



2018 Interim Financial Reports (unaudited)

First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged) • FDE, FDE.A
First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged) • EUR, EUR.A
First Trust Senior Loan ETF (CAD-Hedged) • FSL, FSL.A
First Trust Short Duration High Yield Bond ETF (CAD-Hedged) • FSD, FSD.A
First Trust Canadian Capital Strength ETF • FST, FST.A
First Trust Global Risk Managed Income Index ETF • ETP, ETP.A
First Trust Tactical Bond Index ETF • FTB
First Trust Value Line® Dividend Index ETF (CAD-Hedged) • FUD, FUD.A
First Trust AlphaDEX™ U.S. Financial Sector Index ETF • FHF
First Trust AlphaDEX™ U.S. Energy Sector Index ETF • FHE
First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF • FHD
First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF • FHC, FHC.F
First Trust AlphaDEX™ U.S. Health Care Sector Index ETF • FHH, FHH.F
First Trust AlphaDEX™ U.S. Materials Sector Index ETF • FHM
First Trust AlphaDEX™ U.S. Industrials Sector Index ETF • FHG, FHG.F
First Trust AlphaDEX™ U.S. Technology Sector Index ETF • FHQ, FHQ.F
First Trust AlphaDEX™ U.S. Utilities Sector Index ETF • FHU
First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged) • FSR
First Trust Inxx Innovative Transaction and Process ETF • BLCK

As at June 30, 2018

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MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)
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First Trust AlphaDEX™ U.S. Utilities Sector Index ETF
First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)
First Trust Indxx Innovative Transaction and Process ETF
(collectively referred to as the “First Trust ETFs”)

The accompanying interim financial reports have been prepared by FT Portfolios Canada Co., the Manager of the First Trust ETFs, and approved by the Board of Directors of the Manager. The First Trust ETFs' Manager is responsible for the information and representations contained in these interim financial reports and other sections of the interim financial reports. The First Trust ETFs' Manager maintains appropriate procedures to ensure that relevant and reliable information is produced. These interim financial reports have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standard 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). The significant accounting policies which management believes are appropriate for the First Trust ETFs are described in Notes 2 and 3 to the interim financial reports.

Notice to unitholders:

These interim financial reports have not been reviewed by the external auditors of the First Trust ETFs. FT Portfolios Canada Co. will appoint an independent auditor to audit the annual financial statements of the First Trust ETFs for the year ended December 31, 2018 in accordance with Canadian Generally Accepted Auditing Standards.



Andrew Roggensack
Director



David G. McGarel
Director

First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	4,588,524	9,919,445
Cash	43,066	64,473
Accrued dividend receivable	26,683	7,222
Derivative assets	58,275	50,074
Other assets	3,457	2,088
	4,720,005	10,043,302
Liabilities		
Accrued liabilities	10,436	11,680
Distributions payable to holders of redeemable units	8,860	27,759
	19,296	39,439
Total net assets attributable to holders of redeemable units	4,700,709	10,003,863
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Common Class	3,143,134	7,513,780
Advisor Class	1,557,575	2,490,083
Redeemable units outstanding [note 6]		
Common Class	200,600	450,600
Advisor Class	99,399	149,399
Net assets attributable to holders of redeemable units per unit		
Common Class	15.67	16.68
Advisor Class	15.67	16.67

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	182,664	160,703
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	354,252	580,187
Net realized gain (loss) on derivatives	(596,291)	63,272
Net realized gain (loss) on foreign exchange	1,477	(687)
Net change in unrealized appreciation (depreciation) of investments	(500,391)	(90,489)
Net change in unrealized appreciation (depreciation) of derivatives	8,201	(20,190)
	(550,088)	692,796
Foreign exchange gain (loss) on cash	(31)	(181)
	(550,119)	692,615
Expenses [note 7]		
Management fees	31,247	23,981
Transaction costs [note 3 and note 9]	9,926	5,937
Service fees	9,406	6,352
HST expense	3,917	2,999
Independent Review Committee fees	799	806
Interest expense	15	66
	55,310	40,141
Expenses waived by the manager	(799)	(806)
	54,511	39,335
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	(604,630)	653,280
Withholding taxes	13,624	13,676
Increase (Decrease) in net assets attributable to holders of redeemable units	(618,254)	639,604
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Common Class	(534,590)	616,757
Advisor Class	(83,664)	22,847
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Common Class	(1.18)	1.59
Advisor Class	(0.76)	0.28

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30	June 30	June 30	June 30
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
	Common Class	Common Class	Advisor Class	Advisor Class
Net assets attributable to holders of redeemable units, beginning of period	7,513,780	7,918,042	2,490,083	709,808
Increase (Decrease) in net assets attributable to holders of redeemable units	(534,590)	616,757	(83,664)	22,847
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	4,275,654	2,327,039	-	803,549
Redemption of units	(8,015,825)	(8,484,010)	(834,875)	-
	(3,740,171)	(6,156,971)	(834,875)	803,549
Distributions to holders of redeemable units from:				
Net investment income	(95,885)	(65,500)	(13,969)	(10,625)
	(95,885)	(65,500)	(13,969)	(10,625)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	(4,370,646)	(5,605,714)	(932,508)	815,771
Net assets attributable to holders of redeemable units, end of period	3,143,134	2,312,328	1,557,575	1,525,579
			June 30	June 30
			2018 (\$)	2017 (\$)
			Total	Total
Net assets attributable to holders of redeemable units, beginning of period			10,003,863	8,627,850
Increase (Decrease) in net assets attributable to holders of redeemable units			(618,254)	639,604
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			4,275,654	3,130,588
Redemption of units			(8,850,700)	(8,484,010)
			(4,575,046)	(5,353,422)
Distributions to holders of redeemable units from:				
Net investment income			(109,854)	(76,125)
			(109,854)	(76,125)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period			(5,303,154)	(4,789,943)
Net assets attributable to holders of redeemable units, end of period			4,700,709	3,837,907

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(618,254)	639,604
Adjustments for:		
Net realized (gain) loss on sale of investments	(354,252)	(580,187)
Change in unrealized (appreciation) depreciation of investments and derivatives	492,190	110,679
Dividends receivable	(19,461)	(33,060)
Other assets	(1,369)	(945)
Other liabilities	(1,244)	(151)
Purchases of investments	(8,768,858)	(5,624,219)
Proceeds from the sale of investments	13,953,640	10,920,478
	4,682,392	5,432,199
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	4,275,654	3,130,588
Amount paid on redemptions of units	(8,850,700)	(8,484,010)
Distributions paid to unitholders	(128,753)	(68,409)
	(4,703,799)	(5,421,831)
Increase (Decrease) in cash for the period	(21,407)	10,368
Cash, beginning of period	64,473	29,518
Cash, end of period	43,066	39,886
Dividends received, net of withholding taxes	149,579	113,967

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to provide unitholders with exposure to the performance of a portfolio of dividend paying equity securities domiciled in the emerging markets and selected from the countries represented in the S&P BMI Emerging Markets Index as well as providing unitholders with monthly distributions.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	4,588,524	–	–	4,588,524
Derivative assets	–	58,275	–	58,275
Total	4,588,524	58,275	–	4,646,799
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	9,919,445	–	–	9,919,445
Derivative assets	–	50,074	–	50,074
Total	9,919,445	50,074	–	9,969,519

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Common	Advisor
Outstanding units – December 31, 2016	550,599	49,400
Redeemable units issued	450,001	100,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(550,000)	(1)
Outstanding units – December 31, 2017	450,600	149,399
Redeemable units issued	250,000	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(500,000)	(50,000)
Outstanding units – June 30, 2018	200,600	99,399

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Common Class	Advisor Class ¹
0.65%	1.65%

¹Includes a service fee of 1.00%

First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2017 and 2016 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2017	2016	2017	2016
790,163	982,074	-	-

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
9,926	5,937

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
31,247	23,981	5,098	2,532

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
MSCI Emerging Markets Index (USD)	174,161	(174,161)	349,135	(349,135)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at June 30, 2018 and December 31, 2017:

Currency	At June 30, 2018		At December 31, 2017	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	(7,191)	(0.15)	43,191	0.43

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$72 (December 31, 2017 - \$432). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

Concentration Risk - The table below summarizes the concentration risk for the period ended June 30, 2018 and year ended December 31, 2017:

Country	As a % of net assets attributable to holders of redeemable units	
	June 30, 2018	December 31, 2017
Brazil	17.82	24.00
Chile	10.42	8.12
China	9.95	10.15
Taiwan	9.45	12.36
Colombia	6.40	6.21
South Africa	5.89	9.60
Mexico	4.96	4.72
India	4.64	5.64
Hong Kong	4.38	–
Peru	3.63	2.85
Luxembourg	3.37	3.91
Monaco	2.91	2.33
Turkey	2.71	1.46
United States	2.44	2.16
Greece	2.15	–
Netherlands	2.07	0.61
Indonesia	1.30	0.65
Philippines	1.26	1.44
Russia	1.23	2.95
Cyprus	0.63	–
Total	97.61	99.16

First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Brazil—17.82%				
Companhia Energetica de Minas Gerais-CEMIG SA, ADR	72,950	211,181	176,463	3.75
Companhia Paranaense de Energia-Copel, ADR	22,789	220,235	167,174	3.56
Cosan Ltd., Class 'A'	8,331	99,368	83,566	1.78
Embraer SA, ADR	3,013	84,351	98,630	2.10
Fibria Celulose SA, ADR	6,901	128,469	168,656	3.59
Gerdau SA, ADR	11,560	62,781	53,799	1.14
Itau Unibanco Holding SA, ADR	6,554	108,215	89,436	1.90
		914,600	837,724	17.82
Chile—10.42%				
Banco de Chile, ADR	254	31,322	31,041	0.66
Banco Santander Chile, ADR	1,499	62,640	61,938	1.32
Compania Cervecerias Unidas SA, ADR	1,896	62,666	62,165	1.32
Enel Chile SA	24,857	174,037	159,470	3.39
Enel Generacion Chile SA, ADR	4,441	130,402	116,826	2.49
Sociedad Quimica y Minera de Chile SA, ADR	925	60,324	58,431	1.24
		521,391	489,871	10.42
China—9.95%				
Fanhua Inc., ADR	777	23,391	29,112	0.62
Hollysys Automation Technologies Ltd.	3,042	90,464	88,542	1.88
Huazhu Group Ltd., ADR	2,723	174,036	150,315	3.20
New Oriental Education & Technology Group Inc., ADR	926	103,424	115,236	2.45
Yirendai Ltd., ADR	3,029	93,989	84,500	1.80
		485,304	467,705	9.95
Colombia—6.40%				
Bancolombia SA, ADR	2,834	164,195	178,015	3.79
Ecopetrol SA	4,550	87,394	122,923	2.61
		251,589	300,938	6.40
Cyprus—0.63%				
QIWI PLC, ADR	1,434	31,337	29,692	0.63
		31,337	29,692	0.63
Greece—2.15%				
Costamare Inc.	9,613	94,067	100,849	2.15
		94,067	100,849	2.15
Hong Kong—4.38%				
Seaspan Corp.	15,376	174,185	205,779	4.38
		174,185	205,779	4.38
India—4.64%				
HDFC Bank Ltd., ADR	691	87,004	95,403	2.03
Infosys Technologies Ltd., ADR	1,289	26,548	32,926	0.70
Sesa Sterlite Ltd.	3,192	72,346	57,070	1.21
Wipro Ltd., ADR	5,196	33,375	32,720	0.70
		219,273	218,119	4.64
Indonesia—1.30%				
PT Telekomunikasi Indonesia Persero TBK, ADR	1,786	65,630	61,070	1.30
		65,630	61,070	1.30
Luxembourg—3.37%				
Ternium SA, ADR	3,463	139,334	158,523	3.37
		139,334	158,523	3.37
Mexico—4.96%				
Coca-Cola FEMSA SAB de CV, Series 'L', ADR	417	36,882	30,935	0.66
Fomento Economico Mexicano SAB de CV, ADR	1,185	137,063	136,765	2.91
Grupo Aeroportuario del Sureste SAB de CV, ADR	312	62,710	65,283	1.39
		236,655	232,983	4.96

First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Monaco—2.91%				
GasLog Ltd.	5,445	124,297	136,723	2.91
		124,297	136,723	2.91
Netherlands—2.07%				
VEON Ltd., ADR	31,109	102,939	97,336	2.07
		102,939	97,336	2.07
Peru—3.63%				
Compañía de Minas Buenaventura SA, Series 'B', ADR	6,071	115,548	108,784	2.31
Credicorp Ltd.	209	57,216	61,855	1.32
		172,764	170,639	3.63
Philippines—1.26%				
PLDT Inc., ADR	1,931	70,388	59,352	1.26
		70,388	59,352	1.26
Russia—1.23%				
Mobile TeleSystems PJSC, ADR	4,982	64,320	57,833	1.23
		64,320	57,833	1.23
South Africa—5.89%				
AngloGold Ashanti Ltd., ADR	2,796	33,487	30,178	0.64
Gold Fields Ltd., ADR	26,624	133,791	124,954	2.66
Sasol Ltd., ADR	2,537	107,187	121,871	2.59
		274,465	277,003	5.89
Taiwan—9.45%				
ASE Industrial Holding Co. Ltd., ADR	14,074	101,687	85,111	1.81
AU Optronics Corp., ADR	30,646	163,710	170,422	3.63
Chunghwa Telecom Co. Ltd., ADR	654	29,362	30,883	0.66
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	611	29,267	29,367	0.62
United Microelectronics Corp., ADR	34,640	111,654	128,421	2.73
		435,680	444,204	9.45
Turkey—2.71%				
Turkcell Iletisim Hizmetleri AS, ADR	14,846	142,838	127,643	2.71
		142,838	127,643	2.71
United States—2.44%				
Southern Copper Corp.	1,378	82,998	84,909	1.81
Yum China Holdings Inc.	586	29,962	29,629	0.63
		112,960	114,538	2.44
Total investments		4,634,016	4,588,524	97.61
Transaction costs		(2,726)		
Unrealized appreciation on derivatives - see Schedule 1			58,275	1.24
Other assets, less liabilities			53,910	1.15
Total Net Assets Attributable to Holders of Redeemable Units		4,631,290	4,700,709	100.00

Schedule 1 - Foreign Exchange Contracts*

Counterparty	Credit Rating of Counterparty**	Settlement Date	Currency Sell	Amount Sold	Currency Buy	Amount Bought	Forward Rate	Appreciation	
								Current	(Depreciation)
								Rate	\$
Bank of New York Mellon (The), New York	A-1+	31/07/2018	USD	3,533,983	CAD	4,702,000	0.752	0.761	58,275
									58,275

* Commercial paper rating per Stand and Poor's Commercial Paper Guide

** Per Standard and Poor's Rating

First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	22,878,930	26,625,655
Cash	79,897	189,869
Accrued dividend receivable	218,314	160,117
Derivative assets	249,538	-
Other assets	5,096	2,857
	23,431,775	26,978,498
Liabilities		
Accrued liabilities	18,225	19,208
Distributions payable to holders of redeemable units	48,389	77,791
Derivative liabilities	-	54,332
	66,614	151,331
Total net assets attributable to holders of redeemable units	23,365,161	26,827,167
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Common Class	21,588,724	23,886,452
Advisor Class	1,776,437	2,940,715
Redeemable units outstanding [note 6]		
Common Class	924,022	1,024,022
Advisor Class	75,979	125,979
Net assets attributable to holders of redeemable units per unit		
Common Class	23.36	23.33
Advisor Class	23.38	23.34

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	477,631	567,056
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	1,600,550	1,539,744
Net realized gain (loss) on derivatives	(621,887)	(713,122)
Net realized gain (loss) on foreign exchange	18,433	(2,461)
Net change in unrealized appreciation (depreciation) of investments	(1,126,609)	(296,966)
Net change in unrealized appreciation (depreciation) of derivatives	303,870	166,183
	651,988	1,260,434
Foreign exchange gain (loss) on cash	2,209	1,204
	654,197	1,261,638
Expenses [note 7]		
Management fees	96,694	100,959
Transaction costs [note 3 and note 9]	12,280	12,925
Service fees	9,170	8,511
HST expense	8,692	9,129
Independent Review Committee fees	2,080	2,804
Interest expense	1	91
	128,917	134,419
Expenses waived by manager	(23,859)	(28,003)
	105,058	106,416
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	549,139	1,155,222
Withholding taxes	23,887	64,901
Increase (Decrease) in net assets attributable to holders of redeemable units	525,252	1,090,321
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Common Class	472,998	1,022,647
Advisor Class	52,254	67,674
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Common Class	0.47	0.98
Advisor Class	0.66	0.89

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)	June 30 2018 (\$)	June 30 2017 (\$)
	Common Class	Common Class	Advisor Class	Advisor Class
Net assets attributable to holders of redeemable units, beginning of period	23,886,452	26,462,714	2,940,715	1,643,870
Increase (decrease) in net assets attributable to holders of redeemable units	472,998	1,022,647	52,254	67,674
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	3,411,885	3,498,520	-	-
Redemption of units	(5,875,664)	(6,679,746)	(1,202,742)	(479)
	(2,463,779)	(3,181,226)	(1,202,742)	(479)
Distributions to holders of redeemable units from:				
Net investment income	(306,947)	(318,019)	(13,790)	(13,320)
	(306,947)	(318,019)	(13,790)	(13,320)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	(2,297,728)	(2,476,598)	(1,164,278)	53,875
Net assets attributable to holders of redeemable units, end of period	21,588,724	23,986,116	1,776,437	1,697,745
			June 30 2018 (\$) Total	June 30 2017 (\$) Total
Net assets attributable to holders of redeemable units, beginning of period			26,827,167	28,106,584
Increase (decrease) in net assets attributable to holders of redeemable units			525,252	1,090,321
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			3,411,885	3,498,520
Redemption of units			(7,078,406)	(6,680,225)
			(3,666,521)	(3,181,705)
Distributions to holders of redeemable units from:				
Net investment income			(320,737)	(331,339)
			(320,737)	(331,339)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period			(3,462,006)	(2,422,723)
Net assets attributable to holders of redeemable units, end of period			23,365,161	25,683,861

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	525,252	1,090,321
Adjustments for:		
Net realized (gain) loss on sale of investments	(1,600,550)	(1,539,744)
Change in unrealized (appreciation) depreciation of investments and derivatives	822,739	130,783
Dividends receivable	(58,197)	(23,396)
Other assets	(2,239)	(1,826)
Other liabilities	(983)	(1,224)
Purchases of investments	(12,913,202)	(11,816,723)
Proceeds from the sale of investments	17,133,868	15,517,883
	3,906,688	3,356,074
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	3,411,885	3,498,520
Amount paid on redemptions of units	(7,078,406)	(6,680,225)
Distributions paid to unitholders	(350,139)	(334,026)
	(4,016,660)	(3,515,731)
Increase (Decrease) in cash for the period	(109,972)	(159,657)
Cash, beginning of period	189,869	289,692
Cash, end of period	79,897	130,035
Dividends received, net of withholding taxes	395,547	478,759

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to replicate, to the extent possible, the performance of the AlphaDEX™ European Dividend Index, net of expenses. The AlphaDEX™ European Dividend Index results from applying the AlphaDEX™ methodology to a universe of ADRs of European companies that are listed on the NYSE, NYSE Market and NASDAQ exchanges.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets (Liabilities) at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	22,878,930	–	–	22,878,930
Derivative assets	–	249,538	–	249,538
Derivative liabilities	–	–	–	–
Total	22,878,930	249,538	–	23,128,468
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	26,625,655	–	–	26,625,655
Derivative assets	–	–	–	–
Derivative liabilities	–	(54,332)	–	(54,332)
Total	26,625,655	(54,332)	–	26,571,323

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Common	Advisor
Outstanding units – December 31, 2016	1,224,001	76,000
Redeemable units issued	300,021	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(500,000)	(21)
Outstanding units – December 31, 2017	1,024,022	125,979
Redeemable units issued	150,000	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(250,000)	(50,000)
Outstanding units – June 30, 2018	924,022	75,979

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Common Class	Advisor Class ¹
0.60%	1.60%

¹Includes a service fee of 1.00%

First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2017 and 2016 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2017	2016	2017	2016
1,155,920	1,429,468	-	-

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
12,280	12,925

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
96,694	100,959	11,773	12,758

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
MSCI Europe Index (Local Currency)	971,991	(971,991)	1,411,109	(1,411,109)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at June 30, 2018 and December 31, 2017:

Currency	At June 30, 2018		At December 31, 2017	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	23,106,358	98.89	26,790,392	99.86
Swiss Francs	-	-	(1,501,963)	(5.60)
British Pound Sterling	(9,325,035)	(39.91)	(9,630,205)	(35.90)
Euro	(11,053,353)	(47.31)	(12,380,712)	(46.15)
Total	2,727,970	11.67	3,277,512	12.21

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$27,280 (December 31, 2017 - \$32,775). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

Concentration Risk - The table below summarizes the concentration risk for the period ended June 30, 2018 and year ended December 31, 2017:

Country	As a % of net assets attributable to holders of redeemable units	
	June 30, 2018	December 31, 2017
United Kingdom	35.43	32.51
Netherlands	18.12	20.10
France	7.43	3.94
Luxembourg	6.26	0.77
Spain	5.75	8.12
United States	4.28	1.69
Italy	4.24	4.05
Norway	4.19	2.27
Ireland	3.18	1.67
Russia	3.07	4.10
Sweden	2.66	–
Finland	1.65	–
Germany	0.85	7.12
Jersey, Channel Islands	0.81	1.74
Switzerland	–	5.56
Israel	–	3.39
Denmark	–	2.22
Total	97.92	99.25

First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
INTERNATIONAL EQUITIES				
Finland—1.65%				
Nokia OYJ, ADR	51,127	388,342	386,481	1.65
		388,342	386,481	1.65
France—7.43%				
Orange SA, ADR	25,637	579,409	561,840	2.40
Sanofi SA, ADR	3,868	195,648	203,454	0.87
Total SA, ADR	12,202	824,787	971,465	4.16
		1,599,844	1,736,759	7.43
Germany—0.85%				
SAP SE, ADR	1,312	159,996	199,493	0.85
		159,996	199,493	0.85
Ireland—3.18%				
CRH PLC, ADR	16,006	715,445	743,845	3.18
		715,445	743,845	3.18
Italy—4.24%				
Eni SPA, ADR	20,298	858,665	990,538	4.24
		858,665	990,538	4.24
Jersey, Channel Islands—0.81%				
Randgold Resources Ltd., ADR	1,861	206,993	188,606	0.81
		206,993	188,606	0.81
Luxembourg—6.26%				
ArcelorMittal	22,983	990,128	869,576	3.72
Tenaris SA, ADR	12,369	550,991	591,734	2.54
		1,541,119	1,461,310	6.26
Netherlands—18.12%				
AEGON NV	95,338	751,113	741,990	3.18
ASML Holding NV, Registered	1,505	299,311	391,693	1.68
ING Groep NV, ADR	20,234	394,179	380,921	1.63
Koninklijke Philips NV	10,793	488,499	599,770	2.57
Royal Dutch Shell PLC, Class 'A', ADR	10,636	793,711	968,017	4.14
STMicroelectronics NV	6,201	100,260	180,325	0.77
Unilever NV	5,308	388,707	388,823	1.66
VEON Ltd., ADR	185,790	685,573	581,312	2.49
		3,901,353	4,232,851	18.12
Norway—4.19%				
Equinor ASA, ADR	28,193	805,825	978,858	4.19
		805,825	978,858	4.19
Russia—3.07%				
Mobile TeleSystems PJSC, ADR	61,801	714,098	717,408	3.07
		714,098	717,408	3.07
Spain—5.75%				
Banco Bilbao Vizcaya Argentaria SA, ADR	43,027	444,926	395,958	1.70
Banco Santander SA, ADR	81,325	630,375	570,920	2.44
Telefónica SA, ADR	33,639	478,176	377,227	1.61
		1,553,477	1,344,105	5.75
Sweden—2.66%				
Telefonaktiebolaget LM Ericsson, Class 'B', ADR	61,586	581,333	620,994	2.66
		581,333	620,994	2.66
United Kingdom—35.43%				
AstraZeneca PLC, ADR	3,997	188,750	184,491	0.79
Barclays PLC, ADR	41,577	607,063	548,232	2.35
BHP Billiton PLC, ADR	12,932	592,938	764,197	3.27
BP PLC, ADR	16,151	802,687	969,495	4.15
British American Tobacco PLC, ADR	14,454	916,959	958,648	4.10

