



First Trust Canadian Capital Strength ETF • FST

Interim Management Report of Fund Performance
June 30, 2024

(Page intentionally left blank)

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2024

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.sedarplus.ca.

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, 2024

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

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 year that affected the overall level of risk associated with the First Trust ETF.

Results of Operations

General

The First Trust ETF’s total net asset value as of June 30, 2024, was \$81,525,361 or \$50.04 per unit. The First Trust ETF’s total net asset value as of December 31, 2023, was \$66,262,389 or \$44.80 per unit.

For the six-month period ended June 30, 2024, the First Trust ETF paid total cash distributions of \$0.2800 per unit. In addition, the First Trust ETF declared cash distributions of \$0.1600 per unit for record date of June 28, 2024, with payment date of July 8, 2024.

Investment Performance

For the six-month period ended June 30, 2024, the First Trust ETF returned 12.42% compared to S&P/TSX Composite® Index (the “benchmark”) return of 6.05%. Unlike the benchmark, the First Trust ETF’s returns are net of fees and expenses.

The First Trust ETF outperformed the benchmark over the first half of the year. Allocation effect and Selection effect were both positive contributors to relative performance for the period. Positive contribution to relative performance can mainly be attributed to selections within the Information Technology and Energy sectors, and an underweight allocation to the Communication Services sector. Selections within the Industrials sector, an overweight allocation to

First Trust Canadian Capital Strength ETF Management Report of Fund Performance For the six-month period ended June 30, 2024

the Information Technology sector and an underweight allocation to the Materials sector were the largest drags on performance for the period.

The top-performing stocks for the reporting period, based on total return, were Celestica Inc., Dollarama Inc., and Manulife Financial Corporation. These stocks returned 69.53%, 31.01%, and 27.34%, respectively, in CAD, including dividends. The bottom-performing stocks, based on total return were ATS Corporation, Toronto-Dominion Bank, and Restaurant Brands International, Inc. These stocks returned -22.43%, -9.96%, and -5.43%, respectively, in CAD, including dividends.

The First Trust ETF held 25 equity positions for the six-month period ended June 30, 2024 and made no net change to the number of positions from the beginning of the year. Portfolio changes were made in January 2024 (one position added, one position eliminated), April 2024 (two positions added, two positions eliminated). The top ten equity holdings of the First Trust ETF on June 30, 2024, accounted for 42.52% of total NAV and the top ten equity holdings of the First Trust ETF on December 31, 2023, accounted for 43.79% of total NAV. Financials, Industrials, and Energy (in order) were the top three sector weightings at the end of June 2024. Financials, Industrials, and Energy (in order) were also the top three sector weightings at the beginning of the year. Relative to its benchmark over the reporting year, the First Trust ETF on average was overweight the Consumer Discretionary, Consumer Staples, Industrials, and Information Technology sectors while underweight the Communication Services, Energy, Financials, Health Care, Materials, Real Estate, and Utilities sectors. The sector weighting of the First Trust ETF changed somewhat over the reporting year, primarily as the result of our bottom-up, multi-step quantitative and fundamental stock selection strategy. Portfolio changes were made in January and April though there was no net change to the total number of portfolio positions over the year. In January, one position, Franco-Nevada Corp, was removed at the portfolio manager's discretion. A position in Celestica Inc. was established to replace it. In April, two positions, TFI International Inc. and ATS Corp, were removed at the portfolio manager's discretion. Two positions, Waste Connections Inc. and Pembina Pipeline Corp, were established to replace them.

Recent Developments

Progress continues to be made in returning inflation back to the Bank of Canada's ("the BoC") 2% target. After peaking at 8.1% in June of 2022, the CPI release from May showed total inflation has eased back down to 2.9%. Core inflation, which has remained persistently high, has shown signs of easing as well and has fallen below 3%. Many of the key indicators of inflation are improving but are yet to fully normalize. The BoC had four monetary policy meetings in the first half of 2024, with no changes to the policy interest rate made at the first three meetings. At the latest Monetary Policy meeting in June, policymakers determined monetary policy no longer needed to be as restrictive and the overnight rate was cut from 5.25% to 5.00%, the first cut since the beginning of COVID-19. Following a weak second half in 2023 where GDP was essentially flat, the Canadian economy is picking up steam in 2024. The economy is expected to grow around 1.5% on an average annual basis in 2024 and average 2% in 2025 and 2026. With financial conditions easing and both business and consumer confidence improving, the BoC expects the economy to return to balance in 2026. As for inflation, it is still projected to return to the 2% target in 2025 as labor costs moderate and wage growth continues to slow.

