



First Trust AlphaDEX™ U.S. Consumer Staples Sector
Index ETF • FHC, FHC.F

Interim Management Report of Fund Performance
June 30, 2020

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2020

First Trust AlphaDEX™ U.S. Consumer Staples 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. Consumer Staples Sector Index ETF** (the "First Trust ETF") is to replicate, to the extent possible, the performance of the StrataQuant® Consumer Staples 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 Consumer Staples 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 Consumer Staples AlphaDEX® Fund (NYSE Arca ticker: FXG), 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 period that affected the overall level of risk associated with the First Trust ETF. The First Trust ETF provides exposure to the consumer staples 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, 2020 was \$3,398,115 or \$24.73 per Unit ("FHC") and \$18.51 per Hedged Unit ("FHC.F"). The First Trust ETF's total net asset value as of December 31, 2019 was \$2,297,347 or \$25.71 per FHC and \$20.24 per FHC.F.

For the six-month period ended June 30, 2020, the First Trust ETF paid total cash distributions per unit of \$0.2600 for FHC and \$0.2025 for FHC.F. In addition, the First Trust ETF declared cash distributions per unit of \$0.0700 for FHC and \$0.0525 for FHC.F for record date of June 30, 2020 with payment date of July 8, 2020. The First Trust ETF also made reinvested distributions to Unitholders of record on April 30, 2020 of \$0.3587 per unit of FHC and \$0.0400 per unit of FHC.F. These amounts were reinvested in the First Trust ETF and not paid in cash to Unitholders.

Investment Performance

For the six-month period ended June 30, 2020, FHC returned -3.23% compared to the Russell 1000® Consumer Staples Index (CAD) (the "benchmark") total return of -2.47% while FHC.F returned -8.01% compared to the Russell 1000® Consumer Staples Index (USD) (the "hedged benchmark") total return of -7.14%. Unlike the benchmark and the hedged benchmark, the First Trust ETF's returns are net of fees and expenses.

As of June 30, 2020, the Consumer Staples sector accounted for 5.69% of the weight of the Russell 1000® Index. The benchmark underperformed the Russell 1000® Index (CAD) which returned 2.08%. The hedged benchmark underperformed the Russell 1000® Index (USD) which returned -2.81%.

The portfolio held 40 equity securities as of June 30, 2020. The top ten equity holdings accounted for 43.38% of the portfolio. 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.

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The First Trust ETF underperformed during the period due to stock selection, mostly within the Food, Beverage & Tobacco industry. Specifically, the First Trust ETF suffered from poor selection within the Foods sub-industry, including three of the bottom five contributors to return. Strong selection in the Personal Care, Drug & Grocery Stores industry and overweight allocations to the Pharmaceuticals & Biotech and Retail industries mitigated underperformance.

FHC outperformed FHC.F during the period because of its exposure to the U.S. dollar, which appreciated 4.5% against the Canadian dollar from December 31, 2019, to June 30, 2020. FHC.F is not exposed to movements in the U.S. dollar.

The top five stocks by contribution to return were Sprouts Farmers Markets, Inc., Nu Skin Enterprises, Inc. Class A, Kroger Co., Clorox Company, and AmerisourceBergen Corporation. The bottom five stocks by contribution to return were Sysco Corporation, Pilgrim's Pride Corporation, Tyson Foods, Inc. Class A, Lamb Weston Holdings, Inc., and Walgreens Boots Alliance Inc.

Recent Developments

The Russell 1000® Index declined sharply in the first quarter of 2020, falling over 20%, but rebounded in the second quarter to post a -2.81% total return in the first half of 2020 as the COVID-19 pandemic caused significant disruptions to the U.S. economy. The U.S. dollar appreciated relative to the Canadian dollar in the first half of 2020, meaning the index gained 1.97% over the same period measured in Canadian dollars. Broad shutdowns of the U.S. economy caused the U.S. unemployment rate to rise from a 50-year low of 3.5% in February to a record high of 14.7% in April. The rapid deterioration in economic conditions was met with swift action by the U.S. Federal Reserve, which cut its target range of the federal funds rate to near zero in March. The interest rate cuts and a rally in U.S. government bonds caused the yield on the benchmark U.S. 10-year Treasury to fall as low as 0.54% during the period, but it finished the period slightly higher at 0.66%. The COVID-19 pandemic also caused a significant increase in market volatility during the period, while uncertainty surrounding when the economy could resume normal levels of activity led to a lack of transparency as many companies withdrew earnings guidance during the period. The Russell 1000® Index finished the period trading at a P/E multiple of 23.3, compared to 22.2 at the end of 2019, with a dividend yield of 1.87%.