First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
BT Group PLC, ADR	10,891	319,820	207,036	0.89
Carnival PLC, ADR	9,232	742,584	699,689	2.99
Diageo PLC, ADR	1,010	182,597	191,216	0.82
GlaxoSmithKline PLC, ADR	7,306	386,464	387,171	1.66
HSBC Holdings PLC, ADR	3,059	195,929	189,574	0.81
Lloyds Banking Group PLC, ADR	132,154	592,028	578,542	2.47
Prudential PLC, ADR	12,237	749,673	735,193	3.15
Rio Tinto PLC, ADR	10,442	604,365	761,606	3.26
Vodafone Group PLC, ADR	11,416	437,301	364,846	1.56
WPP PLC, ADR	7,142	811,366	737,806	3.16
		8,130,524	8,277,742	35.43
United States—4.28%				
Shire PLC, ADR	4,506	897,124	999,940	4.28
		897,124	999,940	4.28
Total investments		22,054,138	22,878,930	97.92
Transaction costs		(14,314)		
Unrealized appreciation on derivatives - see Schedule 1			249,538	1.07
Other assets, less liabilities			236,693	1.01
Total Net Assets Attributable to Holders of Redeemable Units		22,039,824	23,365,161	100.00

Schedule 1 - Foreign Exchange Contracts*

Counterparty	Credit Rating of Counterparty**	Settlement Date	Currency Sell	Amount Currency		Amount Bought	Forward Rate	Appreciation Current (Depreciation)	
				Sold	Buy			Rate	\$
Bank of New York Mellon (The), New York	A-1+	31/07/2018	EUR	7,189,052	CAD	11,166,000	0.644	0.650	112,035
Bank of New York Mellon (The), New York	A-1+	31/07/2018	GBP	5,370,663	CAD	9,463,000	0.568	0.576	137,503
									249,538

* Commercial paper rating per Stand and Poor's Commercial Paper Guide

** Per Standard and Poor's Rating

First Trust Senior Loan ETF (CAD-Hedged)

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	110,225,731	127,790,540
Cash	9,925,861	14,580,343
Accrued interest receivable	430,018	496,602
Receivable for portfolio securities sold	8,960,611	2,220,559
Derivative assets	1,465,250	705,574
Other assets	35,186	22,578
	131,042,657	145,816,197
Liabilities		
Accrued liabilities	96,827	122,679
Payable for portfolio securities purchased	12,884,656	5,406,752
Distributions payable to holders of redeemable units	429,720	433,920
	13,411,203	5,963,351
Total net assets attributable to holders of redeemable units	117,631,454	139,852,846
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Common Class	116,482,251	138,693,986
Advisor Class	1,149,203	1,158,860
Redeemable units outstanding [note 6]		
Common Class	6,090,010	7,190,010
Advisor Class	59,990	59,990
Net assets attributable to holders of redeemable units per unit		
Common Class	19.13	19.29
Advisor Class	19.16	19.32

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Interest income for distribution purposes	3,141,454	4,568,631
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	(1,488,547)	(590,981)
Net realized gain (loss) on derivatives	(6,594,173)	3,967,167
Net realized gain (loss) on foreign exchange	(341,162)	5,643,555
Net change in unrealized appreciation (depreciation) of investments	6,271,090	(11,891,560)
Net change in unrealized appreciation (depreciation) of derivatives	759,677	1,901,357
	1,748,339	3,598,169
Foreign exchange gain (loss) on cash	371,850	(299,981)
	2,120,189	3,298,188
Expenses [note 7]		
Management fees	523,360	820,203
HST expense	55,802	98,821
Independent Review Committee fees	10,249	22,232
Service fees	2,878	2,911
	592,289	944,167
Expenses waived by the manager	(10,249)	(22,232)
	582,040	921,935
Increase (decrease) in net assets attributable to holders of redeemable units before tax	1,538,149	2,376,253
Increase (Decrease) in net assets attributable to holders of redeemable units	1,538,149	2,376,253
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Common Class	1,527,949	2,365,789
Advisor Class	10,200	10,464
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Common Class	0.25	0.25
Advisor Class	0.17	0.18

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust Senior Loan ETF (CAD-Hedged)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30	June 30	June 30	June 30
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
	Common Class	Common Class	Advisor Class	Advisor Class
Net assets attributable to holders of redeemable units, beginning of period	138,693,986	149,762,199	1,158,860	1,175,359
Increase (Decrease) in net assets attributable to holders of redeemable units	1,527,949	2,365,789	10,200	10,464
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	2,901,979	75,473,470	-	-
Redemption of units	(24,221,171)	(5,870,201)	-	-
	(21,319,192)	69,603,269	-	-
Distributions to holders of redeemable units from:				
Net investment income	(2,420,492)	(4,041,353)	(19,857)	(20,700)
	(2,420,492)	(4,041,353)	(19,857)	(20,700)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	(22,211,735)	67,927,705	(9,657)	(10,236)
Net assets attributable to holders of redeemable units, end of period	116,482,251	217,689,904	1,149,203	1,165,123
			June 30	June 30
			2018 (\$)	2017 (\$)
			Total	Total
Net assets attributable to holders of redeemable units, beginning of period			139,852,846	150,937,558
Increase (Decrease) in net assets attributable to holders of redeemable units			1,538,149	2,376,253
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			2,901,979	75,473,470
Redemption of units			(24,221,171)	(5,870,201)
			(21,319,192)	69,603,269
Distributions to holders of redeemable units from:				
Net investment income			(2,440,349)	(4,062,053)
			(2,440,349)	(4,062,053)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period			(22,221,392)	67,917,469
Net assets attributable to holders of redeemable units, end of period			117,631,454	218,855,027

See accompanying notes which are an integral part of these financial statements.

First Trust Senior Loan ETF (CAD-Hedged)

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	1,538,149	2,376,253
Adjustments for:		
Net realized (gain) loss on sale of investments	1,488,547	590,981
Change in unrealized (appreciation) depreciation of investments and derivatives	(7,030,767)	9,990,203
Interest receivable	66,584	38,561
Other assets	(12,608)	(90,137)
Other liabilities	(25,852)	53,148
Purchases of investments	(104,426,843)	(360,201,865)
Proceeds from the sale of investments	127,512,049	292,760,058
	19,109,259	(54,482,798)
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	2,901,979	75,473,470
Amount paid on redemptions of units	(24,221,171)	(5,870,201)
Distributions paid to unitholders	(2,444,549)	(3,825,268)
	(23,763,741)	65,778,001
Increase (Decrease) in cash for the period	(4,654,482)	11,295,203
Cash, beginning of period	14,580,343	16,428,463
Cash, end of period	9,925,861	27,723,666
Interest received	3,208,038	4,607,192

See accompanying notes which are an integral part of these financial statements.

First Trust Senior Loan ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks is to provide unitholders with a high level of current income by investing primarily in a diversified portfolio of senior floating rate loans and debt securities, with capital appreciation as a secondary objective. The First Trust ETF will primarily invest in a portfolio of senior floating rate loans which are generally rated at or below BB+ by Standard & Poor’s, or Ba1 or less by Moody’s Investor Services, Inc., or a similar rating by a designated rating organization.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Bonds and Senior Loans	–	110,173,926	–	110,173,926
Equities	51,805	–	–	51,805
Derivative assets	–	1,465,250	–	1,465,250
Total	51,805	111,639,176	–	111,690,981
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Bonds and Senior Loans	–	127,790,540	–	127,790,540
Equities	–	–	–	–
Derivative assets	–	705,574	–	705,574
Total	–	128,496,114	–	128,496,114

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Common	Advisor
Outstanding units – December 31, 2016	7,640,000	60,000
Redeemable units issued	4,200,010	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(4,650,000)	(10)
Outstanding units – December 31, 2017	7,190,010	59,990
Redeemable units issued	150,000	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(1,250,000)	–
Outstanding units – June 30, 2018	6,090,010	59,990

First Trust Senior Loan ETF (CAD-Hedged)
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D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Common Class	Advisor Class ¹
0.85%	1.35%

¹Includes a service fee of 0.50%

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2017 and 2016 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2017	2016	2017	2016
3,253,723	6,234,279	-	-

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
-	-

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
523,360	820,203	83,227	150,975

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Interest rate risk - The table below summarizes the First Trust ETF's exposure to Senior Loans and High Yield bonds as at June 30, 2018 and December 31, 2017:

	At June 30, 2018				
	Less than 1 year (\$)	1-3 years (\$)	3-5 years (\$)	>5 years (\$)	Total (\$)
High Yield Bonds and Senior Loans	1,134,685	6,595,720	30,731,434	71,763,892	110,225,731
Total	1,134,685	6,595,720	30,731,434	71,763,892	110,225,731
	At December 31, 2017				
	Less than 1 year (\$)	1-3 years (\$)	3-5 years (\$)	>5 years (\$)	Total (\$)
High Yield Bonds and Senior Loans	6,093,266	6,989,027	50,454,394	64,253,853	127,790,540
Total	6,093,266	6,989,027	50,454,394	64,253,853	127,790,540

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At June 30, 2018, the weighted average duration of the First Trust ETF was 0.41 years (December 31, 2017 – 0.41 years). If interest rates increased or decreased by 1% at June 30, 2018, with all other variables remaining constant, net assets would have decreased or increased by approximately \$1,102,257 (December 31, 2017 - \$1,277,905). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk – Below are the First Trust ETF’s breakdown by credit rating as at June 30, 2018 and December 31, 2017:

Debt Securities by S&P Rating	At June 30, 2018 % of Net Assets	At December 31, 2017 % of Net Assets
BBB+	0.54	–
BBB	–	–
BBB-	2.65	0.73
BB+	3.56	3.52
BB	5.25	6.45
BB-	17.26	18.96
B+	21.05	22.99
B	24.50	22.76
B-	13.73	12.22
CCC+	1.98	0.44
CCC	0.78	1.43
CCC-	–	0.60
CC	0.80	–
C	–	–
D	0.57	1.27
NR	1.03	–

Currency risk - The table below summarizes the First Trust ETF’s net currency exposure as at June 30, 2018 and December 31, 2017:

Currency	At June 30, 2018		At December 31, 2017	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	(732,932)	(0.62)	(494,438)	(0.35)

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$7,329 (December 31, 2017 - \$4,944). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

First Trust Senior Loan ETF (CAD-Hedged)
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Concentration Risk - The table below summarizes the concentration risk for the period ended June 30, 2018 and year ended December 31, 2017:

Sector	As a % of net assets attributable to holders of redeemable units	
	June 30, 2018	December 31, 2017
Health Care	35.99	32.73
Consumer Discretionary	16.53	14.80
Information Technology	14.45	13.05
Industrials	7.86	5.55
Financials	7.14	8.04
Consumer Staples	6.80	8.72
Energy	2.29	4.98
Materials	1.96	1.98
Telecommunication Services	0.68	1.53
Total	93.70	91.38

Below are the First Trust ETF's breakdown by geographic exposure as at June 30, 2018 and December 31, 2017:

Country	At June 30, 2018 % of Net Assets	At December 31, 2017 % of Net Assets
United States	84.41	83.36
Canada	7.76	6.77
United Kingdom	0.52	0.06
Ireland	0.43	—
France	0.38	0.91
Spain	0.20	0.16
Netherlands	—	0.12
Cayman Islands	—	—
Total	93.70	91.38

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SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Equities - 0.04%				
Ascent Resources - Marcellus LLC	11,973	49,070	51,683	0.04
Ascent Resources - Marcellus LLC, Warrants	3,100	395	122	0.00
		49,465	51,805	0.04

	Par Value USD	Coupon Rate/Yield	Maturity Date	Average Cost (\$)	Fair Value (\$)	% of Total
High Yield Bonds - 5.95%						
Altice US Finance I Corp., Callable	177,000	5.500%	15-May-26	229,341	225,130	0.19
Avis Budget Car Rental LLC / Avis Budget Finance Inc., Callable	100,000	5.125%	01-Jun-22	126,872	129,000	0.11
Frontier Communications Corp., Callable	100,000	8.125%	01-Oct-18	129,585	132,780	0.11
HealthSouth Corp., Callable	250,000	5.750%	01-Nov-24	331,198	330,086	0.28
JBS USA LLC / JBS USA Finance Inc., Callable	143,000	5.875%	15-Jul-24	176,308	180,242	0.15
JDA Escrow LLC / JDA Bond Finance Inc., Callable	164,000	7.375%	15-Oct-24	218,430	222,545	0.19
Lennar Corp., Callable	213,000	5.875%	15-Nov-24	268,699	291,192	0.25
MPH Acquisition Holdings LLC, Callable	500,000	7.125%	01-Jun-24	669,226	675,401	0.58
Nexstar Escrow Corp., Callable	250,000	5.625%	01-Aug-24	331,774	318,803	0.27
SBA Communications Corp., Callable	115,000	4.875%	01-Sep-24	147,480	144,992	0.12
Select Medical Corp., Callable	250,000	6.375%	01-Jun-21	280,790	334,373	0.29
Sinclair Television Group Inc., Callable	222,000	6.125%	01-Oct-22	302,198	298,054	0.25
Sinclair Television Group Inc., Callable	250,000	5.625%	01-Aug-24	332,467	327,019	0.28
Tallgrass Energy Partners L.P. / Tallgrass EnergyFinance Corp., Callable	218,000	5.500%	15-Sep-24	290,813	293,759	0.25
Tenet Healthcare Corp.	400,000	6.750%	01-Feb-20	541,360	539,664	0.46
Tenet Healthcare Corp., Callable	1,483,000	7.500%	01-Jan-22	1,954,000	2,034,922	1.73
TRI Pointe Holdings Inc.	125,000	5.875%	15-Jun-24	171,933	163,920	0.14
Valeant Pharmaceuticals International Inc., Callable	144,000	6.750%	15-Aug-21	185,637	191,439	0.16
Valeant Pharmaceuticals International Inc., Callable	125,000	5.500%	01-Nov-25	159,175	162,565	0.14
				6,847,286	6,995,886	5.95

Senior Loans - 87.71%						
21st Century Oncology Inc.	939,351	7.125%	16-Jan-23	1,142,512	1,181,668	1.01
Acosta Inc.	1,468,836	4.250%	26-Sep-21	1,787,677	1,450,667	1.23
Advantage Sales & Marketing Inc.	1,961,095	4.250%	23-Jul-21	2,275,435	2,431,535	2.07
Air Medical Group Holdings Inc.	62,088	5.250%	14-Mar-25	76,144	80,365	0.07
Air Methods Corp.	711,541	4.500%	30-Apr-24	934,799	895,381	0.76
Akom Inc.	359,155	5.250%	16-Apr-21	375,966	461,540	0.39
Albertson's LLC	857,686	3.750%	21-Dec-22	1,141,986	1,116,496	0.94
Albertson's LLC	327,872	3.000%	15-May-23	421,235	430,230	0.37
Albertson's LLC	551,899	3.750%	22-Jun-23	741,922	717,188	0.61
AlixPartners LLP	1,492,449	3.000%	04-Apr-24	1,864,439	1,958,615	1.67
Alliant Holdings Intermediate LLC	51,000	3.000%	15-May-25	65,438	66,544	0.06
AmWINS Group Inc.	71,247	3.750%	31-Jan-24	91,562	93,185	0.08
Applied Systems Inc.	265,196	4.250%	13-Sep-24	323,128	348,748	0.30
Applied Systems Inc.	182,885	8.250%	13-Sep-25	222,836	247,041	0.21
Arch Coal Inc.	176,778	3.750%	07-Mar-24	227,751	230,948	0.20
Aristocrat Technologies	103,879	1.750%	19-Oct-24	132,575	135,518	0.11
Ascent Resources - Marcellus LLC	16,667	7.500%	30-Mar-23	21,058	21,911	0.02
Asurion LLC	889,175	3.750%	04-Aug-22	1,134,202	1,166,033	0.99
Asurion LLC	117,000	6.000%	31-Jul-25	149,489	155,929	0.14
Beacon Roofing Supply Inc.	63,776	2.250%	02-Jan-25	79,233	83,250	0.07
Berlin Packaging LLC	702,361	3.000%	01-Nov-25	900,967	917,127	0.78
BJ's Wholesale Club Inc.	2,036,572	4.750%	31-Jan-24	2,662,951	2,674,704	2.28

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SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Par Value USD	Coupon Rate/Yield	Maturity Date	Average Cost (\$)	Fair Value (\$)	% of Total
BJ's Wholesale Club Inc.	430,982	8.500%	03-Feb-25	563,430	571,548	0.48
BMC Software Finance Inc.	369,250	4.250%	15-Jul-25	484,912	482,401	0.41
Brickman Group Ltd. LLC (The)	88,253	7.500%	18-Dec-21	116,900	116,540	0.10
Cablevision (CSC Holdings, Inc.)	210,714	2.500%	31-Jan-26	261,525	275,860	0.23
Caesars Resort Collection LLC	1,346,000	2.750%	22-Dec-24	1,680,947	1,762,600	1.50
CCC Information Services Inc.	452,571	4.000%	31-Mar-24	600,570	593,063	0.50
Change Healthcare Holdings LLC	1,382,500	3.750%	01-Mar-24	1,800,852	1,810,397	1.54
CHG Healthcare Services Inc.	331,827	4.000%	07-Jun-23	424,573	436,373	0.37
CHS/Community Health Systems Inc.	364,703	3.750%	6-Dec-19	444,715	478,485	0.41
Cineworld Group PLC (Crown)	394,013	2.500%	05-Feb-25	493,968	513,736	0.44
ClubCorp Holdings Inc.	1,856,692	2.750%	18-Sep-24	2,351,129	2,410,389	2.05
Compuware Corp.	1,651,405	4.500%	15-Dec-21	2,031,227	2,172,126	1.85
Concentra Inc. (MJ Acquisition Corp.)	678,183	3.750%	01-Jun-22	837,691	890,458	0.75
Concordia Healthcare Corp.	796,253	5.250%	21-Oct-21	1,046,458	930,150	0.79
Creative Artists Agency LLC (CAA Holdings LLC)	664,909	4.000%	15-Feb-24	817,838	873,030	0.74
Curo Health Services Holdings Inc.	769,141	5.000%	05-Feb-22	980,494	1,011,576	0.86
Davis Vision (Wink Holdco Inc.)	789,443	4.000%	02-Dec-24	1,010,471	1,030,380	0.88
Dayton Power & Light Co.	484,105	2.750%	24-Aug-22	619,409	634,838	0.54
Dell International LLC	359,098	2.750%	07-Sep-23	460,827	469,434	0.40
DJO Finance LLC (ReAble Therapeutics Finance LLC)	1,456,355	4.250%	08-Jun-20	1,781,358	1,903,835	1.61
Duff & Phelps Corp.	891,678	4.250%	13-Feb-25	1,141,791	1,166,138	0.99
DuPage Medical Group	850,973	3.500%	15-Aug-24	1,068,311	1,108,943	0.94
Endo LLC	1,560,419	5.000%	29-Apr-24	2,069,569	2,046,274	1.74
Energizer Holdings Inc.	108,505	2.250%	30-Jun-25	143,612	142,587	0.12
Envision Healthcare Corp. (Emergency Medical Services Corp.)	873,604	3.750%	01-Dec-23	1,164,908	1,146,094	0.98
EWT Holdings III Corp.	45,455	4.000%	20-Dec-24	60,514	59,757	0.05
EWT Holdings III Corp.	169,756	4.000%	31-Dec-24	218,586	222,890	0.19
ExamWorks Group Inc.	162,557	4.250%	27-Jul-23	212,799	213,616	0.19
Extended Stay America (ESH Hospitality Inc.)	149,870	2.000%	30-Aug-23	192,778	195,648	0.17
First Data Corp.	412,475	2.250%	26-Apr-24	522,874	538,676	0.46
First Eagle Investment Management	237,600	3.000%	01-Dec-22	297,665	313,826	0.27
Garda World Security Corp.	337,458	4.500%	26-May-17	428,639	443,222	0.38
Gardner Denver Inc.	557,711	2.750%	30-Jul-24	717,714	732,925	0.63
Gates Global LLC	428,919	3.750%	31-Mar-24	551,278	562,971	0.47
Golden Nugget	610,448	3.500%	04-Oct-23	769,532	800,970	0.69
Grifols Worldwide Operations USA Inc.	177,750	2.250%	31-Jan-25	222,907	233,679	0.20
Healogics Inc. (CDRH Parent Inc.)	1,043,917	5.250%	01-Jul-21	1,115,782	1,283,181	1.09
Horizon Pharma Inc.	1,007,246	4.000%	29-Mar-24	1,266,189	1,320,866	1.14
HUB International Ltd.	1,089,910	4.000%	25-Apr-25	1,376,755	1,423,365	1.21
Hyland Software Inc.	244,824	4.000%	01-Jul-22	308,820	322,192	0.26
Immucor Inc.	97,399	6.000%	30-Jul-21	122,250	129,379	0.11
Ineos US Finance LLC	91,645	2.000%	31-Mar-24	117,792	119,677	0.10
Informatica Corp. (Ithacalux SARL)	491,143	3.250%	06-Aug-22	614,585	646,030	0.54
Information Resources Inc.	1,740,053	5.250%	18-Jan-24	2,359,096	2,284,700	1.94
IRB Holdings Corp. (Arby's)	84,189	4.250%	18-Jan-25	105,035	110,771	0.09
JDA Software Group (RP Crown Parent Inc.)	1,299,189	3.750%	12-Oct-23	1,658,804	1,693,034	1.44
Kindred Healthcare Inc.	2,018,034	4.250%	09-Apr-21	2,558,194	2,649,693	2.25
Kronos Inc.	379,217	3.000%	01-Nov-23	495,295	497,201	0.42
LANDesk Group Inc.	93,791	5.250%	18-Jan-24	124,410	121,993	0.10
Lumileds (Bright Bidco BV)	224,936	4.500%	30-Jun-24	289,253	293,199	0.25
Mallinckrodt International Finance SA	193,684	3.500%	24-Sep-24	242,295	249,216	0.21
Mallinckrodt International Finance SA	193,689	3.750%	24-Feb-25	244,164	250,285	0.21

