



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

Interim Management Report of Fund Performance
June 30, 2019

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2019

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 report 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, 2019

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 simplified 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, 2019 was \$69,512,809 or \$34.09 per Common Class unit (“FST”) and \$28.54 per Advisor Class unit (“FST.A”). The First Trust ETF’s total net asset value as of December 31, 2018 was \$68,848,611 or \$30.18 per FST and \$25.27 per FST.A.

For the six-month period ended June 30, 2019, the First Trust ETF paid total cash distributions per unit of \$0.2500 for FST and \$0.0850 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 28, 2019 with payment date of July 8, 2019.

Investment Performance

For the six-month period ended June 30, 2019, FST returned 13.98% and FST.A returned 13.37% compared to S&P/TSX Composite Index (the “benchmark”) return of 16.22%. Unlike the benchmark, the First Trust ETF’s returns are net of fees and expenses.

FST has underperformed the benchmark the first half of the year. Overall, allocation effect was a positive contributor to relative performance, whereas stock selection was negative. Positive contribution to relative performance included an overweight allocation in the Industrials and Information Technology sectors, an underweight allocation and stock selection in the Communication Services sector versus the benchmark, and an underweight allocation in the

First Trust Canadian Capital Strength ETF Management Report of Fund Performance For the six-month period ended June 30, 2019

Financials and Energy sectors. Negative contributions to relative performance came predominantly from an overweight allocation and stock selection in the Consumer Discretionary and Materials sectors. Stock selection within the Information Technology, Financials, and Energy sectors were negative contributors as well.

The top-performing stocks by total return for the first half of the year were Kirkland Lake Gold Ltd., Constellation Software Inc., and CAE Inc. These stocks returned +58.79%, +45.00%, and +41.24% respectively, in CAD, including dividends. The bottom-performing stocks by contribution for the period were Canfor Corporation, Canada Goose Holdings, Inc., and Enerplus Corporation. These stocks returned -36.18%, -21.02%, and -6.84% respectively, in CAD, including dividends.

The First Trust ETF held 25 equity positions for the six-month period ending June 30, 2019 and made no net change to the number of positions from the beginning of the period. Portfolio changes were made in March 2019 (2 positions added, 2 positions eliminated) and June 2019 (3 positions added, 3 positions eliminated). The top ten equity holdings of the First Trust ETF at June 30, 2019 accounted for 40.44% of total NAV and the top ten equity holdings of the First Trust ETF at December 31, 2018 accounted for 40.64% of total NAV. Financials, Industrials, and Consumer Staples (in order) were the top three sector weightings at the end of the period, whereas 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 Discretionary, and Consumer Staples Sectors and underweight the Energy, Utilities, 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 2019. There was no net change to the total number of portfolio positions over the period. In January, one position, Canadian Tire Corp Ltd., was eliminated for failing to meet the initial screening criteria and Canadian Imperial Bank of Commerce was removed at the portfolio manager's discretion. Positions in Manulife Financial Group and Canada Goose Holdings Inc. were established to replace them. In June, Canfor Corp. was eliminated for failing to meet screening criteria while National Bank of Canada & Enerplus Corp. were removed at the portfolio manager's discretion. Nutrien Ltd., Colliers International Group Inc, and Intact Financial Corp. were subsequently established as new positions.

Recent Developments

After slowing at the end of 2018, the Canadian economy picked up in the first half of 2019. The economy saw the fastest two months of GDP growth in April and March since the end of 2017. The Bank of Canada (the "BoC") revised their second quarter GDP target up from 1.3% to 2.3%. The surprise in growth is attributed to the continued strength of the labour force and a recovery in exports and housing investments. The economy added 247,000 jobs in the first half of the year. According to Bloomberg, the jobs added in the first half of the year were the second highest employment gain for a first half of a year in four decades. Annual pay gains increased to 3.8% in June, up 1.0% from May. Further, in May, unemployment hit its lowest level in nearly four decades at 5.4%. At the end of last year, the economy struggled with oil price differentials versus global prices as transportation constraints and refinery shutdowns, primarily in Alberta, weighed on economic growth. Energy continued to be a drag on the economy in the first quarter as oil production cuts imposed by Alberta's government to alleviate pipeline bottlenecks took effect at the beginning of the year. By the second quarter, crude oil exports rebounded as Alberta oil production and transportation improved. Non-energy commodity exports will help fuel further expansion in exports as the United States removed tariffs on Canadian steel and aluminum in May. Like energy, the housing market also showed signs of recovery in the first half of the year. In the month of June, housing starts increased 25%, with multiple units starts up 31%, according to Canada Mortgage and Housing Corp. Gains were country-wide as all provinces saw increases. The strong housing data can be attributed to a better lending environment. According to the BoC, "Household imbalances, as measured by the ratio of household debt to income, have stabilized, and mortgage stress testing has improved the quality of mortgage borrowing. Lower mortgage interest rates are providing some support to housing demand." Given the state of the economy, the BoC left the overnight benchmark rate unchanged at 1.75% for the first half of the year.