The Consumer Staples sector underperformed the Russell 1000® Index during the period despite retail sales in the food & beverage stores category being one of the strongest categories of retail sales during the period. Retail sales were significantly impacted by the COVID-19 pandemic during the period. In April, U.S. retail sales fell 14.7% over the prior month, which was the largest drop on record dating back to 1992. Retail sales rebound in May, however, posting a record 17.7% increase from April. Certain industries within the Consumer Staples sector benefited economically from the pandemic, such as the Personal Care industry which includes companies that manufacture disinfectant and household cleaning products.

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

Net Asset Value per Unit

FHC	Jun. 30, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2015
Net asset value, beginning of period/year ⁽¹⁾	\$25.71	\$22.80	\$24.21	\$24.62	\$24.73	\$21.63
Increase (Decrease) from operations:						
Total revenue	0.29	0.56	0.66	0.40	0.62	0.65
Total expenses	(0.14)	(0.28)	(0.36)	(0.28)	(0.28)	(0.26)
Realized gains (losses) for the period/year	(0.21)	0.73	0.91	(0.59)	0.57	1.04
Unrealized gains (losses) for the period/year	(0.44)	3.02	(2.30)	0.76	(1.25)	0.37
Total increase (decrease) from operations ⁽²⁾	\$(0.50)	\$4.03	\$(1.10)	\$0.29	\$(0.34)	\$1.80
Distributions:						
From income (excluding dividends)	(0.19)	(0.38)	(0.17)	(0.44)	(0.15)	(0.41)
From dividends	-	-	-	-	-	-
From capital gains	(0.31)	-	(0.41)	-	(1.27)	-
Return of capital	-	-	-	-	-	(0.08)
Total interim/annual distributions ⁽³⁾	\$(0.50)	\$(0.38)	\$(0.58)	\$(0.44)	\$(1.42)	\$(0.49)
Net asset value, end of period/year ⁽⁴⁾	\$24.73	\$25.71	\$22.80	\$24.21	\$24.62	\$24.73

FHC.F	Jun. 30, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017 ^(a)
Net asset value, beginning of period/year ⁽¹⁾	\$20.24	\$17.31	\$20.03	\$20.00 ^(b)
Increase (Decrease) from operations:				
Total revenue	0.22	0.43	0.49	0.10
Total expenses	(0.11)	(0.22)	(0.27)	(0.03)
Realized gains (losses) for the period/year	(0.78)	0.10	(0.67)	0.01
Unrealized gains (losses) for the period/year	(0.96)	2.37	(3.00)	(0.05)
Total increase (decrease) from operations ⁽²⁾	\$(1.63)	\$2.68	\$(3.45)	\$0.03
Distributions:				
From income (excluding dividends)	(0.15)	(0.29)	(0.13)	-
From dividends	-	-	-	-
From capital gains	-	-	-	-
Return of capital	-	-	-	-
Total interim/annual distributions ⁽³⁾	\$(0.15)	\$(0.29)	\$(0.13)	\$-
Net asset value, end of period/year ⁽⁴⁾	\$18.51	\$20.24	\$17.31	\$20.03

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

(b) Seed capital

(1) This information is provided as at June 30, 2020 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

FHC	Jun. 30, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2015
Net asset value (000's)	\$2,473	\$1,285	\$2,280	\$2,421	\$2,462	\$3,710
Number of units outstanding	100,000	50,000	100,000	100,000	100,000	150,000
Management expense ratio ⁽¹⁾	0.77%	0.77%	0.77%	0.82%	0.77%	0.79%
Management expense ratio before waivers or absorption	0.79%	0.79%	0.79%	0.84%	0.79%	0.80%
Trading expense ratio ⁽²⁾	0.04%	0.05%	0.05%	0.11%	0.06%	0.04%
Portfolio turnover rate ⁽³⁾	51.41%	122.70%	116.28%	498.88%	289.16%	273.49%
Net asset value per unit	\$24.73	\$25.71	\$22.80	\$24.21	\$24.62	\$24.73

FHC.F	Jun. 30, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Net asset value (000's)	\$925	\$1,012	\$4,328	\$1,001
Number of units outstanding	50,000	50,000	250,000	50,000
Management expense ratio ⁽¹⁾	0.79%	0.79%	0.79%	0.74%
Management expense ratio before waivers or absorption	0.82%	0.81%	0.80%	0.97%
Trading expense ratio ⁽²⁾	0.04%	0.05%	0.05%	0.11%
Portfolio turnover rate ⁽³⁾	51.41%	122.70%	116.28%	498.88%
Net asset value per unit	\$18.51	\$20.24	\$17.31	\$20.03