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SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Par Value USD	Coupon Rate/Yield	Maturity Date	Average Cost (\$)	Fair Value (\$)	% of Total
MGM Growth Properties Operating Partnership L.P.	69,821	2.000%	31-Mar-25	89,393	91,245	0.08
Micro Focus International (MA Finance LLC)	470,988	2.750%	21-Jun-24	596,166	615,704	0.51
Microchip Technology Inc.	403,200	2.000%	16-May-25	519,765	528,964	0.45
Misys Financial Software Ltd. (Almonde Inc.)	1,080,899	4.500%	13-Jun-24	1,404,043	1,394,559	1.19
Multi-Color Corp.	65,571	2.250%	01-Nov-24	82,429	86,058	0.07
MultiPlan Inc. (MPH Acquisition Holdings LLC)	2,195,935	4.000%	07-Jun-23	2,956,516	2,868,382	2.44
National Veterinary Associates (NVA Holdings Inc.)	87,333	3.750%	29-Jan-25	107,421	114,382	0.10
Numericable U.S. LLC (Altice France SA)	346,457	3.000%	06-Jan-26	433,467	447,175	0.38
Ortho-Clinical Diagnostics Inc. (Crimson Merger Sub Inc.)	1,624,848	3.250%	31-May-25	2,100,465	2,126,772	1.81
Packers Holdings LLC	489,368	4.250%	04-Dec-24	624,630	638,793	0.54
Parexel International Corp.	776,920	2.750%	27-Sep-24	978,481	1,014,995	0.87
Party City Holdings Inc.	134,897	3.500%	19-Aug-22	168,674	177,061	0.15
Peabody Energy Corp.	77,271	2.750%	31-Mar-25	98,085	100,760	0.09
Penn National Gaming Inc.	51,458	3.250%	19-Jan-24	67,275	67,763	0.06
Pike Electric Inc.	34,036	4.500%	31-Mar-25	44,040	44,839	0.04
Portillo's Holdings LLC	1,415,887	5.500%	02-Aug-21	1,597,129	1,862,179	1.59
Post Holdings Inc.	249,370	2.000%	24-May-24	319,265	325,625	0.28
Qlik Technologies (Project Alpha Intermediate Holdings Inc.)	226,286	4.500%	26-Apr-24	303,728	295,627	0.25
Quikrete Holdings Inc.	1,299,289	2.750%	15-Nov-23	1,729,011	1,698,852	1.45
Quintiles IMS Inc. (IQVIA)	439,371	1.750%	15-Jun-25	568,668	571,843	0.48
Reece International Pty Ltd.	55,698	2.000%	15-Jun-25	72,001	72,857	0.06
Reynolds Group Holdings Inc.	992,443	2.750%	05-Feb-23	1,269,994	1,300,906	1.11
Riverbed Technology Inc.	622,496	4.250%	24-Apr-22	815,264	807,406	0.69
Rodan & Fields LLC	97,820	4.000%	15-Jun-25	125,740	128,519	0.11
ServiceMaster Co. LLC (The)	124,684	2.500%	02-Nov-23	157,877	163,437	0.14
Sinclair Television Group Inc.	541,750	2.250%	03-Jan-24	725,791	708,351	0.60
SS&C European Holdings SARL	795,026	2.500%	15-Mar-25	1,021,026	1,044,596	0.89
Stars Group Holdings BV (Amaya)	3,004,693	3.500%	28-Jul-25	3,930,369	3,930,370	3.34
Station Casinos Inc (Red Rocks)	356,561	3.250%	08-Jun-23	467,427	466,541	0.40
Sterigenics International (STHI Intermediate Holding Corp.)	1,442,823	4.000%	15-May-22	1,918,212	1,889,692	1.59
Surgery Center Holdings Inc.	714,600	4.250%	31-Aug-24	943,069	936,123	0.79
Team Health Holdings Inc.	1,121,590	3.750%	06-Feb-24	1,467,052	1,415,518	1.20
Tempo Acquisition LLC	447,442	3.000%	01-May-24	593,614	585,288	0.49
Toys "R" US-Delaware Inc.	801,865	5.250%	25-May-18	936,090	506,877	0.43
Toys "R" US-Delaware Inc.	248,087	9.750%	25-Apr-20	298,374	162,141	0.14
Trans Union LLC	97,920	2.000%	30-Jun-25	127,163	128,248	0.11
Transdigm Inc.	277,704	2.500%	14-May-25	355,247	361,947	0.31
Tribune Media Co.	50,195	3.750%	27-Dec-20	65,046	65,990	0.05
Tribune Media Co.	625,626	3.750%	27-Jan-24	832,388	820,423	0.70
U.S. Renal Care Inc.	757,585	5.250%	30-Dec-22	993,221	980,600	0.83
UnityMedia	247,488	2.000%	31-May-23	318,640	322,851	0.27
USI Inc. (Compass Investors Inc.)	1,124,660	3.000%	15-May-24	1,503,401	1,468,554	1.25
Valeant Pharmaceuticals International Inc.	3,295,791	3.000%	17-May-25	4,233,998	4,315,219	3.67
Vertafore Inc.	1,562,993	3.250%	15-Jun-25	2,011,699	2,040,672	1.73
VICI Properties (Caesars)	626,429	2.000%	31-Dec-24	804,734	817,103	0.69
Victory Capital Holdings (VCH Holdings LLC)	251,185	2.750%	15-Feb-25	315,959	329,394	0.28
Virgin Media Finance PLC	70,000	2.500%	15-Jan-26	88,545	91,278	0.08

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SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Par Value USD	Coupon Rate/Yield	Maturity Date	Average Cost (\$)	Fair Value (\$)	% of Total
Vistra Energy Corp.	196,507	2.000%	04-Aug-23	257,046	257,046	0.22
Vistra Energy Corp.	359,091	2.250%	14-Dec-23	454,197	469,426	0.40
Vistra Energy Corp.	716,053	2.000%	01-Dec-25	914,901	934,563	0.79
WEX Inc.	784,000	2.250%	01-Jul-23	976,605	1,029,686	0.88
				102,148,136	103,178,040	87.71
Total investments				109,044,887	110,225,731	93.70
Unrealized appreciation on derivatives - see Schedule 1					1,465,250	1.24
Other assets, less liabilities					5,940,473	5.06
Total Net Assets Attributable to Holders of Redeemable Units				109,044,887	117,631,454	100.00

Schedule 1 - Foreign Exchange Contracts*

Counterparty	Credit Rating of Counterparty**	Settlement Date	Currency Sell	Amount Sold	Currency Buy	Amount Bought	Forward Rate	Current Rate	Appreciation
									(Depreciation) \$
Bank of New York Mellon (The), New York	A-1+	31/07/2018	USD	88,856,905	CAD	118,225,000	0.752	0.761	1,465,250
									1,465,250

* Commercial paper rating per Stand and Poor's Commercial Paper Guide

** Per Standard and Poor's Rating

First Trust Short Duration High Yield Bond ETF (CAD-Hedged)

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	17,393,231	17,942,360
Cash	1,522,612	1,642,630
Accrued interest receivable	203,170	236,065
Receivable for portfolio securities sold	33,142	97,608
Derivative assets	227,859	99,575
Other assets	4,304	1,457
	19,384,318	20,019,695
Liabilities		
Accrued liabilities	30,670	33,478
Payable for portfolio securities purchased	1,034,415	148,363
Distributions payable	68,052	71,695
	1,133,137	253,536
Total net assets attributable to holders of redeemable units	18,251,181	19,766,159
Net assets attributable to holders of redeemable units per class		
Advisor Class	11,447,469	11,721,793
Common Class	6,803,712	8,044,366
Redeemable units outstanding [note 6]		
Advisor Class	604,440	604,440
Common Class	324,171	374,171
Net assets attributable to holders of redeemable units per unit		
Advisor Class	18.94	19.39
Common Class	20.99	21.50

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Interest income for distribution purposes	551,172	689,532
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	3,258	172,122
Net realized gain (loss) on derivatives	(1,072,176)	565,019
Net realized gain (loss) on foreign exchange	(50,032)	(16,677)
Net change in unrealized appreciation (depreciation) of investments	466,573	(530,723)
Net change in unrealized appreciation (depreciation) of derivatives	128,284	117,244
	27,079	996,517
Foreign exchange gain (loss) on cash	58,814	(12,104)
	85,893	984,413
Expenses [note 7]		
Management fees	79,452	98,349
Service fees	28,767	36,327
HST expense	11,224	16,303
Independent Review Committee fees	1,557	2,570
	121,000	153,549
Expenses waived by manager	(1,557)	(2,570)
	119,443	150,979
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	(33,550)	833,434
Withholding taxes	211	3
Increase (Decrease) in net assets attributable to holders of redeemable units	(33,339)	833,431
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Advisor Class	(31,339)	514,985
Common Class	(2,000)	318,446
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Advisor Class	(0.05)	0.68
Common Class	-	0.82

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust Short Duration High Yield Bond ETF (CAD-Hedged)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)	June 30 2018 (\$)	June 30 2017 (\$)
	Advisor Class	Advisor Class	Common Class	Common Class
Net assets attributable to holders of redeemable units, beginning of period	11,721,793	15,666,138	8,044,366	7,993,468
Increase (decrease) in net assets attributable to holders of redeemable units	(31,339)	514,985	(2,000)	318,446
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	-	28,178	-	1,154,488
Redemption of units	-	(3,008,582)	(1,069,077)	(28,178)
	-	(2,980,404)	(1,069,077)	1,126,310
Distributions to holders of redeemable units from:				
Net investment income	(242,985)	(321,355)	(169,577)	(214,861)
	(242,985)	(321,355)	(169,577)	(214,861)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	(274,324)	(2,786,774)	(1,240,654)	1,229,895
Net assets attributable to holders of redeemable units, end of period	11,447,469	12,879,364	6,803,712	9,223,363
			June 30 2018 (\$) Total	June 30 2017 (\$) Total
Net assets attributable to holders of redeemable units, beginning of period			19,766,159	23,659,606
Increase (decrease) in net assets attributable to holders of redeemable units			(33,339)	833,431
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			-	1,182,666
Redemption of units			(1,069,077)	(3,036,760)
			(1,069,077)	(1,854,094)
Distributions to holders of redeemable units from:				
Net investment income			(412,562)	(536,216)
			(412,562)	(536,216)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period			(1,514,978)	(1,556,879)
Net assets attributable to holders of redeemable units, end of period			18,251,181	22,102,727

See accompanying notes which are an integral part of these financial statements.

First Trust Short Duration High Yield Bond ETF (CAD-Hedged)

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(33,339)	833,431
Adjustments for:		
Net realized (gain) loss on investments	(3,258)	(172,122)
Change in unrealized (appreciation) depreciation of investments and derivatives	(594,857)	413,479
Interest receivable	32,895	63,479
Other assets	(2,847)	(600)
Other liabilities	(2,808)	(5,779)
Purchases of investments	(9,102,301)	(17,727,763)
Proceeds from the sale of investments	11,071,779	19,602,680
	1,365,264	3,006,805
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	-	1,182,666
Amount paid on redemptions of units	(1,069,077)	(3,036,760)
Distributions paid to unitholders	(416,205)	(545,423)
	(1,485,282)	(2,399,517)
Increase (Decrease) in cash for the period	(120,018)	607,288
Cash, beginning of period	1,642,630	720,779
Cash, end of period	1,522,612	1,328,067
Interest received	584,278	753,008

See accompanying notes which are an integral part of these financial statements.

First Trust Short Duration High Yield Bond ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to provide unitholders with a high level of current income by investing primarily in a diversified portfolio of below investment grade debt securities as rated by Moody's Investor Services, Inc., Standard & Poor's (Ba1/BB+ or below) or a similar rating by a designated rating organization (as defined in NI 81-102). As a secondary objective, the First Trust ETF will seek capital appreciation.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and for the year ended December 31, 2017:

	Financial Assets at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Bonds and Senior Loans	–	17,393,231	–	17,393,231
Derivative assets	–	227,859	–	227,859
Total	–	17,621,090	–	17,621,090
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Bonds and Senior Loans	–	17,942,360	–	17,942,360
Derivative assets	–	99,575	–	99,575
Total	–	18,041,935	–	18,041,935

There have been no transfers from one Level to another for the period ended June 30, 2018 and for the year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Common	Advisor
Outstanding units – December 31, 2016	378,823	808,162
Redeemable units issued	53,348	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(50,000)	(203,722)
Outstanding units – December 31, 2017	374,171	604,440
Redeemable units issued	–	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(50,000)	–
Outstanding units – June 30, 2018	324,171	604,440

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Common Class	Advisor Class ¹
0.85%	1.35%

¹Includes a service fee of 0.50%

First Trust Short Duration High Yield Bond ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2017 and 2016 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2017	2016	2017	2016
230	230	–	1,222,500

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
–	–

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
79,452	98,349	12,834	15,689

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Interest rate risk - The table below summarizes the First Trust ETF's exposure to Senior Loans and High Yield bonds as at June 30, 2018 and December 31, 2017:

	At June 30, 2018				
	Less than 1 year (\$)	1-3 years (\$)	3-5 years (\$)	>5 years (\$)	Total (\$)
High Yield Bonds and Senior Loans	195,069	982,974	5,792,896	10,422,292	17,393,231
Total	195,069	982,974	5,792,896	10,422,292	17,393,231
	At December 31, 2017				
	Less than 1 year (\$)	1-3 years (\$)	3-5 years (\$)	>5 years (\$)	Total (\$)
High Yield Bonds and Senior Loans	213,991	858,097	7,558,186	9,312,086	17,942,360
Total	213,991	858,097	7,558,186	9,312,086	17,942,360

At June 30, 2018, the weighted average duration of the First Trust ETF was 2.46 years (December 31, 2017 – 2.52 years). If interest rates increased or decreased by 1% at December 31, 2017, with all other variables remaining constant, net assets would have decreased or increased by approximately \$173,932 (December 31, 2017 - \$179,424). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

First Trust Short Duration High Yield Bond ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

Credit risk – Below are the First Trust ETF’s breakdown by credit rating as at June 30, 2018 and December 31, 2017:

Debt Securities by S&P Rating	At June 30, 2018 % of Net Assets	At December 31, 2017 % of Net Assets
BBB+	–	–
BBB	–	–
BBB-	2.36	1.16
BB+	3.23	2.07
BB	8.36	8.44
BB-	15.11	15.97
B+	16.15	12.58
B	12.03	13.96
B-	21.04	20.52
CCC+	12.81	9.53
CCC	2.91	5.47
CCC-	0.32	0.80
CC	0.64	–
D	0.34	0.26
NR	–	–

Currency risk - The table below summarizes the First Trust ETF’s net currency exposure as at June 30, 2018 and December 31, 2017:

Currency	At June 30, 2018		At December 31, 2017	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	(159,225)	(0.87)	(83,726)	(0.42)

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$1,592 (December 31, 2017 - \$837). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk - The table below summarizes the concentration risk as at June 30, 2018 and December 31, 2017:

Sector	At June 30, 2018 % of Net Assets	At December 31, 2017 % of Net Assets
Health Care	27.77	26.01
Consumer Discretionary	26.07	26.74
Industrials	10.16	9.46
Information Technology	9.75	7.48
Energy	6.90	7.48
Consumer Staples	5.91	5.32
Materials	3.56	5.04
Telecommunication Services	2.54	2.37
Other	0.82	0.64
Financials	1.82	0.23
Total	95.30	90.77

First Trust Short Duration High Yield Bond ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

Below are the First Trust ETF's breakdown by geographic exposure as at June 30, 2018 and December 31, 2017:

Country	At June 30, 2018 % of Net Assets	At December 31, 2017 % of Net Assets
United States	84.64	79.62
Canada	7.69	5.68
Ireland	2.09	3.31
Netherlands	0.67	0.43
Australia	0.18	–
France	0.03	0.08
Mexico	–	1.33
United Kingdom	–	0.33
Total	95.30	90.77

First Trust Short Duration High Yield Bond ETF (CAD-Hedged)

Notes to Financial Statements - Specific Information

For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Par Value USD	Coupon Rate/Yield	Maturity Date	Average Cost (\$)	Fair Value (\$)	% of Total
DOMESTIC BONDS						
Canada—1.70%						
1011778 B.C. ULC / New Red Finance Inc., Callable	132,000	5.000%	15-Oct-25	169,243	165,065	0.90
Concordia International Corp., Callable	50,000	9.000%	01-Apr-22	67,597	59,159	0.32
Ritchie Bros. Auctioneers Inc., Callable	25,000	5.375%	15-Jan-25	33,090	31,963	0.18
Valeant Pharmaceuticals International Inc., Callable	41,000	7.500%	15-Jul-21	52,617	54,844	0.30
				322,547	311,031	1.70
INTERNATIONAL BONDS						
Bermuda—0.37%						
Weatherford International Ltd., Callable	50,000	9.875%	15-Feb-24	77,708	66,698	0.37
				77,708	66,698	0.37
Ireland—1.44%						
Ardagh Packaging Finance PLC / Ardagh MP Holdings USA Inc., Callable	96,000	6.000%	15-Feb-25	128,993	123,209	0.67
Ardagh Packaging Finance PLC / Ardagh MP Holdings USA Inc., Callable	102,000	7.250%	15-May-24	127,979	139,961	0.77
				256,972	263,170	1.44
Luxembourg—0.74%						
Mallinckrodt International Finance SA, Callable	100,000	5.750%	01-Aug-22	127,525	118,976	0.65
Nielsen Co. (Luxembourg) SARL (The), Callable	13,000	5.000%	01-Feb-25	16,990	16,321	0.09
				144,515	135,297	0.74
Netherlands—0.67%						
Alcoa Nederland Holding BV, Callable	87,000	7.000%	30-Sep-26	123,119	122,381	0.67
				123,119	122,381	0.67
United Kingdom—0.34%						
Virgin Media Finance PLC, Callable	50,000	6.000%	15-Oct-24	64,649	62,778	0.34
				64,649	62,778	0.34
United States—57.42%						
Altice US Finance I Corp., Callable	158,000	5.500%	15-May-26	200,350	200,964	1.10
AMC Entertainment Holdings Inc., Callable	135,000	5.750%	15-Jun-25	184,854	174,594	0.96
AmSurg Corp., Callable	50,000	5.625%	15-Jul-22	70,067	66,924	0.37
Avis Budget Car Rental LLC / Avis Budget Finance Inc., Callable	85,000	5.125%	01-Jun-22	107,955	109,650	0.60
B&G Foods Inc., Callable	30,000	5.250%	01-Apr-25	40,178	37,270	0.20
Berry Global Inc., Callable	78,000	4.500%	15-Feb-26	97,412	95,877	0.53
BMC Software Finance Inc., Callable	250,000	8.125%	15-Jul-21	304,013	336,468	1.84
Boyd Gaming Corp., Callable	100,000	6.375%	01-Apr-26	130,340	133,437	0.73
Brinker International Inc., Callable	50,000	5.000%	01-Oct-24	66,048	63,596	0.35
Calpine Corp., Callable	12,000	5.250%	01-Jun-26	15,241	14,918	0.08
CCO Holdings LLC / CCO Holdings Capital Corp., Callable	250,000	5.750%	15-Jan-24	325,771	330,306	1.81
Change Healthcare Holdings LLC / Change Healthcare Finance Inc., Callable	187,000	5.750%	01-Mar-25	246,610	233,511	1.28
Constellation Merger Sub Inc., Callable	170,000	8.500%	15-Sep-25	216,776	213,713	1.17
CRC Escrow Issuer LLC / CRC Finco Inc., Callable	278,000	5.250%	15-Oct-25	347,996	346,742	1.90
Crown Americas LLC / Crow Americas Capital Corp. VI, Callable	77,000	4.750%	01-Feb-26	97,068	96,420	0.53
CSC Holdings LLC, Callable	50,000	5.500%	15-Apr-27	65,168	62,939	0.34
DaVita HealthCare Partners Inc., Callable	97,000	5.000%	01-May-25	123,823	120,348	0.66
Diamond 1 Finance Corp. / Diamond 2 Finance Corp., Callable	200,000	7.125%	15-Jun-24	257,273	278,795	1.53
DJO Finco Inc. / DJO Finance LLC / DJO Finance Corp., Callable	100,000	8.125%	15-Jun-21	117,531	133,726	0.73
Eagle Holding Co. II LLC, Callable	164,000	7.625%	15-May-22	215,643	218,341	1.20
Endo Finance LLC / Endo Finco Inc., Callable	350,000	7.250%	15-Jan-22	473,222	425,618	2.33
Energizer Holdings Inc., Callable	50,000	5.500%	15-Jun-25	65,546	64,747	0.35
Freeport-McMoRan Inc., Callable	226,000	6.875%	15-Feb-23	324,283	314,551	1.72
Frontier Communications Corp., Callable	100,000	8.125%	01-Oct-18	132,653	132,780	0.73
Gray Television Inc., Callable	103,000	5.875%	15-Jul-26	141,625	129,146	0.71
HealthSouth Corp., Callable	200,000	5.750%	01-Nov-24	260,609	264,068	1.45
Hertz Corp. (The), Callable	100,000	5.500%	15-Oct-24	129,290	104,022	0.57
IMS Health Inc., Callable	75,000	5.000%	15-Oct-26	97,112	96,380	0.53
Infor (US) Inc., Callable	25,000	6.500%	15-May-22	30,165	33,072	0.18
inVentiv Group Holdings Inc. / inVentiv Health Inc. / inVentiv Health Clinical Inc., Callable	36,000	7.500%	01-Oct-24	48,043	50,049	0.27

First Trust Short Duration High Yield Bond ETF (CAD-Hedged)

Notes to Financial Statements - Specific Information

For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Par Value USD	Coupon Rate/Yield	Maturity Date	Average Cost (\$)	Fair Value (\$)	% of Total
IRB Holding Corp., Callable	85,000	6.750%	15-Feb-26	107,336	106,996	0.59
Jaguar Holding Co. II / Pharmaceutical Product Development LLC, Callable	50,000	6.375%	01-Aug-23	69,023	65,581	0.36
JDA Escrow LLC / JDA Bond Finance Inc., Callable	148,000	7.375%	15-Oct-24	202,991	200,833	1.10
Jeld-Wen Inc., Callable	23,000	4.625%	15-Dec-25	29,190	28,876	0.16
KAR Auction Services Inc., Callable	15,000	5.125%	01-Jun-25	20,275	18,882	0.10
KB Home, Callable	200,000	7.000%	15-Dec-21	260,836	277,391	1.52
Level 3 Parent LLC, Callable	300,000	5.750%	01-Dec-22	420,269	395,381	2.17
LifePoint Health Inc., Callable	100,000	5.375%	01-May-24	126,520	127,028	0.70
LPL Holdings Inc., Callable	70,000	5.750%	15-Sep-25	93,653	89,725	0.49
MEDNAX Inc., Callable	78,000	5.250%	01-Dec-23	99,937	100,235	0.55
MGM Resorts International	50,000	7.750%	15-Mar-22	73,978	71,484	0.39
MPH Acquisition Holdings LLC, Callable	309,000	7.125%	01-Jun-24	415,187	417,398	2.29
MSCI Inc., Callable	85,000	5.750%	15-Aug-25	109,366	115,656	0.63
Murphy Oil Corp., Callable	50,000	6.875%	15-Aug-24	65,620	69,183	0.38
Nexstar Escrow Corp., Callable	66,000	5.625%	01-Aug-24	86,386	84,164	0.46
NRG Energy Inc., Callable	100,000	6.250%	15-Jul-22	134,524	135,613	0.74
Peabody Securities Finance Corp., Callable	6,000	6.000%	31-Mar-22	7,892	8,033	0.04
Peabody Securities Finance Corp., Callable	11,000	6.375%	31-Mar-25	14,469	14,985	0.08
Penn National Gaming Inc., Callable	51,000	5.625%	15-Jan-27	67,239	63,360	0.35
Post Holdings Inc., Callable	220,000	5.500%	01-Mar-25	291,664	283,077	1.55
Reynolds Group Issuer Inc. / Reynolds Group Issuer LLC / Reynolds Group Issuer (Luxembourg) SA, Callable	100,000	7.000%	15-Jul-24	130,966	134,505	0.74
Sanchez Energy Corp., Callable	100,000	7.750%	15-Jun-21	115,260	112,731	0.62
SBA Communications Corp., Callable	50,000	4.875%	01-Sep-24	61,537	63,040	0.35
Select Medical Corp., Callable	428,000	6.375%	01-Jun-21	542,014	572,447	3.14
Sinclair Television Group Inc., Callable	300,000	5.625%	01-Aug-24	404,625	392,423	2.15
Six Flags Entertainment Corp., Callable	150,000	4.875%	31-Jul-24	198,010	192,514	1.05
Tallgrass Energy Partners L.P. / Tallgrass EnergyFinance Corp., Callable	120,000	5.500%	15-Sep-24	157,127	161,702	0.89
Taylor Morrison Communities Inc. / Monarch Communities Inc., Callable	20,000	5.625%	01-Mar-24	26,244	25,849	0.14
Tenet Healthcare Corp., Callable	312,000	8.125%	01-Apr-22	420,669	430,380	2.36
TRI Pointe Holdings Inc.	68,000	5.875%	15-Jun-24	91,271	89,173	0.49
Tribune Media Co., Callable	100,000	5.875%	15-Jul-22	129,895	133,338	0.73
United Rentals North America Inc., Callable	200,000	5.750%	15-Nov-24	262,657	268,189	1.47
Valeant Pharmaceuticals International Inc., Callable	159,000	6.750%	15-Aug-21	196,774	211,381	1.16
Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp.	50,000	5.500%	01-Mar-25	62,652	64,747	0.35
Zayo Group LLC / Zayo Capital Inc., Callable	54,000	5.750%	15-Jan-27	71,981	69,926	0.38
				10,500,702	10,479,198	57.42
Senior Loans—32.62%						
Acosta Inc.	293,219	4.250%	26-Sep-21	381,981	289,592	1.59
Advantage Sales & Marketing Inc.	351,897	4.250%	23-Jul-21	454,900	436,311	2.39
Advantage Sales & Marketing Inc.	126,388	7.500%	25-Jul-22	166,503	150,441	0.82
Air Methods Corp.	84,000	4.500%	30-Apr-24	107,193	105,703	0.58
Albertson's LLC	98,592	3.000%	15-May-23	127,294	129,371	0.71
Albertson's LLC	66,649	3.750%	22-Jun-23	83,738	86,610	0.47
Albertson's LLC	111,224	3.750%	21-Dec-22	138,032	144,786	0.79
Asurion LLC	55,600	6.000%	31-Jul-25	70,974	74,099	0.41
BJ's Wholesale Club Inc.	299,704	8.500%	03-Feb-25	396,188	397,454	2.18
BMC Software Finance Inc.	57,750	4.250%	15-Jul-25	75,839	75,447	0.41
Brickman Group Ltd. LLC (The)	17,651	7.500%	18-Dec-21	22,275	23,308	0.13
Capital Automotive LLC	93,744	7.000%	24-Mar-25	123,971	123,754	0.68
CCC Information Services Inc. (Cypress)	79,598	4.000%	31-Mar-24	103,175	104,308	0.57
CHS/Community Health Systems Inc.	11,633	3.750%	06-Dec-19	14,550	15,262	0.09
Compuware Corp.	41,582	4.500%	15-Dec-21	51,146	54,694	0.30
Concordia Healthcare Corp.	99,626	5.250%	21-Oct-21	128,275	116,379	0.64
DJO Finance LLC (ReAble Therapeutics Finance LLC)	111,804	5.250%	08-Jun-20	136,665	146,157	0.80
Duff & Phelps Corporation (Deerfield Dakota)	31,542	4.250%	13-Feb-25	40,420	41,250	0.23
Healogs Inc. (CDRH Parent Inc.)	48,489	5.250%	01-Jul-21	54,481	59,602	0.33
Horizon Pharma Inc.	115,486	4.250%	29-Mar-24	144,681	151,444	0.83