The benchmark ended the first half of the year up 6.05% after returning 11.75% on a total return basis in 2023. Six of the eleven sectors posted positive returns, while Communication Services, Health Care, Information Technology, Real Estate and Utilities posted negative returns. Energy was the top performing sector, returning 14.06% through the first six months of the year. Canadian Natural Resources Limited and Suncor Energy Inc. benefitted from the rise in crude oil prices and were the largest contributors to overall performance for the sector. Communications Services was by far the worst performing sector for the period, returning -11.63%. While it only accounts for 3.40% of the index, the sector was the largest drag on performance based on total contribution to return. Financials, which make up almost a third of the index, slightly underperformed the broader market, returning 4.31% for the first half of the year.

We believe there are plenty of long-term attractive opportunities in Canada, especially as inflation comes under control. We expect the Canadian equity market will provide ample returns for investors with longer time horizons

**First Trust Canadian Capital Strength ETF
Management Report of Fund Performance
For the six-month period ended June 30, 2024**

and continue to find attractive long-term candidates from within our selection universe of “capital strength” companies.

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.

First Trust Canadian Capital Strength ETF Management Report of Fund Performance For the six-month period ended June 30, 2024

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, 2024, and for the five years ended December 31. This information is derived from the First Trust ETF's unaudited interim and audited annual financial statements.

Net Asset Value per Unit

FST	2024	2023	2022 ^(a)	2021	2020	2019
Net asset value, beginning of period/year ⁽¹⁾	\$44.80	\$40.54	\$41.02	\$34.44	\$34.59	\$30.18
Increase (Decrease) from operations:						
Total revenue	0.56	1.05	1.33	0.99	0.78	0.84
Total expenses	(0.16)	(0.29)	(0.27)	(0.27)	(0.22)	(0.23)
Realized gains (losses) for the period/year	2.49	0.01	3.96	4.28	(1.13)	2.33
Unrealized gains (losses) for the period/year	2.60	4.23	(3.41)	2.53	(1.82)	2.73
Total increase (decrease) from operations ⁽²⁾	\$5.49	\$5.00	\$1.61	\$7.53	\$(2.39)	\$5.67
Distributions:						
From income (excluding dividends)	(0.32)	-	-	-	-	-
From dividends	-	(0.67)	(0.75)	(0.56)	(0.49)	(0.48)
From capital gains	-	(0.06)	(0.08)	(0.20)	-	-
Return of capital	-	-	-	-	(0.15)	-
Total annual distributions ⁽³⁾	\$(0.32)	\$(0.73)	\$(0.83)	\$(0.76)	\$(0.64)	\$(0.66)
Net asset value, end of period/year ⁽⁴⁾	\$50.04	\$44.80	\$40.54	\$41.02	\$34.44	\$34.59

(a) As of February 28, 2022, the First Trust ETF no longer offered FST.A and the Manager successfully redesignated FST.A to FST of the First Trust ETF.

(1) This information is provided as at June 30, 2024 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.

Ratios and Supplemental Data

FST	2024	2023	2022 ^(a)	2021	2020	2019
Net asset value (000's)	\$81,525	\$66,262	\$57,933	\$20,223	\$18,703	\$32,614
Number of units outstanding	1,629,209	1,479,209	1,429,209	492,993	542,993	942,993
Management expense ratio ⁽¹⁾	0.65%	0.66%	0.67%	0.66%	0.66%	0.65%
Management expense ratio before waivers or absorption	0.67%	0.67%	0.69%	0.68%	0.69%	0.67%
Trading expense ratio ⁽²⁾	0.01%	0.01%	0.01%	0.03%	0.03%	0.02%
Portfolio turnover rate ⁽³⁾	24.87%	32.45%	70.32%	56.13%	60.13%	45.10%

(a) As of February 28, 2022, the First Trust ETF no longer offered FST.A and the Manager successfully redesignated FST.A to FST of the First Trust ETF.

(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.

First Trust Canadian Capital Strength ETF Management Report of Fund Performance For the six-month period ended June 30, 2024

Management Fees

The First Trust ETF will pay the Manager a management fee of 0.60% 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.