Canada's equity market had a strong first half of 2019 with the S&P/TSX Composite Index up 16.22% on a total return basis. The first half gains in the equity market came after the S&P/TSX Composite Index was down 8.89% in 2018.

First Trust Canadian Capital Strength ETF Management Report of Fund Performance For the six-month period ended June 30, 2019

The reversal was largely due to a rebound in the Financials and Energy Sectors, which make up slightly more than half of the S&P/TSX Composite Index. The Energy Sector ran into major headwinds in the second half of 2018 but rebounded in the first half of 2019. This rebound was led by pipeline companies. Regulatory burdens have delayed the construction of new pipelines, which has caused current pipelines to run at full capacity. According to Bloomberg, six of the top ten performing companies year-to-date in the S&P/TSX Composite Index are midstream companies. Financials underperformed the broader index, but are still up around 14% for the first half. The relatively good first half comes with a tempered outlook on net interest income for banks. The BoC has kept rates still, while other central banks, including the United States, weigh rate cuts. Despite the headwinds for net interest income, a rebound in capital markets revenue, a robust labour market, and strong dividend yields are positives for banks.

Despite the stronger-than-expected first half of the year, the BoC has eased their long-term outlook domestically and globally, citing global trade escalation as the largest downside risk. Domestically, China has increased trade restrictions on Canada. Globally, the ongoing trade conflicts between the United States and China is starting to have a material effect on manufacturing activity and business investment. The global impact of trade has lightened foreign demand resulting in downward pressure on commodity prices. Central bank policymakers in the United States, Europe, and China have expressed willingness to further stimulate growth through policy, which is a sign that the global financial conditions have eased significantly. Though Canada's economic boom in the second quarter was in part due to temporary factors, the BoC believes the economy is on track to operate near full potential for the rest of the year. Exports are expected to continue to improve at a more modest rate. Consumption will be driven by a strong labour market, while the housing market continues to show signs of improvement.

We believe Canada has many positive investment attributes, including low unemployment, high wages, an improving housing market, improving exports, the Canada-United States-Mexico Agreement, and business-friendly federal tax measures. Historically, the Canadian equity market has delivered investors a global best blend of reward-to-risk, making it an attractive market for long-term oriented investors.

We continue to find attractive candidates 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 60% of the sector weights for the S&P/TSX Composite Index over the period versus roughly 48% within the FST 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.

First Trust Canadian Capital Strength ETF Management Report of Fund Performance For the six-month period ended June 30, 2019

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 for the six-month period ended June 30, 2019 and audited annual financial statements for the twelve-months ended December 31, 2018 and 2017, for the six-month period ended December 31, 2016, and for the fiscal years ending June 30.

Net Asset Value per Unit

FST.A	Jun. 30, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	June 30, 2016	June 30, 2015
Net asset value, beginning of period/year ⁽¹⁾	\$25.27	\$28.14	\$24.68	\$21.74	\$23.67	\$23.01
Increase (Decrease) from operations:						
Total revenue	0.37	0.62	0.51	0.28	0.66	0.53
Total expenses	(0.25)	(0.50)	(0.47)	(0.29)	(0.60)	(0.64)
Realized gains (losses) for the period/year	0.39	0.36	2.14	1.05	(0.23)	1.70
Unrealized gains (losses) for the period/year	2.91	(3.19)	1.37	1.97	(1.90)	(0.82)
Total increase (decrease) from operations ⁽²⁾	\$3.42	\$(2.71)	\$3.55	\$3.01	\$(2.07)	\$0.77
Distributions:						
From income (excluding dividends)	(0.11)	-	-	-	-	-
From dividends	-	(0.03)	-	-	-	-
From capital gains	-	(0.10)	-	-	-	-
Return of capital	-	-	(0.09)	-	-	-
Total annual distributions ⁽³⁾	\$(0.11)	\$(0.13)	\$(0.09)	\$ -	\$ -	\$ -
Net asset value, end of period/year ⁽⁴⁾	\$28.54	\$25.27	\$28.14	\$24.68	\$21.74	\$23.67