First Trust Short Duration High Yield Bond ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Par Value USD	Coupon Rate/Yield	Maturity Date	Average Cost (\$)	Fair Value (\$)	% of Total
Immucor Inc.	49,500	6.000%	30-Jul-21	61,072	65,753	0.36
Infor (US) Inc.	41,697	3.750%	02-Feb-22	54,158	54,501	0.30
Informatica LLC	46,395	3.250%	06-Aug-22	60,674	61,026	0.33
JDA Software Group (RP Crown Parent Inc.)	49,250	3.750%	12-Oct-23	62,882	64,180	0.35
Lumileds (Bright Bidco BV)	102,743	4.500%	30-Jun-24	132,114	133,922	0.74
Micro Focus International (MA Finance LLC)	60,380	2.750%	21-Jun-24	76,744	78,931	0.44
Numericable U.S. LLC (Altice France SA)	4,336	3.000%	06-Jan-26	5,424	5,597	0.03
Parexel International Corp.	21,591	2.750%	31-Aug-24	28,284	28,207	0.15
Portillo's Holdings LLC	325,008	5.500%	02-Aug-21	415,461	427,452	2.34
Project Alpha Intermediate Holding Inc.	49,874	4.500%	26-Apr-24	64,233	65,157	0.36
Reece International Pty Ltd.	25,499	2.000%	15-Jun-25	32,963	33,355	0.18
Reynolds Group Holdings Inc.	45,398	3.000%	05-Feb-23	59,753	59,509	0.33
Riverbed Technology Inc.	81,818	4.250%	24-Apr-22	104,836	106,122	0.58
Scientific Games International Inc.	99,750	2.750%	14-Aug-24	128,879	130,153	0.72
SS&C Technologies Holdings Europe SARL	94,146	2.500%	15-Mar-25	121,847	123,699	0.68
Stars Group Holdings BV (Amaya)	358,540	3.500%	28-Jul-25	468,998	468,998	2.57
Team Health Holdings Inc.	8,835	3.750%	06-Feb-24	10,828	11,150	0.06
Tempo Acquisition LLC	99,748	3.000%	01-May-24	129,269	130,478	0.72
Toys "R" US-Delaware Inc.	98,540	5.250%	25-May-18	103,793	62,290	0.34
Tribune Media Co.	56,126	3.750%	27-Jan-24	73,628	73,601	0.40
Tribune Media Co.	2,016	3.750%	27-Dec-20	2,616	2,650	0.01
U.S. Renal Care Inc.	97,990	5.250%	30-Dec-22	124,436	126,836	0.69
Univision Communications Inc.	12,132	3.750%	15-Mar-24	16,346	15,398	0.08
USI Inc.	95,212	3.000%	15-May-24	120,438	124,326	0.68
Valeant Pharmaceuticals International Inc.	352,303	3.000%	17-May-25	452,366	461,276	2.52
Victory Capital Operating LLC	38,972	2.750%	15-Feb-25	49,017	51,107	0.28
Vistra Energy Corp.	200,000	2.000%	01-Dec-25	256,299	261,032	1.43
				6,039,639	5,952,678	32.62
Total International Bonds				17,207,304	17,082,200	93.60
Total investments				17,529,851	17,393,231	95.30
Unrealized appreciation on derivatives - see Schedule 1					227,859	1.25
Other assets, less liabilities					630,091	3.45
Total Net Assets Attributable to Holders of Redeemable Units				17,529,851	18,251,181	100.00

Schedule 1 - Foreign Exchange Contracts*

Counterparty	Credit Rating of Counterparty**	Settlement Date	Currency Sell	Amount Sold	Currency Buy	Amount Bought	Forward Rate	Current Rate	Appreciation
									(Depreciation) \$
Bank of New York Mellon (The), New York	A-1+	31/07/2018	USD	13,818,010	CAD	18,385,000	0.752	0.761	227,859
									227,859

* Commercial paper rating per Stand and Poor's Commercial Paper Guide

** Per Standard and Poor's Rating

First Trust Canadian Capital Strength ETF

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	73,224,953	75,160,513
Cash	322,258	287,194
Accrued dividend receivable	131,090	101,343
Other assets	57,427	47,815
	73,735,728	75,596,865
Liabilities		
Accrued liabilities	131,324	143,969
Distributions payable to holders of redeemable units	122,763	90,761
	254,087	234,730
Total net assets attributable to holders of redeemable units	73,481,641	75,362,135
Total Net Assets Attributable to Holders of Redeemable Units per class		
Advisor Class	32,250,079	35,547,473
Common Class	41,231,562	39,814,662
Redeemable units outstanding [note 6]		
Advisor Class	1,111,740	1,263,337
Common Class	1,192,145	1,190,807
Net assets attributable to holders of redeemable units per unit		
Advisor Class	29.01	28.14
Common Class	34.59	33.44

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	755,173	429,395
Interest income for distribution purposes	1,447	-
Other changes in fair value of investments		
Net realized gain (loss) on investments	2,709,700	1,581,506
Change in unrealized appreciation (depreciation) of foreign exchange	98	(88)
Change in unrealized appreciation (depreciation) of investments	(475,021)	1,554,685
	2,991,397	3,565,498
Foreign exchange gain (loss) on cash	1,984	(477)
	2,993,381	3,565,021
Expenses [note 7]		
Management fees	209,927	128,554
Service fees	160,444	173,107
HST expense	37,594	30,294
Transaction costs [note 3 and note 9]	8,351	3,153
Independent Review Committee fees	5,835	4,778
Interest expense	-	3
	422,151	339,889
Expenses waived by manager	(5,835)	(4,778)
	416,316	335,111
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	2,577,065	3,229,910
Withholding taxes	-	1,371
Increase (Decrease) in net assets attributable to holders of redeemable units	2,577,065	3,228,539
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Advisor Class	999,469	2,599,645
Common Class	1,577,596	628,894
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Advisor Class	0.87	1.94
Common Class	1.39	2.32

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust Canadian Capital Strength ETF

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)	June 30 2018 (\$)	June 30 2017 (\$)
	Advisor Class	Advisor Class	Common Class	Common Class
Net assets attributable to holders of redeemable units, beginning of period	35,547,473	34,626,123	39,814,662	7,207,292
Increase (Decrease) in net assets attributable to holders of redeemable units	999,469	2,599,645	1,577,596	628,894
Redeemable unit transactions [note 6]				
Proceeds from redeemable units issued	-	-	6,749,179	3,095,552
Redemption of redeemable units	(4,234,427)	(2,604,629)	(6,752,016)	(1,554,142)
	(4,234,427)	(2,604,629)	(2,837)	1,541,410
Distributions to holders of redeemable units from:				
Net investment income	(62,436)	(56,934)	(157,859)	(32,729)
	(62,436)	(56,934)	(157,859)	(32,729)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	(3,297,394)	(61,918)	1,416,900	2,137,575
Net assets attributable to holders of redeemable units, end of period	32,250,079	34,564,205	41,231,562	9,344,867
			June 30 2018 (\$)	June 30 2017 (\$)
			Total	Total
Net assets attributable to holders of redeemable units, beginning of period			75,362,135	41,833,415
Increase (Decrease) in net assets attributable to holders of redeemable units			2,577,065	3,228,539
Redeemable unit transactions [note 6]				
Proceeds from redeemable units issued			6,749,179	3,095,552
Redemption of redeemable units			(10,986,443)	(4,158,771)
			(4,237,264)	(1,063,219)
Distributions to holders of redeemable units from:				
Net investment income			(220,295)	(89,663)
			(220,295)	(89,663)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period			(1,880,494)	2,075,657
Net assets attributable to holders of redeemable units, end of period			73,481,641	43,909,072

See accompanying notes which are an integral part of these financial statements.

First Trust Canadian Capital Strength ETF

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	2,577,065	3,228,539
Adjustments for:		
Net realized (gain) loss on investments	(2,709,700)	(1,581,506)
Change in unrealized (appreciation) depreciation of investments	475,021	(1,554,685)
Dividends receivable	(29,747)	5,779
Other assets	(9,612)	(8,865)
Other liabilities	(12,645)	48,829
Purchases of investments	(20,951,090)	(9,574,554)
Proceeds from the sale of investments	25,121,329	10,671,899
	4,460,621	1,235,436
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	6,749,179	3,095,552
Amount paid on redemptions of units	(10,986,443)	(4,158,771)
Distributions paid to unitholders	(188,293)	(45,027)
	(4,425,557)	(1,108,246)
Increase (Decrease) in cash for the period	35,064	127,190
Cash, beginning of period	287,194	53,895
Cash, end of period	322,258	181,085
Interest received	1,447	-
Dividends received, net of withholding taxes	725,426	433,803

See accompanying notes which are an integral part of these financial statements.

First Trust Canadian Capital Strength ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) - The First Trust ETF seeks to provide unitholders with long term capital appreciation by investing primarily in securities traded on a Canadian exchange or market.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and for the year ended December 31, 2017:

	Financial Assets at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	73,224,953	–	–	73,224,953
Total	73,224,953	–	–	73,224,953
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	75,160,513	–	–	75,160,513
Total	75,160,513	–	–	75,160,513

There have been no transfers from one Level to another for the period ended June 30, 2018 and for the year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Common	Advisor
Outstanding units – December 31, 2016	247,534	1,402,854
Redeemable units issued	1,043,273	36,123
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(100,000)	(175,640)
Outstanding units – December 31, 2017	1,190,807	1,263,337
Redeemable units issued	201,338	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(200,000)	(151,597)
Outstanding units – June 30, 2018	1,192,145	1,111,740

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Common Class	Advisor Class ¹
0.60%	1.60%

¹Includes a service fee of 1.00%

First Trust Canadian Capital Strength ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2017 and 2016 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2017	2016	2017	2016
24,106,211	26,164,485	-	-

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
8,351	3,153

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
209,927	128,554	36,527	21,027

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
S&P/TSX Composite® Index	3,821,045	(3,821,045)	3,285,789	(3,285,789)

Concentration Risk - The table below summarizes the concentration risk as at June 30, 2018 and December 31, 2017:

Sector	As a % of net assets attributable to holders of redeemable units	
	At June 30, 2018	At December 31, 2017
Financials	27.44	32.20
Industrials	20.29	16.00
Materials	12.57	7.36
Information Technology	12.30	11.38
Consumer Discretionary	10.73	15.69
Energy	8.21	8.75
Consumer Staples	8.11	8.35
Total	99.65	99.73

First Trust Canadian Capital Strength ETF

Notes to Financial Statements - Specific Information

For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Consumer Discretionary—10.73%				
Canadian Tire Corp. Ltd., Class 'A'	16,200	2,298,838	2,779,920	3.78
Linamar Corp.	39,580	2,632,076	2,288,120	3.11
Magna International Inc.	36,886	1,920,515	2,820,303	3.84
		6,851,429	7,888,343	10.73
Consumer Staples—8.11%				
Alimentation Couche-Tard Inc., Class 'B'	52,058	2,447,339	2,973,032	4.05
Saputo Inc.	68,350	2,806,924	2,983,478	4.06
		5,254,263	5,956,510	8.11
Energy—8.21%				
Encana Corp.	169,051	2,445,429	2,902,606	3.95
Enerplus Corp.	188,629	2,207,200	3,127,469	4.26
		4,652,629	6,030,075	8.21
Financials—27.44%				
Bank of Montreal	29,054	2,470,175	2,952,467	4.02
Bank of Nova Scotia	36,046	2,544,674	2,683,264	3.65
Canadian Imperial Bank of Commerce	25,334	2,649,119	2,897,196	3.94
National Bank of Canada	46,398	2,622,131	2,928,642	3.99
Royal Bank of Canada	29,080	2,325,976	2,878,629	3.92
Sun Life Financial Inc.	54,043	2,542,894	2,855,092	3.88
Toronto-Dominion Bank (The)	39,007	2,236,014	2,968,043	4.04
		17,390,983	20,163,333	27.44
Industrials—20.29%				
CAE Inc.	118,167	2,238,974	3,227,141	4.39
Canadian National Railway Co.	28,380	2,538,079	3,051,701	4.15
Canadian Pacific Railway Ltd.	12,234	2,207,603	2,947,415	4.01
Russel Metals Inc.	94,503	2,858,964	2,539,296	3.46
Transcontinental Inc., Class 'A'	103,044	2,743,782	3,145,933	4.28
		12,587,402	14,911,486	20.29
Information Technology—12.30%				
CGI Group Inc., Class 'A'	37,045	1,978,984	3,086,219	4.20
Constellation Software Inc.	3,045	2,865,293	3,104,530	4.22
Open Text Corp.	61,573	2,083,310	2,848,983	3.88
		6,927,587	9,039,732	12.30
Materials—12.57%				
Canfor Corp.	95,612	2,416,045	3,025,164	4.12
Kirkland Lake Gold Ltd.	119,706	2,876,814	3,332,615	4.53
Teck Resources Ltd., Class 'B'	85,927	3,218,639	2,877,695	3.92
		8,511,498	9,235,474	12.57
Total investments				
		62,175,791	73,224,953	99.65
Transaction costs		(10,461)		
Other assets, less liabilities			256,688	0.35
Total Net Assets Attributable to Holders of Redeemable Units				
		62,165,330	73,481,641	100.00

First Trust Global Risk Managed Income Index ETF

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	41,578,465	64,862,492
Cash	163,218	132,795
Accrued dividend receivable	78,452	267,862
Other assets	42,894	37,132
	41,863,029	65,300,281
Liabilities		
Accrued liabilities	18,285	26,106
Distributions payable to holders of redeemable units	141,977	214,803
	160,262	240,909
Total net assets attributable to holders of redeemable units	41,702,767	65,059,372
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Common Class	39,533,888	61,861,576
Advisor Class	2,168,879	3,197,796
Redeemable units outstanding [note 6]		
Common Class	2,086,214	3,186,214
Advisor Class	113,800	163,800
Net assets attributable to holders of redeemable units per unit		
Common Class	18.95	19.42
Advisor Class	19.06	19.52

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	985,857	983,436
Other changes in fair value of investments		
Net realized gain (loss) on sale of investments	(473,790)	115,954
Net change in unrealized appreciation (depreciation) of investments	(914,865)	726,158
	(402,798)	1,825,548
Expenses [note 7]		
Management fees	172,950	163,744
Transaction costs [note 3 and note 9]	19,435	85
HST expense	11,367	11,001
Service fees	6,344	5,528
Independent Review Committee fees	4,788	6,106
Interest expense	-	6
	214,884	186,470
Expenses waived by manager	(59,293)	(57,975)
	155,591	128,495
Increase (Decrease) in net assets attributable to holders of redeemable units	(558,389)	1,697,053
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Common Class	(530,042)	1,634,475
Advisor Class	(28,347)	62,578
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Common Class	(0.19)	0.61
Advisor Class	(0.21)	0.55

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust Global Risk Managed Income Index ETF

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)	June 30 2018 (\$)	June 30 2017 (\$)
	Common Class	Common Class	Advisor Class	Advisor Class
Net assets attributable to holders of redeemable units, beginning of period	61,861,576	51,773,769	3,197,796	2,198,821
Increase (Decrease) in net assets attributable to holders of redeemable units	(530,042)	1,634,475	(28,347)	62,578
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	4,831,191	4,878,851	-	-
Redemption of units	(25,529,213)	(3,914,497)	(956,733)	-
	(20,698,022)	964,354	(956,733)	-
Distributions to holders of redeemable units from:				
Net investment income	(1,099,624)	(1,075,176)	(43,837)	(39,124)
	(1,099,624)	(1,075,176)	(43,837)	(39,124)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	(22,327,688)	1,523,653	(1,028,917)	23,454
Net assets attributable to holders of redeemable units, end of period	39,533,888	53,297,422	2,168,879	2,222,275
			June 30 2018 (\$) Total	June 30 2017 (\$) Total
Net assets attributable to holders of redeemable units, beginning of period			65,059,372	53,972,590
Increase (Decrease) in net assets attributable to holders of redeemable units			(558,389)	1,697,053
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			4,831,191	4,878,851
Redemption of units			(26,485,946)	(3,914,497)
			(21,654,755)	964,354
Distributions to holders of redeemable units from:				
Net investment income			(1,143,461)	(1,114,300)
			(1,143,461)	(1,114,300)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period			(23,356,605)	1,547,107
Net assets attributable to holders of redeemable units, end of period			41,702,767	55,519,697

See accompanying notes which are an integral part of these financial statements.

First Trust Global Risk Managed Income Index ETF

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(558,389)	1,697,053
Adjustments for:		
Net realized (gain) loss on sale of investments	473,790	(115,954)
Change in unrealized (appreciation) depreciation of investments	914,865	(726,158)
Dividends receivable	189,410	101,757
Other assets	(5,762)	(4,310)
Other liabilities	(7,821)	(355)
Purchases of investments	(26,073,025)	(4,866,762)
Proceeds from the sale of investments	47,968,397	4,180,837
	22,901,465	266,108
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	4,831,191	4,878,851
Amount paid on redemptions of units	(26,485,946)	(3,914,497)
Distributions paid to unitholders	(1,216,287)	(1,089,722)
	(22,871,042)	(125,368)
Increase (Decrease) in cash for the period	30,423	140,740
Cash, beginning of period	132,795	74,007
Cash, end of period	163,218	214,747
Dividends received, net of withholding taxes	1,175,267	1,085,193

See accompanying notes which are an integral part of these financial statements.

First Trust Global Risk Managed Income Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to replicate, to the extent possible, the performance of the NASDAQ Global Risk Managed Income IndexSM, 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 the Index.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	41,578,465	–	–	41,578,465
Total	41,578,465	–	–	41,578,465

	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	64,862,492	–	–	64,862,492
Total	64,862,492	–	–	64,862,492

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Common	Advisor
Outstanding units – December 31, 2016	2,686,214	113,800
Redeemable units issued	800,000	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(300,000)	–
Outstanding units – December 31, 2017	3,186,214	163,800
Redeemable units issued	250,000	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(1,350,000)	(50,000)
Outstanding units – June 30, 2018	2,086,214	113,800

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee ¹	
Common Class	Advisor Class ²
0.41%	0.91%

¹Pays a management fee up to a maximum of 0.60%

²Includes a service fee of 0.50%

First Trust Global Risk Managed Income Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2017 and 2016 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2017	2016	2017	2016
437,022	661,355	-	-

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
19,435	85

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
172,950	163,744	15,331	18,672

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and interest rates. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Reference Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
NASDAQ Global Risk Managed Income Index SM	2,299,908	(2,299,908)	2,911,407	(2,911,407)

Concentration Risk - The table below summarizes the concentration risk for the period ended June 30, 2018 and year ended December 31, 2017:

Holdings	At June 30, 2018		At December 31, 2017	
	Fair Value (\$)	% Net Assets	Fair Value (\$)	% Net Assets
Bonds	18,529,480	44.43	30,810,507	47.36
Senior Loans	6,872,675	16.48	7,657,271	11.77
REITs and Preferred Shares	9,648,175	23.14	13,379,097	20.56
Equities	6,528,135	15.65	13,015,617	20.01
Total	41,578,465	99.70	64,862,492	99.70

First Trust Global Risk Managed Income Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Exchange Traded Funds—99.70%				
BMO Emerging Markets Bond Hedged to CAD Index ETF	152,533	2,541,096	2,352,059	5.64
BMO Equal Weight REITs Index ETF	121,133	2,320,339	2,615,262	6.27
BMO Equal Weight Utilities Index ETF	78,929	1,302,927	1,285,753	3.08
BMO High Yield US Corporate Bond Hedged to CAD ETF	275,277	4,000,723	3,760,284	9.02
BMO Mid-Term US IG Corporate Bond Index ETF	37,713	694,691	679,965	1.63
First Trust Senior Loan ETF (CAD-Hedged)	360,392	7,029,583	6,872,675	16.48
Horizons Cdn Select Universe Bond ETF	26,220	1,161,546	1,176,491	2.82
iShares Canadian Corporate Bond Index ETF	78,662	1,669,320	1,648,756	3.95
iShares Canadian Government Bond Index ETF	54,019	1,183,882	1,152,766	2.76
iShares Convertible Bond Index ETF, Convertible Bonds	231,062	4,312,695	4,274,647	10.25
iShares Core Canadian Long Term Bond Index ETF	39,757	951,131	948,602	2.28
iShares Core S&P / TSX Composite High Dividend Index ETF	65,750	1,379,931	1,387,325	3.33
iShares Global Monthly Dividend Index ETF (CAD-Hedged)	49,112	936,210	970,944	2.33
iShares Global Real Estate Index ETF	40,607	1,161,685	1,165,015	2.79
iShares S&P/TSX Canadian Preferred Share Index ETF	415,868	5,789,815	5,867,898	14.07
iShares S&P/TSX Capped Financials Index ETF	36,558	1,340,428	1,367,635	3.28
Vanguard Canadian Short-Term Bond Index ETF	107,272	2,624,138	2,535,910	6.08
Vanguard FTSE Canadian High Dividend Yield Index ETF	33,577	1,093,983	1,122,143	2.69
Vanguard U.S. Dividend Appreciation Index ETF	8,661	369,138	394,335	0.95
		41,863,261	41,578,465	99.70
Total investments		41,863,261	41,578,465	99.70
Transaction costs		(15,003)		
Other assets, less liabilities			124,302	0.30
Total Net Assets Attributable to Holders of Redeemable Units		41,848,258	41,702,767	100.00

First Trust Tactical Bond Index ETF

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	29,700,790	34,000,247
Cash	121,070	68,640
Accrued dividend receivable	-	142,671
Other assets	9,180	6,903
	29,831,040	34,218,461
Liabilities		
Accrued liabilities	14,524	16,355
Distributions payable to holders of redeemable units	77,500	105,000
	92,024	121,355
Total net assets attributable to holders of redeemable units	29,739,016	34,097,106
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Units	29,739,016	34,097,106
Redeemable units outstanding [note 6]		
Units	1,550,000	1,750,000
Net assets attributable to holders of redeemable units per unit		
Units	19.19	19.48

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	458,679	733,162
Other changes in fair value of investments		
Net realized gain (loss) on sale of investments	58,045	(346,339)
Net change in unrealized appreciation (depreciation) of investments	(331,599)	707,691
	185,125	1,094,514
Expenses [note 7]		
Management fees	79,821	84,152
Transaction costs [note 3 and note 9]	32,082	13,689
HST expense	8,100	7,576
Independent Review Committee fees	2,658	3,774
Interest expense	25	5
	122,686	109,196
Expenses waived by manager	(2,658)	(3,774)
	120,028	105,422
Increase (Decrease) in net assets attributable to holders of redeemable units	65,097	989,092
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Units	65,097	989,092
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Units	0.03	0.57

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust Tactical Bond Index ETF

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Net assets attributable to holders of redeemable units, beginning of period	34,097,106	35,082,554
Increase (Decrease) in net assets attributable to holders of redeemable units	65,097	989,092
Redeemable unit transactions [note 6]		
Proceeds from issuance of units	971,544	984,250
Redemption of units	(4,829,731)	(1,961,504)
	(3,858,187)	(977,254)
Distributions to holders of redeemable units from:		
Net investment income	(565,000)	(685,980)
	(565,000)	(685,980)
Increase (Decrease) in net assets attributable to holders of redeemable units, for the period	(4,358,090)	(674,142)
Net assets attributable to holders of redeemable units, end of period	29,739,016	34,408,412

See accompanying notes which are an integral part of these financial statements.

