromont Industries Ltd.	4.01%
Canada Goose Holdings Inc.	4.01%
Ritchie Bros. Auctioneers Inc.	3.99%
The Toronto-Dominion Bank	3.99%
Canadian National Railway Company	3.98%
Canadian Pacific Railway Limited	3.97%
Royal Bank of Canada	3.96%
BCE Inc.	3.95%
Metro Inc.	3.94%
Alimentation Couche-Tard Inc.	3.94%
Intact Financial Corporation	3.94%
Enghouse Systems Limited	3.92%
CGI Inc. (Class A)	3.91%
Kinaxis Inc.	3.90%
Constellation Software Inc	3.88%
Open Text Corporation	3.86%
Cash and Cash Equivalents	0.51%
Other Assets, Less Liabilities	(0.23)%
Total	100.00%

Portfolio Breakdown

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's portfolio as at June 30, 2020.

Sector Weightings	% of ETF Net Asset Value
Financials	24.02%
Information Technology	19.47%
Materials	16.32%
Industrials	15.95%
Consumer Staples	11.89%
Energy	4.08%
Consumer Discretionary	4.04%
Communication Services	3.95%
Cash and Cash Equivalents	0.51%
Other Assets, Less Liabilities	(0.23)%
Total	100.00%

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