FST	Jun. 30, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	June 30, 2016	June 30, 2015
Net asset value, beginning of period/year ⁽¹⁾	\$30.18	\$33.44	\$29.12	\$25.50	\$27.46	\$26.39
Increase (Decrease) from operations:						
Total revenue	0.44	0.75	0.63	0.34	0.77	0.61
Total expenses	(0.11)	(0.23)	(0.22)	(0.19)	(0.42)	(0.43)
Realized gains (losses) for the period/year	0.48	0.07	2.28	1.27	(0.26)	1.96
Unrealized gains (losses) for the period/year	3.60	(3.97)	2.77	2.20	(2.15)	(0.95)
Total increase (decrease) from operations ⁽²⁾	\$4.41	\$(3.38)	\$ 5.46	\$ 3.62	\$(2.06)	\$ 1.19
Distributions:						
From income (excluding dividends)	(0.31)	-	-	-	-	-
From dividends	-	(0.34)	(0.08)	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	(0.14)	-	-	-
Total annual distributions ⁽³⁾	\$(0.31)	\$(0.34)	\$(0.22)	\$ -	\$ -	\$ -
Net asset value, end of period/year ⁽⁴⁾	\$34.09	\$30.18	\$33.44	\$29.12	\$25.50	\$27.46

(1) This information is provided for the six-month period ended June 30, 2019, twelve-months ended December 31, 2018 and 2017, six-month period ended December 31, 2016, and fiscal years ended June 30, 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.

First Trust Canadian Capital Strength ETF Management Report of Fund Performance For the six-month period ended June 30, 2019

Ratios and Supplemental Data

FST.A	Jun. 30, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	June 30, 2016	June 30, 2015
Net asset value (000's)	\$28,845	\$26,803	\$35,547	\$34,626	\$35,433	\$49,650
Number of units outstanding	1,010,726	1,060,726	1,263,337	1,402,854	1,630,111	2,097,763
Management expense ratio ⁽¹⁾	1.75%	1.76%	1.76%	2.41%	2.67%	2.66%
Management expense ratio before waivers or absorption	1.77%	1.78%	1.78%	2.41%	2.67%	2.66%
Trading expense ratio ⁽²⁾	0.03%	0.03%	0.03%	0.04%	0.04%	0.03%
Portfolio turnover rate ⁽³⁾	33.47%	63.24%	54.57%	26.70%	52.71%	62.79%
Net asset value per unit	\$28.54	\$25.27	\$28.14	\$24.68	\$21.74	\$23.67

FST	Jun. 30, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	June 30, 2016	June 30, 2015
Net asset value (000's)	\$40,668	\$42,046	\$39,815	\$7,207	\$6,644	\$8,258
Number of units outstanding	1,192,993	1,392,993	1,190,807	247,534	260,571	300,783
Management expense ratio ⁽¹⁾	0.66%	0.66%	0.66%	1.29%	1.56%	1.54%
Management expense ratio before waivers or absorption	0.68%	0.68%	0.68%	1.29%	1.56%	1.54%
Trading expense ratio ⁽²⁾	0.03%	0.03%	0.03%	0.04%	0.04%	0.03%
Portfolio turnover rate ⁽³⁾	33.47%	63.24%	54.57%	26.70%	52.71%	62.79%
Net asset value per unit	\$34.09	\$30.18	\$33.44	\$29.12	\$25.50	\$27.46

(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.

First Trust Canadian Capital Strength ETF Management Report of Fund Performance For the six-month period ended June 30, 2019