First Trust Tactical Bond Index ETF

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	65,097	989,092
Adjustments for:		
Net realized (gain) loss on sale of investments	(58,045)	346,339
Change in unrealized (appreciation) depreciation of investments	331,599	(707,691)
Dividends receivable	142,671	80,946
Other assets	(2,277)	(3,364)
Other liabilities	(1,831)	(3,953)
Purchases of investments	(33,560,606)	(15,029,137)
Proceeds from the sale of investments	37,586,509	16,039,927
	4,503,117	1,712,159
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	971,544	984,250
Amount paid on redemptions of units	(4,829,731)	(1,961,504)
Distributions paid to unitholders	(592,500)	(689,310)
	(4,450,687)	(1,666,564)
Increase (Decrease) in cash for the period	52,430	45,595
Cash, beginning of period	68,640	87,297
Cash, end of period	121,070	132,892
Dividends received, net of withholding taxes	601,350	814,108

See accompanying notes which are an integral part of these financial statements.

First Trust Tactical Bond Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to replicate, to the extent possible, the performance of a total return fixed income index, net of expenses. Currently, the First Trust ETF seeks to replicate the performance of the NASDAQ IBIS Canadian Preservation Index CAD TRSM, net of expenses. The First Trust ETF will invest in and hold the Constituent Securities of the Index in the same proportion as they are reflected in the Index. The Index will consist of an equal weighted basket of TSX-listed ETFs that provide exposure to global fixed income securities which may include short-term and long-term Canadian government bonds, Canadian real return bonds, preferred shares, convertible, corporate, high yield, floating-rate, and developed and emerging market bonds.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The below fair value hierarchy table presents information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	29,700,790	–	–	29,700,790
Total	29,700,790	–	–	29,700,790
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	34,000,247	–	–	34,000,247
Total	34,000,247	–	–	34,000,247

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Units
Outstanding units – December 31, 2016	1,800,000
Redeemable units issued	100,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(150,000)
Outstanding units – December 31, 2017	1,750,000
Redeemable units issued	50,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(250,000)
Outstanding units – June 30, 2018	1,550,000

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Units
0.50%

First Trust Tactical Bond Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2017 and 2016 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2017	2016	2017	2016
523,773	–	–	–

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
32,082	13,689

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
79,821	84,152	12,852	14,185

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and interest rates. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
NASDAQ IBIS Canadian Preservation Index CAD TR SM	1,382,864	(1,382,864)	1,437,193	(1,437,193)

Concentration Risk – The table below summarizes the concentration risk for the period ended June 30, 2018 and year ended December 31, 2017:

Holdings	At June 30, 2018		At December 31, 2017	
	Fair Value (\$)	% Net Assets	Fair Value (\$)	% Net Assets
Exchange-Traded Funds	29,700,790	99.87	34,000,247	99.72
Total	29,700,790	99.87	34,000,247	99.72

First Trust Tactical Bond Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Exchange Traded Funds—99.87%				
iShares 1-5 Year Laddered Government Bond Index ETF	331,979	5,929,145	5,909,226	19.87
iShares CDN Scotia Capital Real Return Bond Index Fund, Real Return	245,681	5,928,129	6,014,271	20.22
iShares Convertible Bond Index ETF, Convertible Bonds	318,936	5,980,081	5,900,316	19.84
iShares Floating Rate Index ETF	293,940	5,921,434	5,925,830	19.93
iShares S&P/TSX Canadian Preferred Share Index ETF	421,768	5,965,144	5,951,147	20.01
		29,723,933	29,700,790	99.87
Total investments		29,723,933	29,700,790	99.87
Transaction costs		(13,249)		
Other assets, less liabilities			38,226	0.13
Total Net Assets Attributable to Holders of Redeemable Units		29,710,684	29,739,016	100.00

First Trust Value Line® Dividend Index ETF (CAD-Hedged)

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	10,445,239	8,089,647
Cash	38,860	130,194
Accrued dividend receivable	22,992	13,510
Receivable for portfolio securities sold	-	459,906
Derivative assets	132,241	41,203
Other assets	2,972	1,918
	10,642,304	8,736,378
Liabilities		
Accrued liabilities	12,432	9,347
Payable for portfolio securities purchased	-	533,845
Distributions payable to holders of redeemable units	14,304	32,183
	26,736	575,375
Total net assets attributable to holders of redeemable units	10,615,568	8,161,003
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Common Class	6,695,334	6,820,897
Advisor Class	3,920,234	1,340,106
Redeemable units outstanding [note 6]		
Common Class	252,160	250,663
Advisor Class	147,835	49,335
Net assets attributable to holders of redeemable units per unit		
Common Class	26.55	27.21
Advisor Class	26.52	27.16

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	147,018	167,274
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	198,217	553,293
Net realized gain (loss) on derivatives	(521,932)	136,070
Net realized gain (loss) on foreign exchange	(1,419)	2,772
Net change in unrealized appreciation (depreciation) of investments	47,184	(404,460)
Net change in unrealized appreciation (depreciation) of derivatives	91,038	37,508
	(39,894)	492,457
Foreign exchange gain (loss) on cash	492	673
	(39,402)	493,130
Expenses [note 7]		
Management fees	28,995	23,909
Service fees	8,285	6,140
HST expense	3,792	2,811
Transaction costs [note 3 and note 9]	1,039	1,392
Independent Review Committee fees	692	891
Interest expense	-	22
	42,803	35,165
Expenses waived by manager	(692)	(891)
	42,111	34,274
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	(81,513)	458,856
Withholding taxes	19,096	18,631
Increase (Decrease) in net assets attributable to holders of redeemable units	(100,609)	440,225
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Common Class	(96,189)	375,191
Advisor Class	(4,420)	65,034
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Common Class	(0.39)	1.39
Advisor Class	(0.07)	1.32

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust Value Line® Dividend Index ETF (CAD-Hedged)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)	June 30 2018 (\$)	June 30 2017 (\$)
	Common Class	Common Class	Advisor Class	Advisor Class
Net assets attributable to holders of redeemable units, beginning of period	6,820,897	7,333,541	1,340,106	1,201,339
Increase (Decrease) in net assets attributable to holders of redeemable units	(96,189)	375,191	(4,420)	65,034
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	39,326	1,273,431	2,631,773	-
Redemption of units	-	(2,495,001)	(39,326)	-
	39,326	(1,221,570)	2,592,447	-
Distributions to holders of redeemable units from:				
Net investment income	(68,700)	(85,727)	(7,899)	(8,377)
	(68,700)	(85,727)	(7,899)	(8,377)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	(125,563)	(932,106)	2,580,128	56,657
Net assets attributable to holders of redeemable units, end of period	6,695,334	6,401,435	3,920,234	1,257,996
			June 30 2018 (\$) Total	June 30 2017 (\$) Total
Net assets attributable to holders of redeemable units, beginning of period			8,161,003	8,534,880
Increase (Decrease) in net assets attributable to holders of redeemable units			(100,609)	440,225
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			2,671,099	1,273,431
Redemption of units			(39,326)	(2,495,001)
			2,631,773	(1,221,570)
Distributions to holders of redeemable units from:				
Net investment income			(76,599)	(94,104)
			(76,599)	(94,104)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period			2,454,565	(875,449)
Net assets attributable to holders of redeemable units, end of period			10,615,568	7,659,431

See accompanying notes which are an integral part of these financial statements.

First Trust Value Line® Dividend Index ETF (CAD-Hedged)

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(100,609)	440,225
Adjustments for:		
Net realized (gain) loss on sale of investments	(198,217)	(553,293)
Change in unrealized (appreciation) depreciation of investments and derivatives	(138,222)	366,952
Dividends receivable	(9,482)	6,695
Other assets	(1,054)	(1,095)
Other liabilities	3,085	(487)
Purchases of investments	(5,968,984)	(4,256,834)
Proceeds from the sale of investments	3,784,854	5,357,751
	(2,628,629)	1,359,914
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	2,671,099	1,273,431
Amount paid on redemptions of units	(39,326)	(2,495,001)
Distributions paid to unitholders	(94,478)	(107,743)
	2,537,295	(1,329,313)
Increase (Decrease) in cash for the period	(91,334)	30,601
Cash, beginning of period	130,194	32,750
Cash, end of period	38,860	63,351
Dividends received, net of withholding taxes	118,440	155,338

See accompanying notes which are an integral part of these financial statements.

First Trust Value Line® Dividend Index ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to replicate, to the extent possible, the performance of the Value Line® Dividend Index (the “Index”) on a currency hedged basis, net of expenses. The Index is a modified equal-dollar weighted index comprised of U.S. exchange-listed securities of companies that pay above-average dividends and have the potential for capital appreciation.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets and Financial Liabilities at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	10,445,239	–	–	10,445,239
Derivative assets	–	132,241	–	132,241
Total	10,445,239	132,241	–	10,577,480
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	8,089,647	–	–	8,089,647
Derivative assets	–	41,203	–	41,203
Total	8,089,647	41,203	–	8,130,850

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Common	Advisor
Outstanding units – December 31, 2016	300,663	49,335
Redeemable units issued	100,000	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(150,000)	–
Outstanding units – December 31, 2017	250,663	49,335
Redeemable units issued	1,497	100,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	–	(1,500)
Outstanding units – June 30, 2018	252,160	147,835

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Common Class	Advisor Class ¹
0.70%	1.70%

¹Includes a service fee of 1.00%

First Trust Value Line® Dividend Index ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2017 and 2016 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2017	2016	2017	2016
543,047	968,662	-	-

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
1,039	1,392

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
28,995	23,909	5,905	3,785

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
S&P 500 Index (CAD-Hedged)	377,383	(377,383)	378,671	(378,671)
Dow Jones U.S. Select Dividend™ Index USD	503,709	(503,709)	441,510	(441,510)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at June 30, 2018 and December 31, 2017:

Currency	At June 30, 2018		At December 31, 2017	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	(60,697)	(0.57)	(36,992)	(0.45)

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$607 (December 31, 2017 - \$370). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

First Trust Value Line® Dividend Index ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
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Concentration Risk - The table below summarizes the concentration risk period ended June 30, 2018 and year ended December 31, 2017:

Sector	As a % of net assets attributable to holders of redeemable units	
	June 30, 2018	December 31, 2017
<i>Canada</i>		
Financials	2.55	2.62
Information Technology	1.03	0.52
Telecommunication Services	0.52	0.52
Consumer Discretionary	0.51	0.52
Utilities	–	0.53
<i>United States</i>		
Utilities	20.42	21.47
Financials	16.64	16.05
Industrials	12.13	10.91
Consumer Staples	11.57	12.37
Consumer Discretionary	6.54	5.66
Information Technology	4.54	5.17
Materials	3.59	2.60
Health Care	3.51	5.16
Energy	2.09	1.54
Telecommunication Services	1.03	1.03
<i>International</i>		
United Kingdom	3.58	3.65
Switzerland	1.55	1.56
Bermuda	1.50	2.59
France	1.02	1.03
Japan	1.01	1.02
Ireland	1.00	1.04
India	0.53	0.52
Belgium	0.53	0.52
Taiwan	0.51	0.53
Denmark	0.50	–
Total	98.40	99.13

First Trust Value Line® Dividend Index ETF (CAD-Hedged)
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SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
CANADA EQUITIES				
Consumer Discretionary—0.51%				
Thomson Reuters Corp.	1,022	55,309	54,173	0.51
		55,309	54,173	0.51
Financials—2.55%				
Bank of Montreal	536	53,413	54,441	0.51
Bank of Nova Scotia	720	58,644	54,162	0.51
Canadian Imperial Bank of Commerce	472	53,946	53,935	0.51
Royal Bank of Canada	548	55,054	54,248	0.51
Toronto-Dominion Bank (The)	717	53,425	54,539	0.51
		274,482	271,325	2.55
Information Technology—1.03%				
Maxar Technologies Ltd.	842	58,798	55,922	0.53
Shaw Communications Inc., Class 'B'	1,983	54,285	53,052	0.50
		113,083	108,974	1.03
Telecommunication Services—0.52%				
TELUS Corp	1,181	56,081	55,133	0.52
		56,081	55,133	0.52
		498,955	489,605	4.61
UNITED STATES EQUITIES				
Consumer Discretionary—6.54%				
ABM Industries Inc.	1,364	58,481	52,325	0.49
Comcast Corp., Class 'A'	1,241	57,144	53,529	0.50
Cracker Barrel Old Country Store Inc.	248	47,942	50,930	0.48
Genuine Parts Co.	446	50,551	53,820	0.51
Home Depot Inc.	209	49,557	53,606	0.51
Leggett & Platt Inc.	944	54,324	55,399	0.52
Lowe's Cos. Inc.	424	54,588	53,272	0.50
McDonald's Corp.	257	52,949	52,940	0.50
Omnicom Group Inc.	549	49,209	55,047	0.52
Starbucks Corp.	811	58,622	52,083	0.49
Target Corp.	535	45,251	53,538	0.50
V.F. Corp.	506	48,850	54,228	0.51
Williams-Sonoma Inc.	665	41,558	53,661	0.51
		669,026	694,378	6.54
Consumer Staples—11.57%				
Altria Group Inc.	720	62,788	53,754	0.51
Archer-Daniels-Midland Co.	888	48,391	53,502	0.50
Campbell Soup Co.	973	51,396	51,857	0.49
Clorox Co.	310	51,860	55,120	0.52
Coca-Cola Co. (The)	943	54,115	54,374	0.51
Colgate-Palmolive Co.	631	55,412	53,763	0.51
Conagra Brands Inc.	1,055	48,399	49,556	0.47
CVS Health Corp.	575	54,302	48,644	0.46
General Mills Inc.	893	55,867	51,960	0.49
Hershey Co. (The)	436	60,335	53,341	0.50
Hormel Foods Corp.	1,122	50,097	54,886	0.52
J.M. Smucker Co. (The)	380	56,081	53,693	0.51
Kellogg Co.	595	48,907	54,654	0.51
Kimberly-Clark Corp.	396	56,201	54,840	0.52

First Trust Value Line® Dividend Index ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Kraft Heinz Co. (The)	649	61,766	53,599	0.51
McCormick & Co. Inc.	385	51,539	58,758	0.55
Mondelez International Inc., Class 'A'	992	52,531	53,469	0.50
PepsiCo Inc.	377	54,342	53,959	0.51
Philip Morris International Inc.	514	68,215	54,558	0.51
Procter & Gamble Co. (The)	528	55,992	54,184	0.51
Sysco Corp.	602	41,253	54,046	0.51
Walgreens Boots Alliance Inc.	611	53,725	48,207	0.45
Walmart Inc.	475	47,155	53,485	0.50
		1,240,669	1,228,209	11.57
Energy—2.09%				
Chevron Corp.	335	48,102	55,681	0.52
Exxon Mobil Corp.	515	54,123	56,012	0.53
Phillips 66	372	48,812	54,925	0.52
Schlumberger Ltd.	628	52,086	55,340	0.52
		203,123	221,958	2.09
Financials—16.64%				
Aflac Inc.	932	47,680	52,710	0.50
Allstate Corp. (The)	449	54,206	53,875	0.51
American Tower Corp.	289	51,834	54,775	0.52
Arthur J. Gallagher & Co.	619	45,446	53,123	0.50
Assurant Inc.	401	48,712	54,557	0.51
Avalonbay Communities Inc.	239	54,024	54,008	0.51
Bank of Hawaii Corp.	484	50,506	53,079	0.50
BB&T Corp.	795	49,238	52,717	0.50
BlackRock Inc.	80	51,056	52,485	0.49
Capitol Federal Financial Inc.	3,042	52,230	52,629	0.50
Cincinnati Financial Corp.	602	55,398	52,914	0.50
CNA Financial Corp.	898	58,884	53,928	0.51
Equity Residential	646	54,689	54,090	0.51
Erie Indemnity Co., Class 'A'	347	52,877	53,492	0.50
Federal Realty Investment Trust	327	52,976	54,403	0.51
FNF Group	1,124	56,291	55,590	0.52
Franklin Resources Inc.	1,256	65,042	52,921	0.50
Hartford Financial Services Group Inc. (The)	796	54,029	53,506	0.50
JPMorgan Chase & Co.	392	43,587	53,699	0.51
Marsh & McLennan Cos. Inc.	502	52,526	54,096	0.51
Mercury General Corp.	880	58,106	52,708	0.50
Mid-America Apartment Communities Inc.	412	48,659	54,526	0.51
Northwest Bancshares Inc.	2,292	48,787	52,399	0.49
Park National Corp.	354	49,685	51,853	0.49
People's United Financial Inc.	2,224	52,135	52,891	0.50
PNC Financial Services Group Inc.	297	47,497	52,750	0.50
Public Storage Inc.	182	48,766	54,280	0.51
Realty Income Corp.	758	53,239	53,602	0.51
Simon Property Group Inc.	240	48,581	53,698	0.51
T. Rowe Price Group Inc.	343	39,545	52,348	0.49
Travelers Cos. Inc. (The)	332	50,588	53,397	0.50
U.S. Bancorp	813	53,585	53,462	0.50
Wells Fargo & Co.	762	53,344	55,538	0.52
		1,703,748	1,766,049	16.64

First Trust Value Line® Dividend Index ETF (CAD-Hedged)
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For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Health Care—3.51%				
Amgen Inc.	222	48,184	53,873	0.51
Bristol-Myers Squibb Co.	752	55,530	54,710	0.51
Cardinal Health Inc.	771	58,271	49,494	0.47
Eli Lilly and Co.	479	51,153	53,734	0.51
Johnson & Johnson	335	55,184	53,439	0.50
Merck & Co. Inc.	673	48,345	53,705	0.50
Pfizer Inc.	1,130	51,548	53,896	0.51
		368,215	372,851	3.51
Industrials—12.13%				
3M Co.	210	56,641	54,310	0.51
Boeing Co. (The)	124	38,208	54,694	0.52
C.H. Robinson Worldwide Inc.	480	50,364	52,792	0.50
Caterpillar Inc.	301	46,867	53,686	0.51
Cummins Inc.	306	54,504	53,504	0.50
Deere & Co.	294	54,777	54,034	0.51
Dover Corp.	562	63,141	54,083	0.51
Emerson Electric Co.	594	49,208	53,992	0.51
Fastenal Co.	824	52,851	52,138	0.49
General Dynamics Corp.	217	53,921	53,179	0.50
Honeywell International Inc.	285	50,310	53,972	0.51
Hubbell Inc.	381	56,894	52,963	0.50
Illinois Tool Works Inc.	292	56,458	53,182	0.50
Lockheed Martin Corp.	138	50,391	53,597	0.50
MSC Industrial Direct Co. Inc., Class 'A'	474	51,380	52,874	0.50
Parker Hannifin Corp.	264	54,332	54,090	0.51
Republic Services Inc.	592	44,133	53,203	0.50
Rockwell Automation Inc.	248	57,324	54,196	0.51
Snap-On Inc.	257	51,789	54,302	0.51
Union Pacific Corp.	291	44,777	54,201	0.51
United Parcel Service Inc., Class 'B'	373	54,103	52,091	0.49
United Technologies Corp.	330	51,563	54,242	0.51
Waste Management Inc.	503	50,173	53,788	0.51
Watsco Inc., Class 'A'	231	50,228	54,141	0.51
		1,244,337	1,287,254	12.13
Information Technology—4.54%				
Analog Devices Inc.	419	48,741	52,836	0.50
Automatic Data Processing Inc.	301	43,863	53,081	0.50
CA Inc.	1,146	49,103	53,710	0.50
Cisco Systems Inc.	972	42,434	54,986	0.52
Intel Corp.	811	41,656	53,000	0.50
International Business Machines Corp.	296	57,339	54,362	0.51
Paychex Inc.	590	48,926	53,015	0.50
QUALCOMM Inc.	720	54,079	53,120	0.50
Texas Instruments Inc.	373	42,788	54,063	0.51
		428,929	482,173	4.54

First Trust Value Line® Dividend Index ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Materials—3.59%				
Air Products and Chemicals Inc.	264	53,693	54,049	0.51
Avery Dennison Corp.	403	54,045	54,093	0.51
Bemis Co. Inc.	988	56,374	54,825	0.51
DowDuPont Inc.	623	48,092	53,990	0.51
International Flavors and Fragrances Inc.	332	57,785	54,104	0.51
Praxair Inc.	266	48,941	55,305	0.52
Sonoco Products Co.	799	52,168	55,146	0.52
		371,098	381,512	3.59
Telecommunication Services—1.03%				
AT&T Inc.	1,296	62,048	54,709	0.51
Verizon Communications Inc.	829	51,028	54,830	0.52
		113,076	109,539	1.03
Utilities—20.42%				
Allete Inc.	531	52,180	54,038	0.51
Alliant Energy Corp.	973	51,355	54,134	0.51
Ameren Corp.	689	47,483	55,118	0.52
American Electric Power Co. Inc.	595	53,219	54,169	0.51
Aqua America Inc.	1,171	53,615	54,158	0.51
Atmos Energy Corp.	454	51,183	53,800	0.51
Avangrid Inc.	789	52,024	54,902	0.52
Avista Corp.	780	51,623	53,999	0.51
Black Hills Corp.	669	49,105	53,834	0.51
CMS Energy Corp.	884	51,526	54,946	0.52
Consolidated Edison Inc.	531	52,970	54,436	0.51
Dominion Energy Inc.	605	58,218	54,228	0.51
DTE Energy Co.	400	52,899	54,495	0.51
Duke Energy Corp.	520	52,890	54,061	0.51
Edison International	660	56,247	54,897	0.52
El Paso Electric Co.	700	52,159	54,387	0.51
Eversource Energy	717	52,576	55,246	0.52
Hawaiian Electric Industries Inc.	1,207	55,130	54,427	0.51
IDACORP Inc.	443	53,139	53,720	0.51
MDU Resources Group Inc.	1,428	49,299	53,842	0.51
MGE Energy Inc.	670	52,731	55,535	0.52
New Jersey Resources Corp.	916	50,428	53,889	0.51
NextEra Energy Inc.	247	44,762	54,238	0.51
Northwest Natural Gas Co.	645	52,493	54,099	0.51
OGE Energy Corp.	1,165	51,373	53,926	0.51
ONE Gas Inc.	546	52,499	53,648	0.50
Otter Tail Corp.	847	49,679	53,003	0.50
Pinnacle West Capital Corp.	514	51,587	54,437	0.51
Portland General Electric Co.	959	56,412	53,910	0.51
PPL Corp.	1,428	58,700	53,597	0.50
Public Services Enterprise Group Inc.	758	49,984	53,951	0.51
Sempra Energy	352	48,830	53,731	0.51
South Jersey Industries Inc.	1,214	50,008	53,418	0.50
Southern Co. (The)	882	53,976	53,697	0.51
Spire Inc.	575	55,319	53,406	0.50
UGI Corp.	787	48,475	53,873	0.51
Vectren Corp.	575	49,827	54,011	0.51
WEC Energy Group Inc.	648	52,319	55,075	0.52
WGL Holdings Inc.	464	50,526	54,137	0.51
Xcel Energy Inc.	910	52,351	54,648	0.51
		2,081,119	2,167,066	20.42
		8,423,340	8,710,989	82.06