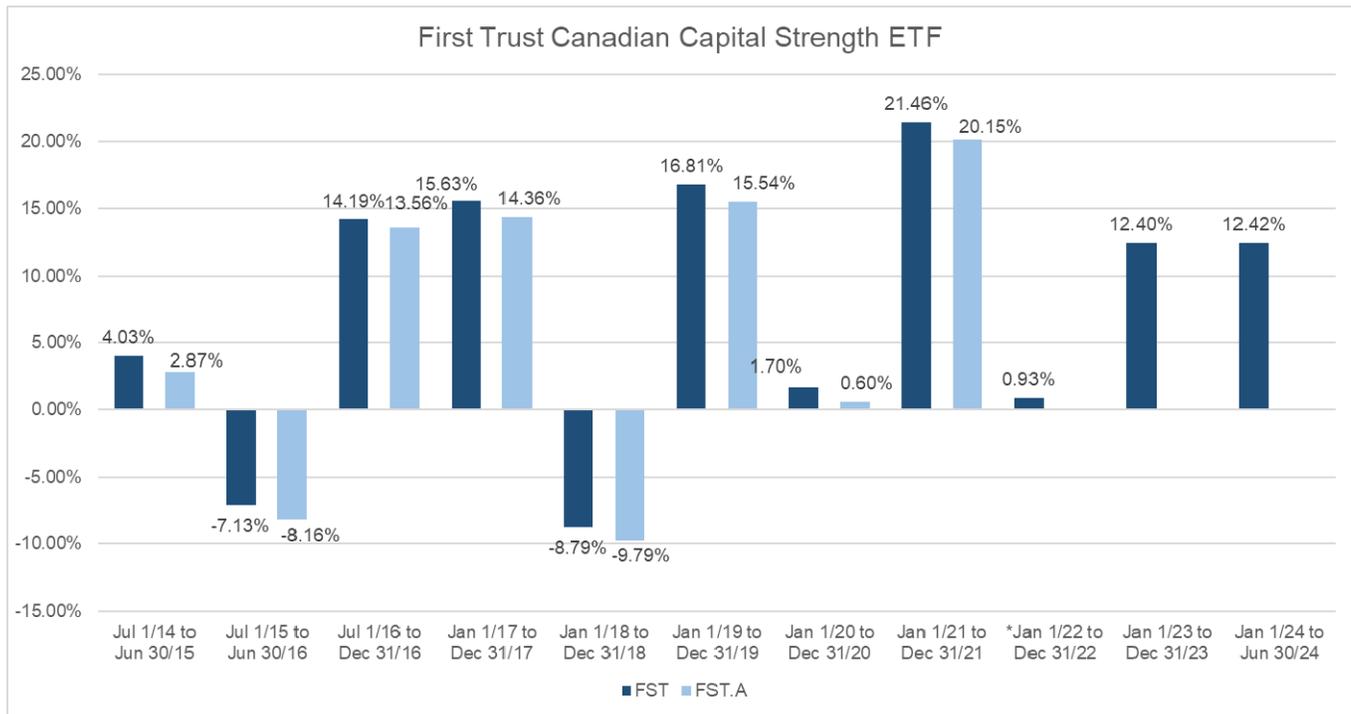
Past Performance

General

The past performance information shown assumes that all distributions made by the First Trust ETF in the 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, 2024, for the years ended December 31, 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.



*As of February 28, 2022, the First Trust ETF no longer offered FST.A and the Manager successfully redesignated FST.A to FST of the First Trust ETF.

First Trust Canadian Capital Strength ETF Management Report of Fund Performance For the six-month period ended June 30, 2024

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, 2024. 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
Celestica Inc.	5.19%
Manulife Financial Corp.	4.36%
Royal Bank of Canada	4.25%
Constellation Software Inc.	4.23%
Dollarama Inc.	4.19%
Waste Connections Inc.	4.15%
Pembina Pipeline Corp.	4.10%
Loblaw Cos. Ltd.	4.04%
Stantec Inc.	4.04%
WSP Global Inc.	3.97%
iA Financial Corp. Inc.	3.94%
CCL Industries Inc., Class 'B'	3.94%
Suncor Energy Inc.	3.93%
Canadian Pacific Kansas City Ltd.	3.93%
Alimentation Couche-Tard Inc.	3.92%
Imperial Oil Ltd.	3.92%
CGI Inc.	3.89%
Teck Resources Ltd., Class 'B'	3.82%
National Bank of Canada	3.78%
Cenovus Energy Inc.	3.76%
Finning International Inc.	3.74%
Restaurant Brands International Inc.	3.70%
Sun Life Financial Inc.	3.69%
Canadian Natural Resources Ltd.	3.66%
Toronto-Dominion Bank (The)	3.59%
Total	99.73%

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, 2024.

Sector Weightings	% of ETF Net Asset Value
Financials	23.61%
Industrials	19.83%
Energy	19.37%
Information Technology	13.31%
Consumer Staples	7.96%
Consumer Discretionary	7.89%
Materials	7.76%
Cash and Cash Equivalents	0.42%
Other Assets, Less Liabilities	-0.15%
Total	100.00%

(Page intentionally left blank)

(Page intentionally left blank)

FT Portfolios Canada Co.

40 King Street West, Suite 5102
Scotia Plaza, Box 312
Toronto, Ontario M5H 3Y2

www.firsttrust.ca