(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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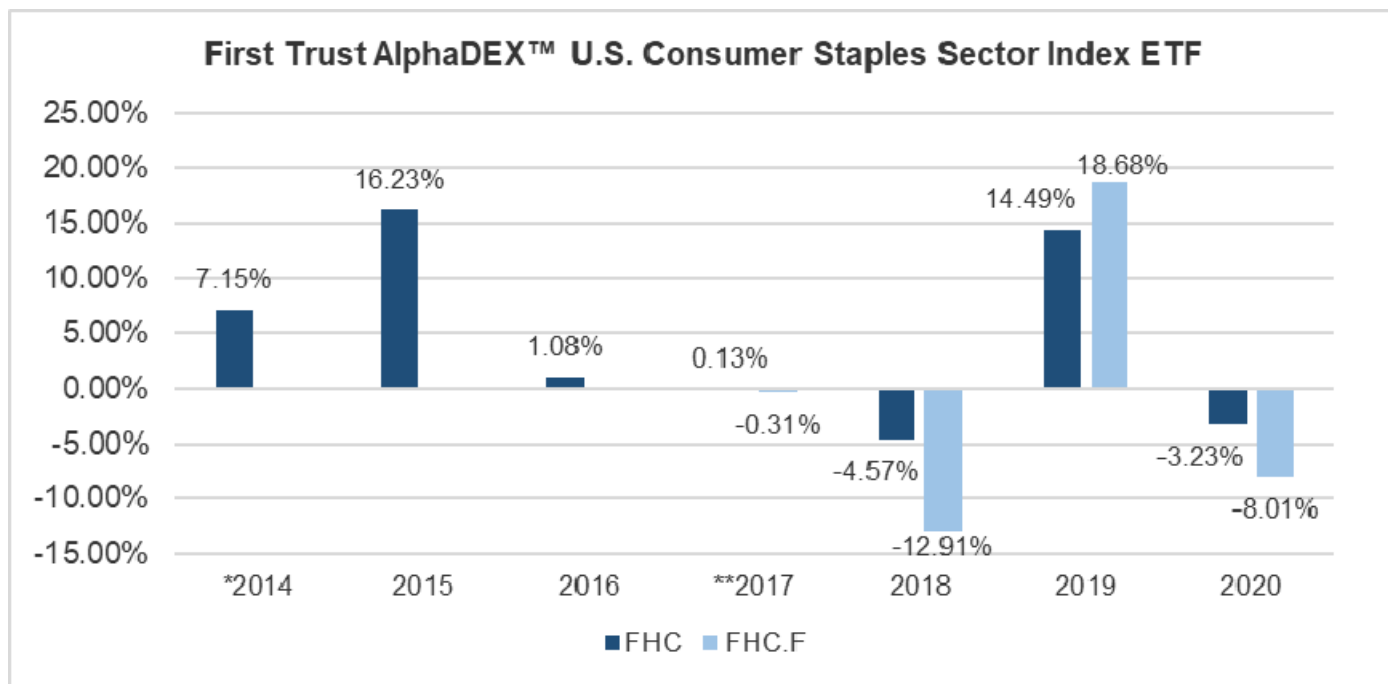
Past Performance

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, 2020, for the years ended December 31, for the period from commencement of operations to December 31, 2017 for FHC.F, and for the period from commencement of operations to December 31, 2014 for FHC 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.



*FHC Commencement: October 30, 2014

**FHC.F Commencement: December 8, 2017

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Summary of Investment Portfolio

The table sets out the percentage (based on total net asset value) of the First Trust ETF's top 25 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.

Top 25 Holdings	% of ETF Total Net Asset Value
Nu Skin Enterprises Inc., Class 'A'	6.34%
Sprouts Farmers Markets Inc.	4.99%
Dollar General Corp.	4.57%
AmerisourceBergen Corp.	4.12%
McKesson Corp.	4.11%
Casey's General Stores Inc.	4.09%
US Foods Holding Corp.	4.03%
Campbell Soup Co.	3.89%
Clorox Co. (The)	3.67%
Monster Beverage Corp.	3.57%
Ingredion Inc.	3.19%
Kellogg Co.	3.19%
PepsiCo Inc.	3.19%
Tyson Foods Inc., Class 'A'	2.99%
Hershey Co. (The)	2.83%
Kraft Heinz Co. (The)	2.80%
Pilgrim's Pride Corp.	2.70%
Church & Dwight Co. Inc.	2.62%
Archer-Daniels-Midland Co.	2.46%
CVS Health Corp.	2.38%
Procter & Gamble Co. (The)	2.37%
Coca-Cola Co. (The)	2.19%
Walgreens Boots Alliance Inc.	2.01%
Molson Coors Beverage Co., Class 'B'	1.91%
McCormick & Co. Inc.	1.84%
Total	82.05%

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, 2020.

Industry Weightings	% of ETF Total Net Asset Value
Personal Care, Drug and Grocery Stores	43.70%
Food Producers	41.96%
Beverages	12.52%
Tobacco	1.44%
Cash & Cash Equivalents	0.57%
Other Assets, Less Liabilities	(0.19)%
Total	100.00%

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