First Trust Value Line® Dividend Index ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
INTERNATIONAL EQUITIES				
Belgium—0.53%				
Anheuser-Busch InBev NV, ADR	420	57,722	55,635	0.53
		57,722	55,635	0.53
Bermuda—1.50%				
Aspen Insurance Holdings Ltd.	976	51,160	52,222	0.49
Axis Capital Holdings Ltd.	733	49,648	53,598	0.50
Everest Re Group Ltd.	177	50,208	53,631	0.51
		151,016	159,451	1.50
Denmark—0.50%				
Novo Nordisk AS, ADR	875	53,145	53,053	0.50
		53,145	53,053	0.50
France—1.02%				
Sanofi SA, ADR	1,015	56,035	53,388	0.51
Total SA, ADR	682	50,264	54,298	0.51
		106,299	107,686	1.02
India—0.53%				
Infosys Technologies Ltd., ADR	2,205	45,441	56,324	0.53
		45,441	56,324	0.53
Ireland—1.00%				
Eaton Corp. PLC	541	48,649	53,157	0.50
Medtronic PLC	474	50,227	53,347	0.50
		98,876	106,504	1.00
Japan—1.01%				
Canon Inc., ADR	1,236	58,463	53,118	0.50
Toyota Motor Corp., ADR	320	52,326	54,189	0.51
		110,789	107,307	1.01
Switzerland—1.55%				
ABB Ltd., ADR	1,894	59,449	54,206	0.51
Chubb Ltd.	329	58,967	54,939	0.52
Novartis AG, ADR	555	58,007	55,116	0.52
		176,423	164,261	1.55
Taiwan—0.51%				
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	1,126	58,768	54,119	0.51
		58,768	54,119	0.51
United Kingdom—3.58%				
British American Tobacco PLC, ADR	816	63,095	54,120	0.51
Diageo PLC, ADR	288	51,304	54,525	0.51
GlaxoSmithKline PLC, ADR	1,030	48,218	54,583	0.52
Nielsen Holdings PLC	1,327	57,883	53,959	0.51
Royal Dutch Shell PLC, Class 'B', ADR	582	49,762	55,586	0.52
Unilever PLC, ADR	749	53,132	54,433	0.51
WPP PLC, ADR	514	54,849	53,099	0.50
		378,243	380,305	3.58
		1,236,722	1,244,645	11.73
Total investments		10,159,017	10,445,239	98.40
Transaction costs		(800)		
Unrealized appreciation on derivatives - see Schedule 1			132,241	1.24
Other assets, less liabilities			38,088	0.36
Total Net Assets Attributable to Holders of Redeemable Units		10,158,217	10,615,568	100.00

First Trust Value Line® Dividend Index ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

Schedule 1 - Foreign Exchange Contracts*

Counterparty	Credit	Settlement Date	Currency	Amount	Currency	Amount	Forward	Current	Appreciation (Depreciation)
	Rating of Counterparty**								
Bank of New York Mellon (The), New York	A-1+	31/07/2018	USD	8,019,481	CAD	10,670,000	0.752	0.761	132,241
									132,241

* Commercial paper rating per Stand and Poor's Commercial Paper Guide

** Per Standard and Poor's Rating

First Trust AlphaDEX™ U.S. Financial Sector Index ETF

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	5,868,702	4,199,960
Cash	23,146	31,080
Accrued dividend receivable	15,854	23,699
Other assets	1,633	1,784
	5,909,335	4,256,523
Liabilities		
Accrued liabilities	3,749	7,091
Redemptions payable	-	12,517
Distributions payable to holders of redeemable units	15,000	16,650
	18,749	36,258
Total net assets attributable to holders of redeemable units	5,890,586	4,220,265
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Units	5,890,586	4,220,265
Redeemable units outstanding [note 6]		
Units	200,000	150,000
Net assets attributable to holders of redeemable units per unit		
Units	29.45	28.14

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	150,451	55,732
Other changes in fair value of investments		
Net realized gain (loss) on sale of investments	8,143	143,623
Net realized gain (loss) on foreign exchange	(393)	(5,331)
Net change in unrealized appreciation (depreciation) of investments	119,005	(94,944)
	277,206	99,080
Foreign exchange gain (loss) on cash	(56)	(66)
	277,150	99,014
Expenses [note 7]		
Management fees	29,639	14,773
HST expense	3,011	1,502
Transaction costs [note 3 and note 9]	1,965	889
Independent Review Committee fees	703	488
Interest expense	10	1
	35,328	17,653
Expenses waived by manager	(703)	(488)
	34,625	17,165
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	242,525	81,849
Withholding taxes	22,305	7,711
Increase (Decrease) in net assets attributable to holders of redeemable units	220,220	74,138
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Units	220,220	74,138
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Units	0.75	0.47

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust AlphaDEX™ U.S. Financial Sector Index ETF

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Net assets attributable to holders of redeemable units, beginning of period	4,220,265	2,586,998
Increase (Decrease) in net assets attributable to holders of redeemable units	220,220	74,138
Redeemable unit transactions [note 6]		
Proceeds from issuance of units	13,955,020	2,646,130
Redemption of units	(12,459,394)	-
	1,495,626	2,646,130
Distributions to holders of redeemable units from:		
Net investment income	(45,525)	(22,395)
	(45,525)	(22,395)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	1,670,321	2,697,873
Net assets attributable to holders of redeemable units, end of period	5,890,586	5,284,871

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Financial Sector Index ETF

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	220,220	74,138
Adjustments for:		
Net realized (gain) loss on sale of investments	(8,143)	(143,623)
Change in unrealized (appreciation) depreciation of investments	(119,005)	94,944
Dividends receivable	7,845	(5,921)
Other assets	151	(419)
Other liabilities	(3,342)	1,768
Purchases of investments	(17,888,033)	(4,245,450)
Proceeds from the sale of investments	16,346,439	1,595,252
	(1,443,868)	(2,629,311)
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	13,955,020	2,646,130
Amount paid on redemptions of units	(12,471,911)	-
Distributions paid to unitholders	(47,175)	(21,295)
	1,435,934	2,624,835
Increase (Decrease) in cash for the period	(7,934)	(4,476)
Cash, beginning of period	31,080	22,815
Cash, end of period	23,146	18,339
Dividends received, net of withholding taxes	135,991	42,100

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Financial Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Financials Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable 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 capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Financial Services Sector.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets (Liabilities) at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	5,868,702	–	–	5,868,702
Total	5,868,702	–	–	5,868,702
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	4,199,960	–	–	4,199,960
Total	4,199,960	–	–	4,199,960

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Units
Outstanding units – December 31, 2016	100,000
Redeemable units issued	350,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(300,000)
Outstanding units – December 31, 2017	150,000
Redeemable units issued	500,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(450,000)
Outstanding units – June 30, 2018	200,000

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Units
0.70%

First Trust AlphaDEX™ U.S. Financial Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2017 and 2016 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2017	2016	2017	2016
-	-	281,856	510,601

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
1,965	889

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
29,639	14,773	3,318	3,091

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Financial Services Index	260,658	(260,658)	198,361	(198,361)
Russell 1000® Index	260,658	(260,658)	204,691	(204,691)
S&P 500 Financials Index	232,089	(232,089)	168,818	(168,818)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at June 30, 2018 and December 31, 2017:

Currency	At June 30, 2018		At December 31, 2017	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	5,888,599	99.97	4,223,545	100.08

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$58,886 (December 31, 2017 – \$42,235). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

First Trust AlphaDEX™ U.S. Financial Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

Concentration Risk – The table below summarizes the concentration risk for the period ended June 30, 2018 and year ended December 31, 2017:

Sector	As a % of net assets attributable to holders of redeemable units	
	June 30, 2018	December 31, 2017
Financials	84.10	87.12
Information Technology	12.54	10.30
Consumer Discretionary	1.71	1.11
Industrials	1.28	0.99
Total	99.63	99.52

First Trust AlphaDEX™ U.S. Financial Sector Index ETF

Notes to Financial Statements - Specific Information

For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Consumer Discretionary—1.71%				
CoreCivic Inc.	2,103	56,783	66,049	1.12
Lamar Advertising Co., Class 'A'	386	33,388	34,664	0.59
		90,171	100,713	1.71
Financials—84.10%				
Affiliated Managers Group Inc.	168	38,246	32,835	0.56
Aflac Inc.	937	52,033	52,993	0.90
AGNC Investment Corp.	1,688	40,967	41,254	0.70
Allstate Corp. (The)	337	40,054	40,436	0.69
Ally Financial Inc.	1,176	40,631	40,614	0.69
American Financial Group Inc.	71	9,895	10,018	0.17
American Tower Corp.	109	19,120	20,659	0.35
Annaly Capital Management Inc.	3,935	53,002	53,232	0.90
Aon PLC	113	20,336	20,377	0.35
Apartment Investment & Management Co., Class 'A'	196	10,383	10,900	0.18
Apple Hospitality REIT Inc.	1,401	32,894	32,932	0.56
Arch Capital Group Ltd.	279	10,268	9,705	0.16
Arthur J. Gallagher & Co.	597	50,650	51,235	0.87
Aspen Insurance Holdings Ltd.	356	20,391	19,048	0.32
Associated Banc-Corp.	991	32,078	35,567	0.60
Assurant Inc.	349	40,993	47,483	0.81
Assured Guaranty Ltd.	1,133	50,566	53,220	0.90
Athene Holding Ltd.	859	51,977	49,508	0.84
Avalonbay Communities Inc.	49	10,283	11,073	0.19
Bank of America Corp.	531	20,214	19,679	0.33
Bank of New York Mellon Corp. (The)	619	43,143	43,887	0.74
Bank of the Ozarks	511	31,756	30,257	0.51
BankUnited Inc.	799	41,178	42,909	0.73
BB&T Corp.	307	20,493	20,357	0.35
Berkshire Hathaway Inc., Class 'B'	205	51,480	50,303	0.85
BGC Partners Inc., Class 'A'	1,188	19,964	17,680	0.30
BlackRock Inc.	15	10,288	9,841	0.17
BOK Financial Corp.	81	9,873	10,011	0.17
Brandywine Realty Trust	1,003	20,324	22,258	0.38
Brixmor Property Group Inc.	1,615	31,879	37,007	0.63
Brown & Brown Inc.	968	32,269	35,289	0.60
Capital One Financial Corp.	257	31,129	31,050	0.53
Cboe Global Markets Inc.	216	29,815	29,552	0.50
CBRE Group Inc., Class 'A'	869	48,637	54,540	0.93
Charles Schwab Corp. (The)	612	40,766	41,113	0.70
Chimera Investment Corp.	2,357	52,401	56,643	0.96
Chubb Ltd.	180	32,393	30,058	0.51
Cincinnati Financial Corp.	552	51,534	48,519	0.82
CIT Group Inc.	479	31,588	31,744	0.54
Citizens Financial Group Inc.	587	31,845	30,019	0.51
CME Group Inc.	152	31,736	32,756	0.56
CNA Financial Corp.	497	32,100	29,846	0.51
Colony Capital Inc.	1,415	10,405	11,608	0.20
Columbia Property Trust Inc.	1,561	42,674	46,605	0.79
Comerica Inc.	83	9,888	9,921	0.17

First Trust AlphaDEX™ U.S. Financial Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Commerce Bancshares Inc.	133	9,998	11,314	0.19
Credit Acceptance Corp.	97	40,087	45,066	0.76
Crown Castle International Corp.	146	19,541	20,695	0.35
CubeSmart	281	9,929	11,903	0.20
Cullen/Frost Bankers Inc.	75	10,148	10,672	0.18
Discover Financial Services	342	32,607	31,657	0.54
Duke Realty Corp.	300	10,161	11,449	0.19
East West Bancorp Inc.	255	21,283	21,857	0.37
Eaton Vance Corp.	573	39,603	39,314	0.67
Entertainment Properties Trust	576	43,219	49,061	0.83
Everest Re Group Ltd.	62	19,040	18,786	0.32
Extra Space Storage Inc.	91	9,986	11,941	0.20
F.N.B. Corp.	1,188	20,907	20,959	0.36
Federated Investors Inc., Class 'B'	956	36,975	29,309	0.50
Fifth Third Bancorp	1,007	40,259	37,995	0.64
First American Financial Corp.	544	38,058	36,989	0.63
First Data Corp., Class 'A'	497	10,658	13,675	0.23
First Republic Bank	86	10,330	10,943	0.19
FNF Group	613	29,813	30,317	0.51
Forest City Realty Trust Inc., Class 'A'	393	10,238	11,785	0.20
Franklin Resources Inc.	459	22,459	19,340	0.33
Gaming and Leisure Properties Inc.	477	20,841	22,450	0.38
Goldman Sachs Group Inc. (The)	32	10,106	9,279	0.16
Hanover Insurance Group Inc.	68	10,348	10,688	0.18
HCP Inc.	343	10,240	11,643	0.20
Highwoods Properties Inc.	183	10,589	12,205	0.21
Hospitality Properties Trust	631	22,164	23,733	0.40
Host Hotels & Resorts Inc.	857	21,862	23,739	0.40
Howard Hughes Corp. (The)	57	10,080	9,929	0.17
Huntington Bancshares Inc.	1,631	31,613	31,648	0.54
Intercontinental Exchange Inc.	220	20,008	21,272	0.36
Invesco Ltd.	997	40,368	34,812	0.59
Iron Mountain Inc.	241	10,608	11,092	0.19
Jefferies Financial Group Inc.	703	21,875	21,016	0.36
Jones Lang LaSalle Inc.	45	8,983	9,820	0.17
JPMorgan Chase & Co.	145	20,283	19,863	0.34
KeyCorp	815	21,056	20,936	0.36
Kimco Realty Corp.	2,219	42,784	49,563	0.84
Lazard Ltd., Class 'A'	608	40,656	39,094	0.66
Legg Mason Inc.	1,009	49,921	46,069	0.78
Liberty Property Trust	400	20,952	23,311	0.40
Lincoln National Corp.	437	40,807	35,763	0.61
Loews Corp.	493	30,594	31,291	0.53
LPL Financial Holdings Inc.	671	53,076	57,815	0.98
M&T Bank Corp.	43	9,858	9,619	0.16
MarketAxess Holdings Inc.	73	18,687	18,989	0.32
Marsh & McLennan Cos. Inc.	97	10,158	10,453	0.18
Medical Properties Trust Inc.	1,893	30,916	34,940	0.59
Mercury General Corp.	695	40,966	41,627	0.71
MetLife Inc.	696	41,026	39,894	0.68
MFA Financial Inc.	5,449	51,420	54,300	0.92
Mid-America Apartment Communities Inc.	87	10,399	11,514	0.20
Moody's Corp.	254	52,372	56,954	0.97
Morgan Stanley	455	30,241	28,353	0.48
Nasdaq Inc.	285	32,120	34,197	0.58

First Trust AlphaDEX™ U.S. Financial Sector Index ETF

Notes to Financial Statements - Specific Information

For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
National Retail Properties Inc.	405	20,540	23,406	0.40
Navient Corp.	1,876	32,820	32,136	0.55
New Residential Investment Corp.	2,495	53,992	57,368	0.97
New York Community Bancorp Inc.	1,889	31,364	27,416	0.47
Northern Trust Corp.	77	9,909	10,415	0.18
Old Republic International Corp.	1,489	38,725	38,974	0.66
OneMain Holdings Inc.	1,067	42,129	46,697	0.79
Outfront Media Inc.	1,704	44,448	43,571	0.74
PacWest Bancorp	497	33,071	32,290	0.55
Paramount Group Inc.	559	10,471	11,317	0.19
Park Hotels & Resorts Inc.	1,519	55,322	61,167	1.04
People's United Financial Inc.	852	20,558	20,262	0.34
Piedmont Office Realty Trust Inc., Series 'A'	1,400	32,937	36,681	0.62
Pinnacle Financial Partners Inc.	124	10,133	10,001	0.17
PNC Financial Services Group Inc.	163	30,681	28,950	0.49
Popular Inc.	192	9,995	11,412	0.19
Principal Financial Group Inc.	524	40,899	36,476	0.62
ProAssurance Corp.	329	18,799	15,333	0.26
Progressive Corp. (The)	673	47,043	52,334	0.89
Prologis Inc.	253	19,962	21,849	0.37
Prosperity Bancshares Inc.	220	20,583	19,771	0.34
Prudential Financial Inc.	396	53,369	48,681	0.83
Raymond James Financial Inc.	357	41,569	41,935	0.71
Rayonier Inc.	452	19,540	22,990	0.39
Realogy Holdings Corp.	1,504	48,409	45,081	0.77
Regions Financial Corp.	860	19,782	20,102	0.34
Reinsurance Group of America Inc.	266	51,099	46,678	0.79
RenaissanceRe Holdings Ltd.	178	30,877	28,156	0.48
Retail Properties of America Inc.	3,520	54,020	59,140	1.00
S&P Global Inc.	167	39,246	44,763	0.76
Santander Consumer USA Holdings Inc.	2,517	55,281	63,168	1.07
SBA Communications Corp.	144	29,211	31,259	0.53
SEI Investments Co.	426	37,614	35,014	0.59
Senior Housing Properties Trust	1,020	21,628	24,258	0.41
Signature Bank	112	20,030	18,829	0.32
SLM Corp.	711	10,150	10,703	0.18
Starwood Property Trust Inc.	763	20,068	21,777	0.37
State Street Corp.	247	31,336	30,228	0.51
Store Capital Corp.	321	10,074	11,563	0.20
SunTrust Banks Inc.	235	20,142	20,396	0.35
SVB Financial Group	133	43,641	50,489	0.86
Synchrony Financial	735	33,401	32,254	0.55
T. Rowe Price Group Inc.	296	40,977	45,175	0.77
TCF Financial Corp.	1,080	30,933	34,956	0.59
TD Ameritrade Holding Corp.	693	51,005	49,898	0.85
Torchmark Corp.	487	52,697	52,121	0.88
Travelers Cos. Inc. (The)	177	30,427	28,468	0.48
Two Harbors Investment Corp.	2,079	41,005	43,184	0.73
U.S. Bancorp	316	21,383	20,780	0.35
Unum Group	671	40,679	32,630	0.55
Ventas Inc.	645	43,028	48,291	0.82
Visa Inc., Class 'A'	267	41,066	46,491	0.79
Voya Financial Inc.	632	39,424	39,050	0.66
W.R. Berkley Corp.	338	30,332	32,176	0.55
Webster Financial Corp.	144	10,514	12,059	0.20
Weingarten Realty Investors	1,461	53,963	59,177	1.00

First Trust AlphaDEX™ U.S. Financial Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Wells Fargo & Co.	609	43,434	44,386	0.75
Western Alliance Bancorp	424	31,667	31,555	0.54
Western Union Co.	412	10,251	11,011	0.19
Willis Towers Watson PLC	105	20,538	20,927	0.36
WP Carey Inc.	129	10,551	11,252	0.19
XL Group Ltd.	743	52,783	54,651	0.93
Zions Bancorp	303	20,370	20,988	0.36
		4,849,710	4,953,955	84.10
Industrials—1.28%				
Dun & Bradstreet Corp. (The)	68	10,209	10,965	0.19
Equifax Inc.	68	10,035	11,184	0.19
TransUnion	562	42,673	52,930	0.90
		62,917	75,079	1.28
Information Technology—12.54%				
Broadridge Financial Solutions Inc., ADR	374	47,241	56,592	0.96
CoreLogic Inc.	353	21,038	24,086	0.41
FactSet Research Systems Inc.	123	30,892	32,033	0.54
Fidelity National Information Services Inc.	255	31,676	35,545	0.60
Fiserv Inc.	224	20,250	21,818	0.37
FleetCor Technologies Inc.	202	50,184	55,940	0.95
Global Payments Inc.	368	50,690	53,938	0.92
Jack Henry & Associates Inc.	203	31,128	34,790	0.59
MasterCard Inc., Class 'A'	234	51,359	60,455	1.03
MSCI Inc., Class 'A'	274	49,685	59,590	1.01
PayPal Holdings Inc.	540	52,753	59,114	1.00
Square Inc., Class 'A'	833	47,050	67,502	1.15
Total System Service Inc.	475	49,952	52,779	0.90
WEX Inc.	262	50,613	65,609	1.11
Zillow Group Inc., Class 'C'	762	53,538	59,164	1.00
		638,049	738,955	12.54
Total investments		5,640,847	5,868,702	99.63
Transaction costs		(315)		
Other assets, less liabilities			21,884	0.37
Total Net Assets Attributable to Holders of Redeemable Units		5,640,532	5,890,586	100.00

First Trust AlphaDEX™ U.S. Energy Sector Index ETF

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	2,218,075	1,293,326
Cash	9,135	5,422
Accrued dividend receivable	348	365
Other assets	449	94
	2,228,007	1,299,207
Liabilities		
Accrued liabilities	1,241	967
	1,241	967
Total net assets attributable to holders of redeemable units	2,226,766	1,298,240
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Units	2,226,766	1,298,240
Redeemable units outstanding [note 6]		
Units	150,000	100,000
Net assets attributable to holders of redeemable units per unit		
Units	14.85	12.98

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	26,529	20,883
Other changes in fair value of investments		
Net realized gain (loss) on sale of investments	945,308	(61,353)
Net realized gain (loss) on foreign exchange	12	(72)
Net change in unrealized appreciation (depreciation) of investments	247,561	(511,579)
	1,219,410	(552,121)
Foreign exchange gain (loss) on cash	72	(12)
	1,219,482	(552,133)
Expenses [note 7]		
Management fees	14,616	8,455
Transaction costs [note 3 and note 9]	1,685	1,026
HST expense	1,545	1,031
Independent Review Committee fees	349	257
Interest expense	2	4
	18,197	10,773
Expenses waived by manager	(349)	(257)
	17,848	10,516
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	1,201,634	(562,649)
Withholding taxes	3,768	3,095
Increase (Decrease) in net assets attributable to holders of redeemable units	1,197,866	(565,744)
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Units	1,197,866	(565,744)
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Units	3.66	(3.11)

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust AlphaDEX™ U.S. Energy Sector Index ETF