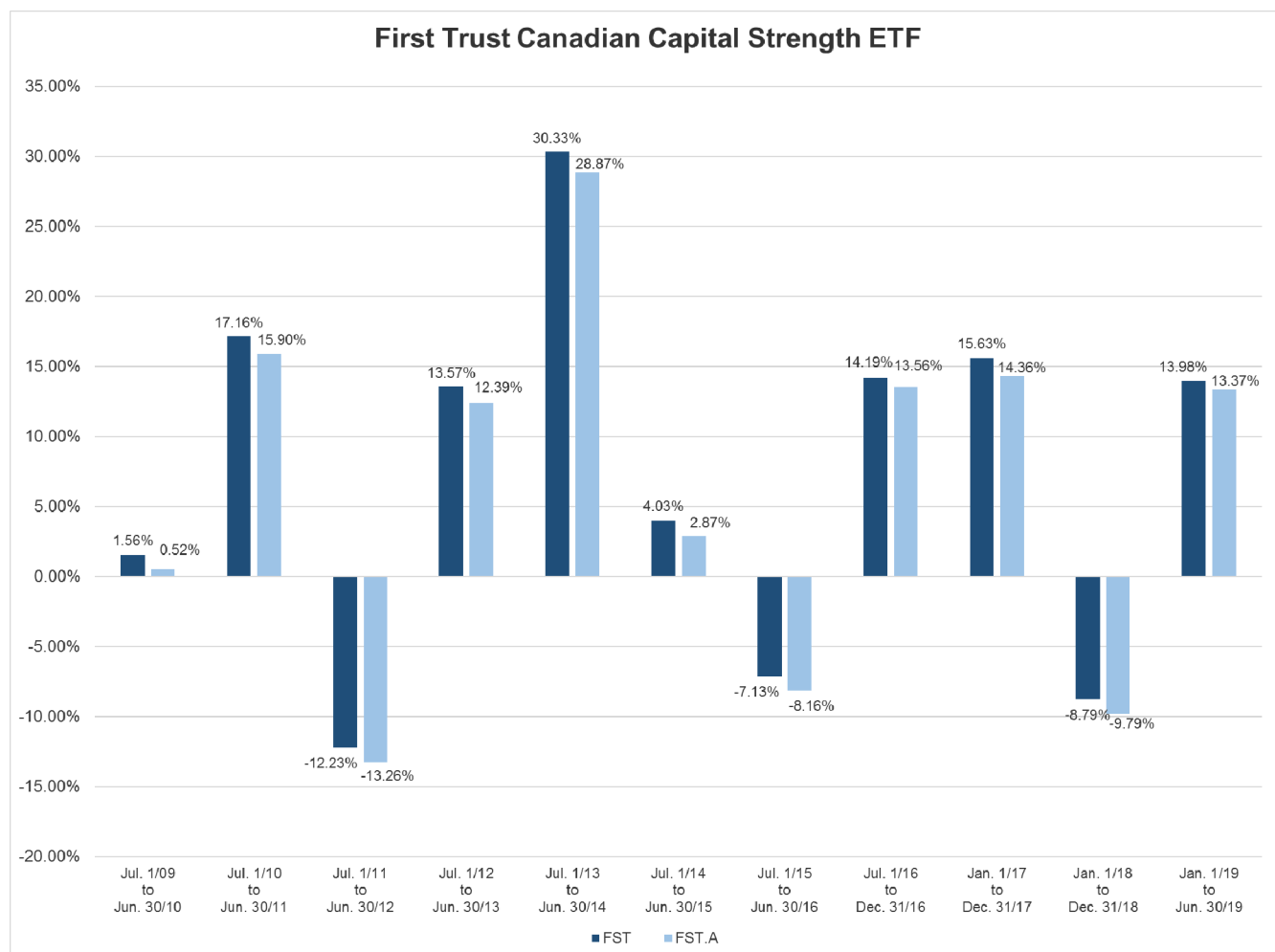
Past Performance

General

The past performance information shown assumes that all distributions made by the First Trust ETF in the period 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, 2019, for the twelve-months ended December 31, 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.



**First Trust Canadian Capital Strength ETF
Management Report of Fund Performance
For the six-month period ended June 30, 2019**

Summary of Investment Portfolio

The table sets out the percentage (based on total net asset value) of the First Trust ETF's holdings as at June 30, 2019. This summary of portfolio holdings may change due to ongoing portfolio transactions of the First Trust ETF. A quarterly update is available at www.firsttrust.ca.

Holdings	% of ETF Net Asset Value
Canada Goose Holdings Inc.	4.20%
Constellation Software Inc.	4.11%
Pembina Pipeline Corp.	4.05%
Magna International Inc.	4.04%
Colliers International Group Inc.	4.03%
Kirkland Lake Gold Ltd.	4.02%
CAE Inc.	4.00%
Canadian National Railway Co.	4.00%
Teck Resources Ltd., Class 'B'	4.00%
Sun Life Financial Inc.	3.99%
Toronto-Dominion Bank (The)	3.99%
CGI Inc.	3.99%
Waste Connections Inc.	3.98%
Metro Inc., Class 'A'	3.97%
Bank of Montreal	3.97%
Royal Bank of Canada	3.97%
Canadian Pacific Railway Ltd.	3.97%
Open Text Corp.	3.97%
BCE Inc.	3.95%
Intact Financial Corp.	3.95%
Manulife Financial Corp.	3.95%
Alimentation Couche-Tard Inc., Class 'B'	3.94%
Bank of Nova Scotia	3.92%
Suncor Energy Inc.	3.89%
Nutrien Ltd.	3.87%
Cash and Cash Equivalents	0.54%
Other Assets, Less Liabilities	(0.26)%
Total	100.00%

Portfolio Breakdown

The table sets out the percentage (based on total net asset value) of the First Trust ETF's portfolio as at June 30, 2019.

Sector Weightings	% of ETF Net Asset Value
Financials	31.77%
Industrials	15.95%
Consumer Staples	12.11%
Information Technology	12.07%
Materials	11.89%
Energy	7.94%
Consumer Discretionary	4.04%
Communication Services	3.95%
Cash and Cash Equivalents	0.54%
Other Assets, Less Liabilities	(0.26)%
Total	100.00%

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