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Net assets attributable to holders of redeemable units, beginning of period	1,298,240	2,942,975
Increase (Decrease) in net assets attributable to holders of redeemable units	1,197,866	(565,744)
Redeemable unit transactions [note 6]		
Proceeds from issuance of units	6,753,955	-
Redemption of units	(7,023,295)	(650,947)
	(269,340)	(650,947)
Distributions to holders of redeemable units from:		
Net investment income	-	(3,825)
	-	(3,825)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	928,526	(1,220,516)
Net assets attributable to holders of redeemable units, end of period	2,226,766	1,722,459

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Energy Sector Index ETF

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	1,197,866	(565,744)
Adjustments for:		
Net realized (gain) loss on sale of investments	(945,308)	61,353
Change in unrealized (appreciation) depreciation of investments	(247,561)	511,579
Dividends receivable	17	(386)
Other assets	(355)	(75)
Other liabilities	274	(539)
Purchases of investments	(8,778,130)	(1,017,276)
Proceeds from the sale of investments	9,046,250	1,659,805
	273,053	648,717
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	6,753,955	-
Amount paid on redemptions of units	(7,023,295)	(650,947)
	(269,340)	(650,947)
Increase (Decrease) in cash for the period	3,713	(2,230)
Cash, beginning of period	5,422	7,440
Cash, end of period	9,135	5,210
Dividends received, net of withholding taxes	22,778	17,402

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Energy Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Energy Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable 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 capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Energy Sector.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	2,218,075	–	–	2,218,075
Total	2,218,075	–	–	2,218,075
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	1,293,326	–	–	1,293,326
Total	1,293,326	–	–	1,293,326

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Units
Outstanding units – December 31, 2016	200,000
Redeemable units issued	50,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(150,000)
Outstanding units – December 31, 2017	100,000
Redeemable units issued	550,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(500,000)
Outstanding units – June 30, 2018	150,000

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Units
0.70%

First Trust AlphaDEX™ U.S. Energy Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2017 and 2016 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2017	2016	2017	2016
-	-	1,368,623	928,105

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
1,685	1,026

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
14,616	8,455	1,093	1,017

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Energy Index	119,800	(119,800)	75,301	(75,301)
Russell 1000® Index	103,879	(103,879)	50,634	(50,634)
S&P 500 Energy Index	120,913	(120,913)	75,301	(75,301)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at June 30, 2018 and December 31, 2017:

Currency	At June 30, 2018		At December 31, 2017	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	2,224,512	99.90	1,297,859	99.97

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$22,245 (December 31, 2017 - \$12,979). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

First Trust AlphaDEX™ U.S. Energy Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

Concentration Risk – The table below summarizes the concentration risk for the period ended June 30, 2018 and year ended December 31, 2017:

Sector	As a % of net assets attributable to holders of redeemable units	
	June 30, 2018	December 31, 2017
Energy	99.06	98.17
Materials	0.55	1.45
Total	99.61	99.62

First Trust AlphaDEX™ U.S. Energy Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Energy—99.06%				
Anadarko Petroleum Corp.	156	12,568	15,022	0.67
Andeavor	423	60,850	72,949	3.28
Antero Resources Corp.	2,679	67,051	75,194	3.38
Apache Corp.	1,104	57,986	67,852	3.05
Centennial Resource Development Inc.	524	11,485	12,441	0.56
Cheniere Energy Inc.	537	40,277	46,022	2.07
Chesapeake Energy Corp.	3,179	15,702	21,899	0.98
Chevron Corp.	252	38,266	41,885	1.88
Cimarex Energy Co.	308	37,440	41,196	1.85
Concho Resources Inc.	188	34,273	34,194	1.54
ConocoPhillips	159	12,391	14,553	0.65
Continental Resources Inc.	719	51,879	61,213	2.75
Devon Energy Corp.	905	42,041	52,302	2.35
Diamondback Energy Inc.	168	25,906	29,059	1.30
Energen Corp.	675	51,915	64,620	2.90
EOG Resources Inc.	273	38,759	44,658	2.01
EQT Corp.	1,121	74,578	81,320	3.65
Extraction Oil & Gas Inc.	1,857	29,317	35,863	1.61
Exxon Mobil Corp.	570	58,933	61,994	2.78
Gulfport Energy Corp.	5,511	74,507	91,070	4.09
Halliburton Co.	204	12,703	12,085	0.54
Helmerich & Payne Inc.	639	54,223	53,562	2.40
HollyFrontier Corp.	1,089	77,817	97,968	4.40
Kinder Morgan Inc.	638	14,248	14,821	0.67
Marathon Oil Corp.	1,320	30,138	36,199	1.63
Marathon Petroleum Corp.	582	51,230	53,681	2.41
Murphy Oil Corp.	819	31,362	36,360	1.63
Nabors Industries Ltd.	3,051	28,095	25,710	1.15
Occidental Petroleum Corp.	327	30,939	35,973	1.62
Oceaneering International Inc.	2,871	79,297	96,095	4.31
ONEOK Inc.	369	28,757	33,875	1.52
Parsley Energy Inc., Class 'A'	330	11,581	13,136	0.59
Patterson-UTI Energy Inc.	1,644	40,132	38,903	1.75
PBF Energy Inc.	1,251	59,434	68,959	3.10
Phillips 66	555	72,078	81,945	3.68
Pioneer Natural Resources Co.	125	28,393	31,098	1.40
QEP Resources Inc.	5,436	70,463	87,615	3.93
Range Resources Corp.	2,933	57,931	64,509	2.90
RPC Inc.	534	12,660	10,228	0.46
RSP Permian Inc.	614	30,494	35,533	1.60
SM Energy Co.	1,595	44,430	53,868	2.42
Southwestern Energy Co.	12,288	71,240	85,618	3.84
Targa Resources Corp.	212	12,539	13,793	0.62
Valero Energy Corp.	573	72,628	83,488	3.75
Williams Cos. Inc. (The)	1,157	38,809	41,236	1.85
WPX Energy Inc.	1,443	28,603	34,204	1.54
		1,926,348	2,205,768	99.06
Materials—0.55%				
Valvoline Inc.	434	12,576	12,307	0.55
		12,576	12,307	0.55
Total investments		1,938,924	2,218,075	99.61
Transaction costs		(204)		
Other assets, less liabilities			8,691	0.39
Total Net Assets Attributable to Holders of Redeemable Units		1,938,720	2,226,766	100.00

First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	3,973,027	3,772,147
Cash	16,490	66,695
Accrued dividend receivable	3,423	11,973
Other assets	1,987	1,693
	3,994,927	3,852,508
Liabilities		
Accrued liabilities	2,611	9,538
Redemptions payable	-	20,586
Distributions payable to holders of redeemable units	10,500	29,470
	13,111	59,594
Total net assets attributable to holders of redeemable units	3,981,816	3,792,914
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Units	3,981,816	3,792,914
Redeemable units outstanding [note 6]		
Units	150,000	150,000
Net assets attributable to holders of redeemable units per unit		
Units	26.55	25.29

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	49,197	57,132
Other changes in fair value of investments		
Net realized gain (loss) on sale of investments	222,208	106,866
Net realized gain (loss) on foreign exchange	58	663
Net change in unrealized appreciation (depreciation) of investments	(109,512)	(102,148)
	161,951	62,513
Foreign exchange gain (loss) on cash	80	(1,494)
	162,031	61,019
Expenses [note 7]		
Management fees	19,014	13,935
HST expense	2,179	1,276
Transaction costs [note 3 and note 9]	995	910
Independent Review Committee fees	451	469
Interest expense	5	3
	22,644	16,593
Expenses waived by manager	(451)	(469)
	22,193	16,124
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	139,838	44,895
Withholding taxes	9,032	4,574
Increase (Decrease) in net assets attributable to holders of redeemable units	130,806	40,321
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Units	130,806	40,321
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Units	0.61	0.24

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Net assets attributable to holders of redeemable units, beginning of period	3,792,914	2,285,733
Increase (Decrease) in net assets attributable to holders of redeemable units	130,806	40,321
Redeemable unit transactions [note 6]		
Proceeds from issuance of units	6,466,091	3,458,762
Redemption of units	(6,383,495)	(1,165,779)
	82,596	2,292,983
Distributions to holders of redeemable units from:		
Net investment income	(24,500)	(14,000)
	(24,500)	(14,000)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	188,902	2,319,304
Net assets attributable to holders of redeemable units, end of period	3,981,816	4,605,037

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	130,806	40,321
Adjustments for:		
Net realized (gain) loss on sale of investments	(222,208)	(106,866)
Change in unrealized (appreciation) depreciation of investments	109,512	102,148
Dividends receivable	8,550	(1,474)
Other assets	(294)	(536)
Other liabilities	(6,927)	1,511
Purchases of investments	(8,845,091)	(5,161,698)
Proceeds from the sale of investments	8,756,907	2,896,154
	(68,745)	(2,230,440)
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	6,466,091	3,458,762
Amount paid on redemptions of units	(6,404,081)	(1,165,779)
Distributions paid to unitholders	(43,470)	-
	18,540	2,292,983
Increase (decrease) in cash for the period	(50,205)	62,543
Cash, beginning of period	66,695	5,632
Cash, end of period	16,490	68,175
Dividends received, net of withholding taxes	48,715	51,084

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Consumer Discretionary Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable 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 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 Discretionary Sector.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	3,973,027	–	–	3,973,027
Total	3,973,027	–	–	3,973,027
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	3,772,147	–	–	3,772,147
Total	3,772,147	–	–	3,772,147

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Units
Outstanding units – December 31, 2016	100,000
Redeemable units issued	650,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(600,000)
Outstanding units – December 31, 2017	150,000
Redeemable units issued	250,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(250,000)
Outstanding units – June 30, 2018	150,000

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Units
0.70%

First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2017 and 2016 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2017	2016	2017	2016
29,096	29,096	-	-

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
995	910

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
19,014	13,935	2,311	2,720

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Consumer Discretionary and Services Index	179,779	(179,779)	189,654	(189,654)
Russell 1000® Index	180,575	(180,575)	182,068	(182,068)
S&P 500 Consumer Discretionary Index	172,811	(172,811)	183,964	(183,964)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at June 30, 2018 and December 31, 2017:

Currency	At June 30, 2018		At December 31, 2017	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	3,978,427	99.91	3,788,496	99.88

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$39,784 (December 31, 2017 - \$37,885). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

Concentration Risk – The table below summarizes the concentration risk for the period ended June 30, 2018 and year ended December 31, 2017:

Sector	As a % of net assets attributable to holders of redeemable units	
	June 30, 2018	December 31, 2017
Consumer Discretionary	88.84	92.92
Telecommunication Services	4.26	0.80
Consumer Staples	3.49	2.46
Industrials	3.19	1.92
Information Technology	–	1.35
Total	99.78	99.45

First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF

Notes to Financial Statements - Specific Information

For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Consumer Discretionary—88.84%				
Adient PLC	574	53,594	37,119	0.93
Advance Auto Parts Inc.	145	19,646	25,868	0.65
Amazon.com Inc.	31	51,449	69,274	1.74
Aramark	218	11,470	10,633	0.27
AutoNation Inc.	734	47,200	46,877	1.18
AutoZone Inc.	13	10,988	11,467	0.29
Bed Bath & Beyond Inc.	2,137	62,428	55,977	1.41
Best Buy Co. Inc.	245	20,273	24,021	0.60
BorgWarner Inc.	171	11,204	9,703	0.24
Bright Horizons Family Solutions Inc.	270	32,508	36,390	0.91
Brunswick Corp.	145	10,619	12,292	0.31
Burlington Stores Inc.	337	51,548	66,690	1.68
Carnival Corp.	523	43,738	39,404	0.99
Charter Communications Inc., Class 'A'	144	58,271	55,508	1.39
Chipotle Mexican Grill Inc., Class 'A'	27	11,430	15,312	0.38
Choice Hotels International Inc.	336	33,776	33,394	0.84
Cinemark Holdings Inc.	715	32,590	32,974	0.83
Comcast Corp., Class 'A'	1,313	60,427	56,635	1.42
D.R. Horton Inc.	614	34,969	33,095	0.83
Dick's Sporting Goods Inc.	979	39,161	45,368	1.14
Discovery Inc., Series 'A'	801	23,242	28,958	0.73
DISH Network Corp., Class 'A'	906	46,222	40,032	1.01
Dollar General Corp.	367	41,809	47,572	1.19
Dollar Tree Inc.	362	45,582	40,452	1.02
Domino's Pizza Inc.	147	43,526	54,530	1.37
Extended Stay America Inc.	868	21,797	24,660	0.62
Foot Locker Inc.	591	32,768	40,907	1.03
Ford Motor Co.	3,098	47,041	45,086	1.13
GameStop Corp., Class 'A'	3,555	72,852	68,094	1.71
Gap Inc. (The)	863	33,501	36,748	0.92
Garmin Ltd.	458	33,552	36,729	0.92
General Motors Co.	741	38,508	38,382	0.96
Gentex Corp.	1,491	40,903	45,123	1.13
Goodyear Tire & Rubber Co. (The)	1,013	40,534	31,016	0.78
Graham Holdings Co., Class 'B'	74	55,249	57,018	1.43
H&R Block Inc.	339	11,117	10,152	0.26
Harley-Davidson Inc.	201	12,106	11,119	0.28
Hilton Grand Vacations Inc.	626	33,024	28,557	0.72
Hilton Worldwide Holdings Inc.	342	33,714	35,591	0.89
Home Depot Inc.	48	11,032	12,311	0.31
Hyatt Hotels Corp., Class 'A'	113	10,280	11,461	0.29
Interpublic Group of Cos. Inc. (The)	374	10,073	11,525	0.29
John Wiley & Sons Inc., Class 'A'	270	22,180	22,149	0.56
Kohl's Corp.	524	37,906	50,219	1.26
Las Vegas Sands Corp.	239	21,370	23,992	0.60
Lear Corp.	241	54,405	58,870	1.48
Leggett & Platt Inc.	194	11,440	11,385	0.29
Lennar Corp., Class 'A'	146	11,017	10,077	0.25
Live Nation Inc.	815	42,442	52,040	1.31

First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
LKQ Corp.	452	22,471	18,956	0.48
Lowe's Cos. Inc.	196	23,034	24,626	0.62
Lululemon Athletica Inc.	503	51,472	82,559	2.07
Macy's Inc.	905	28,903	44,533	1.12
Madison Square Garden Co. (The)	140	41,980	57,091	1.43
Marriott International Inc., Class 'A'	330	53,539	54,923	1.38
MGM Resorts International	980	43,037	37,401	0.94
Michael Kors Holdings Ltd.	434	31,492	37,999	0.95
Michaels Cos. Inc. (The)	874	24,238	22,026	0.55
Mohawk Industries Inc.	116	36,822	32,676	0.82
Murphy USA Inc.	472	45,131	46,098	1.16
Netflix Inc.	152	49,660	78,218	1.96
Newell Brands Inc.	1,761	67,367	59,706	1.50
Nielsen Holdings PLC	271	11,874	11,019	0.28
Nike Inc., Class 'B'	258	21,658	27,026	0.68
Nordstrom Inc.	178	11,247	12,117	0.30
Norwegian Cruise Line Holdings Ltd.	508	35,592	31,556	0.79
Penske Automotive Group Inc.	1,012	60,176	62,330	1.57
Polaris Industries Inc.	235	34,869	37,747	0.95
Pool Corp.	235	41,681	46,805	1.18
PulteGroup Inc.	584	22,058	22,073	0.55
PVH Corp.	113	19,668	22,242	0.56
Qurate Retail Group Inc. QVC Group, Series 'A'	684	22,211	19,082	0.48
Ross Stores Inc.	220	21,657	24,512	0.62
Royal Caribbean Cruises Ltd.	292	44,601	39,770	1.00
Sally Beauty Holdings Inc.	1,043	23,200	21,980	0.55
Service Corp. International	228	10,535	10,728	0.27
ServiceMaster Global Holdings Inc.	169	10,762	13,213	0.33
Signet Jewelers Ltd.	1,165	55,246	85,385	2.14
Sirius XM Holdings Inc.	2,760	22,264	24,565	0.62
Skechers U.S.A. Inc., Class 'A'	1,154	49,804	45,528	1.14
Tapestry Inc.	853	55,374	52,380	1.31
Target Corp.	494	42,545	49,435	1.24
TEGNA Inc.	3,939	59,341	56,186	1.41
Thor Industries Inc.	75	12,403	9,603	0.24
TJX Cos. Inc.	210	22,562	26,277	0.66
Toll Brothers Inc.	794	46,030	38,611	0.97
Tribune Media Co., Class 'A'	664	34,196	33,407	0.84
Twenty-First Century Fox Inc., Class 'A'	469	20,958	30,637	0.77
Urban Outfitters Inc.	464	18,289	27,175	0.68
V.F. Corp.	363	34,190	38,903	0.98
Vail Resorts Inc.	39	10,978	14,058	0.35
Viacom Inc., Class 'B'	1,444	55,627	57,254	1.44
Walt Disney Co. (The)	268	34,974	36,927	0.93
Wayfair Inc., Class 'A'	254	24,302	39,657	1.00
Wendy's Co. (The)	491	10,881	11,090	0.28
Whirlpool Corp.	56	11,725	10,766	0.27
Williams-Sonoma Inc.	651	42,703	52,531	1.32
Wyndham Destinations Inc.	167	16,492	9,719	0.24
Wynn Resorts Ltd.	246	51,630	54,118	1.36
Yum China Holdings Inc.	415	22,709	20,983	0.53
Yum! Brands Inc.	101	11,020	10,386	0.26
		3,313,659	3,537,349	88.84

First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Consumer Staples—3.49%				
Costco Wholesale Corp.	182	43,119	50,002	1.26
Estée Lauder Cos. Inc., Class 'A'	300	49,714	56,276	1.41
L Brands Inc.	449	23,114	21,769	0.55
Walmart Inc.	96	11,065	10,810	0.27
		127,012	138,857	3.49
Industrials—3.19%				
AMERCO Inc.	130	58,638	60,868	1.53
Fortune Brands Home & Security Inc.	292	22,950	20,610	0.52
KAR Auction Services Inc.	633	42,552	45,603	1.14
		124,140	127,081	3.19
Telecommunication Services—4.26%				
Booking Holdings Inc.	13	34,386	34,644	0.87
Liberty Broadband Corp.	524	55,842	52,162	1.31
Liberty Expedia Holdings Inc., Class 'A'	685	38,683	39,569	0.99
Lions Gate Entertainment Corp., Class 'A'	1,329	47,935	43,365	1.09
		176,846	169,740	4.26
Total investments		3,741,657	3,973,027	99.78
Transaction costs		(212)		
Other assets, less liabilities			8,789	0.22
Total Net Assets Attributable to Holders of Redeemable Units		3,741,445	3,981,816	100.00

First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	4,362,372	3,411,387
Cash	9,083	46,723
Accrued dividend receivable	1,358	1,522
Derivative assets	24,428	5,054
	4,397,241	3,464,686
Liabilities		
Accrued liabilities	3,811	3,430
Distributions payable to holders of redeemable units	4,550	38,620
	8,361	42,050
Total net assets attributable to holders of redeemable units	4,388,880	3,422,636
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Units	2,455,426	2,421,369
Hedged Units	1,933,454	1,001,267
Redeemable units outstanding [note 6]		
Units	100,000	100,000
Hedged Units	100,000	50,000
Net assets attributable to holders of redeemable units per unit		
Units	24.55	24.21
Hedged Units	19.33	20.03

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	37,402	26,003
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	101,445	(34,141)
Net realized gain (loss) on derivatives	(88,720)	-
Net realized gain (loss) on foreign exchange	(1,806)	(263)
Net change in unrealized appreciation (depreciation) of investments	(65,209)	(129,346)
Net change in unrealized appreciation (depreciation) of derivatives	19,374	-
	2,486	(137,747)
Foreign exchange gain (loss) on cash	1,349	11
	3,835	(137,736)
Expenses [note 7]		
Management fees	13,807	10,103
HST expense	1,557	1,722
Transaction costs [note 3 and note 9]	1,016	653
Independent Review Committee fees	330	341
Interest expense	1	4
	16,711	12,823
Expenses waived by manager	(330)	(341)
	16,381	12,482
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	(12,546)	(150,218)
Withholding taxes	5,247	3,651
Increase (Decrease) in net assets attributable to holders of redeemable units	(17,793)	(153,869)
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Units	39,157	(153,869)
Hedged Units	(56,950)	-
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Units	0.39	(1.31)
Hedged Units	(0.69)	-

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$) Units	June 30 2017 (\$) Units	June 30 2018 (\$) Hedged Units	June 30 2017 (\$) Hedged Units
Net assets attributable to holders of redeemable units, beginning of period	2,421,369	2,462,005	1,001,267	-
Increase (Decrease) in net assets attributable to holders of redeemable units	39,157	(153,869)	(56,950)	-
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	-	2,520,558	993,137	-
Redemption of units	-	(1,225,578)	-	-
	-	1,294,980	993,137	-
Distributions to holders of redeemable units from:				
Net investment income	(5,100)	(3,825)	(4,000)	-
	(5,100)	(3,825)	(4,000)	-
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	34,057	1,137,286	932,187	-
Net assets attributable to holders of redeemable units, end of period	2,455,426	3,599,291	1,933,454	-
			June 30 2018 (\$) Total	June 30 2017 (\$) Total
Net assets attributable to holders of redeemable units, beginning of period			3,422,636	2,462,005
Increase (Decrease) in net assets attributable to holders of redeemable units			(17,793)	(153,869)
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			993,137	2,520,558
Redemption of units			-	(1,225,578)
			993,137	1,294,980
Distributions to holders of redeemable units from:				
Net investment income			(9,100)	(3,825)
			(9,100)	(3,825)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period			966,244	1,137,286
Net assets attributable to holders of redeemable units, end of period			4,388,880	3,599,291

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(17,793)	(153,869)
Adjustments for:		
Net realized (gain) loss on sale of investments	(101,445)	34,141
Change in unrealized (appreciation) depreciation of investments and derivatives	45,835	129,346
Dividends receivable	164	(1,675)
Other assets	-	408
Other liabilities	381	1,056
Purchases of investments	(3,065,895)	(3,726,063)
Proceeds from the sale of investments	2,151,146	2,419,568
	(987,607)	(1,297,088)
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	993,137	2,520,558
Amount paid on redemptions of units	-	(1,225,578)
Distributions paid to unitholders	(43,170)	(12,500)
	949,967	1,282,480
Increase (decrease) in cash for the period	(37,640)	(14,608)
Cash, beginning of period	46,723	23,361
Cash, end of period	9,083	8,753
Dividends received, net of withholding taxes	32,319	20,677

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks 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 applicable 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 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.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	4,362,372	–	–	4,362,372
Derivative assets*	–	24,428	–	24,428
Total	4,362,372	24,428	–	4,386,800
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	3,411,387	–	–	3,411,387
Derivative assets*	–	5,054	–	5,054
Total	3,411,387	5,054	–	3,416,441

* The derivative assets relate to the Hedged Units only.

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Units	Hedged Units
Outstanding units – December 31, 2016	100,000	–
Redeemable units issued	550,000	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(550,000)	–
Outstanding units – December 31, 2017	100,000	50,000
Redeemable units issued	–	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	–	–
Outstanding units – June 30, 2018	100,000	100,000

First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Units	Hedged Units
0.70%	0.70%

E. TAXATION (NOTE 8)

Tax loss carry-forwards – There were no net capital losses and non-capital losses as at December 31, 2017 and 2016.

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
1,016	653

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
13,807	10,103	2,494	2,702

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Consumer Staples Index	192,452	(192,452)	155,737	(155,737)
Russell 1000® Index	160,414	(160,414)	142,046	(142,046)
S&P 500 Consumer Staples Index	193,111	(193,111)	154,025	(154,025)

First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at June 30, 2018 and December 31, 2017:

Currency	At June 30, 2018		At December 31, 2017	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	2,417,842	55.09	2,418,414	70.66

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$24,178 (December 31, 2017 - \$24,184). A portion of this currency risk exposure has been hedged. Please refer to the Schedule of Portfolio Investments for more information. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk – The table below summarizes the concentration risk for the period ended June 30, 2018 and year ended December 31, 2017:

Sector	As a % of net assets attributable to holders of redeemable units	
	June 30, 2018	December 31, 2017
Consumer Staples	93.14	94.92
Consumer Discretionary	6.26	4.75
Total	99.40	99.67

First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF

Notes to Financial Statements - Specific Information

For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Consumer Discretionary—6.26%				
Nu Skin Enterprises Inc., Class 'A'	1,800	159,407	185,027	4.21
Rite Aid Corp.	39,491	97,448	89,816	2.05
		256,855	274,843	6.26
Consumer Staples—93.14%				
Archer-Daniels-Midland Co.	3,059	164,373	184,306	4.20
Brown-Forman Corp., Class 'B'	1,220	84,253	78,606	1.79
Bunge Ltd.	393	35,263	36,016	0.82
Campbell Soup Co.	2,011	117,252	107,178	2.44
Casey's General Stores Inc.	1,209	170,394	167,015	3.81
Clorox Co.	218	37,877	38,762	0.88
Conagra Brands Inc.	787	35,500	36,967	0.84
Constellation Brands Inc., Class 'A'	127	33,849	36,543	0.83
CVS Health Corp.	2,666	246,073	225,538	5.14
Dr. Pepper Snapple Group Inc.	736	104,090	118,045	2.69
Energizer Holdings Inc.	2,227	160,132	184,329	4.20
Flowers Foods Inc.	1,328	33,100	36,366	0.83
General Mills Inc.	1,932	116,262	112,416	2.56
Hain Celestial Group Inc.	905	35,718	35,455	0.81
Herbalife Nutrition Ltd.	2,723	158,618	192,307	4.38
Hormel Foods Corp.	1,933	82,604	94,559	2.16
Ingredion Inc.	675	109,461	98,234	2.24
J.M. Smucker Co. (The)	1,337	202,216	188,916	4.31
Kellogg Co.	446	36,875	40,967	0.93
Kimberly-Clark Corp.	264	39,194	36,560	0.83
Kraft Heinz Co. (The)	2,663	224,213	219,927	5.01
Kroger Co. (The)	3,637	109,919	136,030	3.10
Lamb Weston Holdings Inc.	2,279	165,193	205,262	4.68
McCormick & Co. Inc.	624	83,685	95,234	2.17
Molson Coors Brewing Co., Class 'B'	2,202	227,877	196,966	4.49
Mondelez International Inc., Class 'A'	1,590	85,293	85,702	1.95
Pilgrim's Pride Corp.	6,740	238,829	178,367	4.07
Post Holdings Inc.	1,149	115,651	129,936	2.96
Procter & Gamble Co. (The)	837	91,967	85,894	1.96
Sprouts Farmers Markets Inc.	5,654	175,425	164,047	3.74
Sysco Corp.	1,452	104,875	130,357	2.97
Tyson Foods Inc., Class 'A'	2,266	206,973	205,104	4.67
US Foods Holding Corp.	2,025	75,727	100,683	2.29
Walgreens Boots Alliance Inc.	1,330	121,178	104,935	2.39
		4,029,909	4,087,529	93.14
Total investments		4,286,764	4,362,372	99.40
Transaction costs		(711)		
Unrealized appreciation on derivatives - see Schedule 1			24,428	0.56
Other assets, less liabilities			2,080	0.04
Total Net Assets Attributable to Holders of Redeemable Units		4,286,053	4,388,880	100.00

Schedule 1 - Foreign Exchange Contracts*

Counterparty	Credit Rating of Counterparty**	Settlement Date	Currency Sell	Amount Sold	Currency Buy	Amount Bought	Forward Rate	Current Rate	Appreciation
									(Depreciation)
									\$
Bank of New York Mellon (The), New York	A-1+	31/07/2018	USD	1,481,387	CAD	1,971,000	0.752	0.761	24,428
									24,428

* Commercial paper rating per Standard and Poor's Commercial Paper Guide

** Per Standard and Poor's Rating

First Trust AlphaDEX™ U.S. Health Care Sector Index ETF

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	9,096,921	5,827,199
Cash	8,330	16,513
Accrued dividend receivable	2,296	1,932
Receivable for portfolio securities sold	-	77,440
Derivative assets	13,633	5,150
Other assets	1,163	537
	9,122,343	5,928,771
Liabilities		
Accrued liabilities	6,028	3,809
Payable for portfolio securities purchased	-	78,504
	6,028	82,313
Total net assets attributable to holders of redeemable units	9,116,315	5,846,458
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Units	8,034,680	4,824,406
Hedged Units	1,081,635	1,022,052
Redeemable units outstanding [note 6]		
Units	300,000	200,000
Hedged Units	50,000	50,000
Net assets attributable to holders of redeemable units per unit		
Units	26.78	24.12
Hedged Units	21.63	20.44

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	29,972	19,394
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	44,161	25,381
Net realized gain (loss) on derivatives	(67,141)	-
Net realized gain (loss) on foreign exchange	28	231
Net change in unrealized appreciation (depreciation) of investments	761,761	468,334
Net change in unrealized appreciation (depreciation) of derivatives	8,483	-
	777,264	513,340
Foreign exchange gain (loss) on cash	1,303	(410)
	778,567	512,930
Expenses [note 7]		
Management fees	30,833	16,126
HST expense	3,381	1,741
Transaction costs [note 3 and note 9]	1,212	1,098
Independent Review Committee fees	736	524
Interest expense	3	7
	36,165	19,496
Expenses waived by manager	(736)	(524)
	35,429	18,972
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	743,138	493,958
Withholding taxes	4,202	1,872
Increase (Decrease) in net assets attributable to holders of redeemable units	738,936	492,086
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Units	703,107	492,086
Hedged Units	35,829	-
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Units	2.40	2.44
Hedged Units	0.52	-

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust AlphaDEX™ U.S. Health Care Sector Index ETF

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)	June 30 2018 (\$)	June 30 2017 (\$)
	Units	Units	Hedged Units	Hedged Units
Net assets attributable to holders of redeemable units, beginning of period	4,824,406	4,243,022	1,022,052	-
Increase (Decrease) in net assets attributable to holders of redeemable units	703,107	492,086	35,829	-
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	2,507,167	1,238,134	1,033,875	-
Redemption of units	-	-	(1,010,121)	-
	2,507,167	1,238,134	23,754	-
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	3,210,274	1,730,220	59,583	-
Net assets attributable to holders of redeemable units, end of period	8,034,680	5,973,242	1,081,635	-
			June 30 2018 (\$) Total	June 30 2017 (\$) Total
Net assets attributable to holders of redeemable units, beginning of period			5,846,458	4,243,022
Increase (Decrease) in net assets attributable to holders of redeemable units			738,936	492,086
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			3,541,042	1,238,134
Redemption of units			(1,010,121)	-
			2,530,921	1,238,134
Increase (Decrease) in net assets attributable to holders of redeemable units for the period			3,269,857	1,730,220
Net assets attributable to holders of redeemable units, end of period			9,116,315	5,973,242

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Health Care Sector Index ETF

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	738,936	492,086
Adjustments for:		
Net realized (gain) loss on sale of investments	(44,161)	(25,381)
Change in unrealized (appreciation) depreciation of investments and derivatives	(770,244)	(468,334)
Dividends receivable	(364)	(376)
Other assets	(626)	(356)
Other liabilities	2,219	493
Purchases of investments	(7,088,255)	(3,858,069)
Proceeds from the sale of investments	4,623,391	2,629,019
	(2,539,104)	(1,230,918)
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	3,541,042	1,238,134
Amount paid on redemptions of units	(1,010,121)	-
	2,530,921	1,238,134
Increase (Decrease) in cash for the period	(8,183)	7,216
Cash, beginning of period	16,513	6,345
Cash, end of period	8,330	13,561
Dividends received, net of withholding taxes	25,406	17,146

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Health Care Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Health Care Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable 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 capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Health Care Sector.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	9,096,921	–	–	9,096,921
Derivative assets*	–	13,633	–	13,633
Total	9,096,921	13,633	–	9,110,554
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	5,827,199	–	–	5,827,199
Derivative assets*	–	5,150	–	5,150
Total	5,827,199	5,150	–	5,832,349

* The derivative assets relate to the Hedged Units only.

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Units	Hedged Units
Outstanding units – December 31, 2016	200,000	–
Redeemable units issued	50,000	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(50,000)	–
Outstanding units – December 31, 2017	200,000	50,000
Redeemable units issued	100,000	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	–	(50,000)
Outstanding units – June 30, 2018	300,000	50,000

First Trust AlphaDEX™ U.S. Health Care Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee	
Units	Hedged Units
0.70%	0.70%

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2017 and 2016 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2017	2016	2017	2016
168,063	241,817	-	19,735

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
1,212	1,098

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
30,833	16,126	5,334	2,962

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Health Care Index	419,806	(419,806)	274,795	(274,795)
Russell 1000® Index	425,276	(425,276)	268,949	(268,949)
S&P 500 Health Care Index	416,616	(416,616)	268,949	(268,949)

First Trust AlphaDEX™ U.S. Health Care Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at June 30, 2018 and December 31, 2017:

Currency	At June 30, 2018		At December 31, 2017	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	8,014,309	87.91	4,819,887	82.44

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$80,143 (December 31, 2017 - \$48,199). A portion of this currency risk exposure has been hedged. Please refer to the Schedule of Portfolio Investments for more information. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk – The table below summarizes the concentration risk for the period ended June 30, 2018 and year ended December 31, 2017:

Sector	As a % of net assets attributable to holders of redeemable units	
	June 30, 2018	December 31, 2017
Health Care	98.89	98.73
Industrials	0.90	0.94
Total	99.79	99.67

First Trust AlphaDEX™ U.S. Health Care Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Health Care—98.89%				
AbbVie Inc.	652	73,401	79,415	0.87
ABIOMED Inc.	530	114,543	285,012	3.13
Acadia Healthcare Co. Inc.	3,148	133,133	169,307	1.86
Aetna Inc.	365	71,766	88,052	0.97
Agilent Technologies Inc.	922	70,859	74,957	0.82
Agios Pharmaceuticals Inc.	754	74,325	83,493	0.92
Align Technology Inc.	614	130,103	276,174	3.03
Alkermes PLC	1,064	67,159	57,574	0.63
Allergan PLC	366	77,822	80,219	0.88
Alnylam Pharmaceuticals Inc.	518	68,687	67,071	0.74
AmerisourceBergen Corp.	334	39,796	37,441	0.41
Anthem Inc.	281	72,035	87,932	0.96
athenahealth Inc.	647	114,244	135,361	1.48
Baxter International Inc.	443	32,504	43,004	0.47
Becton	133	37,006	41,887	0.46
Biogen Inc.	225	88,251	85,852	0.94
Bio-Techne Corp.	817	141,437	158,909	1.74
Boston Scientific Corp.	1,054	37,356	45,310	0.50
Bristol-Myers Squibb Co.	455	35,674	33,102	0.36
Bruker Corp.	962	39,100	36,727	0.40
Cardinal Health Inc.	1,476	126,191	94,751	1.04
Centene Corp.	1,443	160,255	233,734	2.56
Charles River Laboratories International Inc.	270	33,700	39,847	0.44
Cigna Corp.	172	39,186	38,429	0.42
Cooper Cos. Inc. (The)	126	33,728	39,001	0.43
DaVita Inc.	1,403	124,190	128,079	1.40
Dexcom Inc.	1,247	102,613	155,707	1.71
Edwards Lifesciences Corp.	884	150,112	169,174	1.86
Envision Healthcare Corp.	3,210	153,610	185,723	2.04
Express Scripts Holding Co.	2,232	209,837	226,557	2.49
Gilead Sciences Inc.	382	36,135	35,576	0.39
HCA Healthcare Inc.	1,272	146,892	171,571	1.88
Hill-Rom Holdings Inc.	1,063	109,463	122,055	1.34
Hologic Inc.	4,127	212,155	215,666	2.37
Humana Inc.	344	105,467	134,600	1.48
IDEXX Laboratories Inc.	483	105,771	138,387	1.52
Illumina Inc.	391	108,361	143,563	1.57
Intercept Pharmaceuticals Inc.	468	38,476	51,626	0.57
Intrexon Corp.	1,877	40,562	34,398	0.38
Intuitive Surgical Inc.	299	133,335	188,081	2.06
IQVIA Holdings Inc.	943	110,869	123,748	1.36
Laboratory Corp. of America Holdings	763	148,901	180,083	1.98
LifePoint Health Inc.	2,624	181,695	168,342	1.85
Mallinckrodt PLC	10,648	337,267	261,210	2.87

First Trust AlphaDEX™ U.S. Health Care Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
McKesson Corp.	1,095	219,476	192,035	2.11
MEDNAX Inc.	2,217	148,741	126,143	1.38
Medtronic PLC	359	36,832	40,404	0.44
Mylan NV	2,247	117,931	106,758	1.17
Neurocrine Biosciences Inc.	1,859	175,834	240,092	2.63
Patterson Cos. Inc.	6,936	245,264	206,714	2.27
PerkinElmer Inc.	815	74,736	78,462	0.86
Perrigo Co. PLC	345	36,749	33,069	0.36
Pfizer Inc.	4,345	197,992	207,237	2.27
Premier Inc., Class 'A'	2,955	116,953	141,329	1.55
QIAGEN NV	891	36,199	42,356	0.46
Quest Diagnostics Inc.	922	109,499	133,259	1.46
ResMed Inc.	1,253	135,830	170,623	1.87
STERIS PLC	661	75,413	91,252	1.00
Stryker Corp.	383	70,651	85,023	0.93
Teleflex Inc.	242	71,342	85,330	0.94
Thermo Fisher Scientific Inc.	597	148,398	162,573	1.78
United Therapeutics Corp.	1,372	222,254	204,089	2.24
UnitedHealth Group Inc.	576	140,198	185,781	2.04
Universal Health Services Inc., Class 'B'	1,042	151,725	152,658	1.67
Varian Medical Systems Inc.	754	111,676	112,724	1.24
Veeva Systems Inc., Class 'A'	2,112	181,416	213,405	2.34
Vertex Pharmaceuticals Inc.	568	99,561	126,913	1.39
WellCare Health Plans Inc.	796	174,699	257,681	2.83
Zimmer Biomet Holdings Inc.	1,414	199,584	207,157	2.27
Zoetis Inc.	1,477	142,461	165,417	1.81
		7,909,386	9,015,191	98.89
Industrials—0.90%				
Danaher Corp.	630	71,885	81,730	0.90
		71,885	81,730	0.90
Total investments		7,981,271	9,096,921	99.79
Transaction costs		(710)		
Unrealized appreciation on derivatives - see Schedule 1			13,633	0.15
Other assets, less liabilities			5,761	0.06
Total Net Assets Attributable to Holders of Redeemable Units		7,980,561	9,116,315	100.00

Schedule 1 - Foreign Exchange Contracts*

Counterparty	Credit Rating of Counterparty**	Settlement Date	Currency Sell	Amount Sold	Currency Buy	Amount Bought	Forward Rate	Current Rate	Appreciation
									(Depreciation) \$
Bank of New York Mellon (The), New York	A-1+	31/07/2018	USD	826,751	CAD	1,100,000	0.752	0.761	13,633
									13,633

* Commercial paper rating per Stand and Poor's Commercial Paper Guide

** Per Standard and Poor's Rating

First Trust AlphaDEX™ U.S. Materials Sector Index ETF

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	2,639,141	2,583,624
Cash	9,453	248,435
Accrued dividend receivable	2,152	4,754
Other assets	371	-
	2,651,117	2,836,813
Liabilities		
Accrued liabilities	2,130	4,262
Redemptions payable	-	35,847
Distributions payable to holders of redeemable units	5,500	141,795
	7,630	181,904
Total net assets attributable to holders of redeemable units	2,643,487	2,654,909
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Units	2,643,487	2,654,909
Redeemable units outstanding [note 6]		
Units	100,000	100,000
Net assets attributable to holders of redeemable units per unit		
Units	26.43	26.55

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	45,634	12,637
Other changes in fair value of investments		
Net realized gain (loss) on sale of investments	225,219	290,410
Net realized gain (loss) on foreign exchange	262	32
Net change in unrealized appreciation (depreciation) of investments	(110,708)	(207,884)
	160,407	95,195
Foreign exchange gain (loss) on cash	517	(190)
	160,924	95,005
Expenses [note 7]		
Management fees	18,836	5,272
HST expense	2,077	685
Transaction costs [note 3 and note 9]	737	432
Independent Review Committee fees	445	159
Interest expense	1	-
	22,096	6,548
Expenses waived by manager	(445)	(159)
	21,651	6,389
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	139,273	88,616
Withholding taxes	5,639	1,757
Increase (Decrease) in net assets attributable to holders of redeemable units	133,634	86,859
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Units	133,634	86,859
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Units	0.66	1.44

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust AlphaDEX™ U.S. Materials Sector Index ETF

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Net assets attributable to holders of redeemable units, beginning of period	2,654,909	2,396,516
Increase (Decrease) in net assets attributable to holders of redeemable units	133,634	86,859
Redeemable unit transactions [note 6]		
Proceeds from issuance of units	8,138,866	-
Redemption of units	(8,270,172)	(1,232,226)
	(131,306)	(1,232,226)
Distributions to holders of redeemable units from:		
Net investment income	(13,750)	(3,300)
	(13,750)	(3,300)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	(11,422)	(1,148,667)
Net assets attributable to holders of redeemable units, end of period	2,643,487	1,247,849

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Materials Sector Index ETF

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	133,634	86,859
Adjustments for:		
Net realized (gain) loss on sale of investments	(225,219)	(290,410)
Change in unrealized (appreciation) depreciation of investments	110,708	207,884
Dividends receivable	2,602	2,241
Other assets	(371)	-
Other liabilities	(2,132)	(812)
Purchases of investments	(9,817,524)	(838,597)
Proceeds from the sale of investments	9,876,518	2,060,265
	78,216	1,227,430
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	8,138,866	-
Amount paid on redemptions of units	(8,306,019)	(1,232,226)
Distributions paid to unitholders	(150,045)	(25,000)
	(317,198)	(1,257,226)
Increase (Decrease) in cash for the period	(238,982)	(29,796)
Cash, beginning of period	248,435	36,006
Cash, end of period	9,453	6,210
Dividends received, net of withholding taxes	42,597	13,121

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Materials Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Materials Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable 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 capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Materials and Processing Sector.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	2,639,141	–	–	2,639,141
Total	2,639,141	–	–	2,639,141
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	2,583,624	–	–	2,583,624
Total	2,583,624	–	–	2,583,624

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Units
Outstanding units – December 31, 2016	100,000
Redeemable units issued	200,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(200,000)
Outstanding units – December 31, 2017	100,000
Redeemable units issued	300,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(300,000)
Outstanding units – June 30, 2018	100,000

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Units
0.70%

First Trust AlphaDEX™ U.S. Materials Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

E. TAXATION (NOTE 8)

Tax loss carry-forwards – There were no net capital losses and non-capital losses as at December 31, 2017 and 2016.

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
737	432

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
18,836	5,272	1,884	732

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Materials and Processing Index	128,209	(128,209)	130,096	(130,096)
Russell 1000® Index	127,416	(127,416)	135,406	(135,406)
S&P 500 Materials Index	124,112	(124,112)	124,786	(124,786)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at June 30, 2018 and December 31, 2017:

Currency	At June 30, 2018		At December 31, 2017	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	2,642,460	99.96	2,591,132	97.60

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$26,425 (December 31, 2017 - \$25,911). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

First Trust AlphaDEX™ U.S. Materials Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

Concentration Risk – The table below summarizes the concentration risk for the period ended June 30, 2018 and year ended December 31, 2017:

Sector	As a % of net assets attributable to holders of redeemable units	
	June 30, 2018	December 31, 2017
Materials	82.25	85.10
Industrials	15.82	12.21
Consumer Discretionary	1.77	–
Total	99.84	97.31

First Trust AlphaDEX™ U.S. Materials Sector Index ETF

Notes to Financial Statements - Specific Information

For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Consumer Discretionary—1.77%				
Fastenal Co.	741	51,047	46,886	1.77
		51,047	46,886	1.77
Industrials—15.82%				
Acuity Brands Inc.	291	50,749	44,328	1.68
Hexcel Corp.	627	50,420	54,716	2.07
Ingersoll-Rand PLC	473	51,996	55,797	2.11
Lennox International Inc.	198	52,622	52,099	1.97
Masco Corp.	303	16,712	14,906	0.57
Owens Corning	503	55,297	41,905	1.59
Timken Co. (The)	1,183	75,249	67,730	2.56
Valmont Industries Inc.	84	17,316	16,647	0.63
Watsco Inc., Class 'A'	298	71,261	69,844	2.64
		441,622	417,972	15.82
Materials—82.25%				
Air Products and Chemicals Inc.	77	15,853	15,764	0.60
Alcoa Corp.	900	58,145	55,468	2.10
AptarGroup Inc.	300	32,350	36,829	1.39
Axalta Coating Systems Ltd.	406	15,997	16,178	0.61
Ball Corp.	1,359	69,602	63,514	2.40
Berry Global Group Inc.	492	35,824	29,714	1.12
Cabot Corp.	220	17,933	17,865	0.68
Celanese Corp., Series 'A'	404	54,282	58,986	2.23
CF Industries Holdings Inc.	1,073	50,871	62,632	2.37
Chemours Co. (The)	831	54,460	48,462	1.83
Eastman Chemical Co.	639	77,032	83,973	3.18
Ecolab Inc.	89	15,787	16,419	0.62
Freeport-McMoRan Inc., Class 'B'	3,071	69,268	69,684	2.64
Graphic Packaging Holding Co.	3,515	70,098	67,051	2.54
Huntsman Corp.	1,845	76,612	70,825	2.68
International Paper Co.	1,010	68,601	69,152	2.62
LyondellBasell Industries NV, Class 'A'	638	89,319	92,136	3.48
Martin Marietta Materials Inc.	260	67,872	76,336	2.89
Mosaic Co. (The)	1,111	35,417	40,969	1.55
NewMarket Corp.	31	15,481	16,485	0.62
Nucor Corp.	1,104	90,045	90,711	3.43
Olin Corp.	2,219	86,419	83,782	3.17
Owens Illinois Inc.	566	16,214	12,508	0.47
Packaging Corp. of America	239	36,186	35,125	1.33
Platform Specialty Products Corp.	2,801	36,707	42,715	1.62
PPG Industries Inc.	242	34,737	33,001	1.25
Praxair Inc.	85	16,905	17,673	0.67
Reliance Steel & Aluminum Co.	787	85,141	90,571	3.43
Royal Gold Inc.	143	15,800	17,453	0.66
RPM International Inc.	566	34,460	43,395	1.64
Sherwin-Williams Co. (The)	137	71,021	73,406	2.78
Silgan Holdings Inc.	440	15,718	15,520	0.59
Sonoco Products Co.	556	37,249	38,375	1.45
Southern Copper Corp.	1,245	74,035	76,714	2.90
Steel Dynamics Inc.	1,525	84,046	92,122	3.48

First Trust AlphaDEX™ U.S. Materials Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Tahoe Resources Inc.	14,379	83,645	93,004	3.52
United States Steel Corp.	1,533	68,692	70,034	2.65
Versum Materials Inc.	717	34,354	35,018	1.32
Vulcan Materials Co.	236	34,488	40,042	1.51
Westlake Chemical Corp.	607	78,236	85,888	3.25
WestRock Co.	1,051	86,537	78,784	2.98
		2,111,439	2,174,283	82.25
Total investments		2,604,108	2,639,141	99.84
Transaction costs		(97)		
Other assets, less liabilities			4,346	0.16
Total Net Assets Attributable to Holders of Redeemable Units		2,604,011	2,643,487	100.00

First Trust AlphaDEX™ U.S. Industrials Sector Index ETF

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	10,313,174	7,933,452
Cash	27,447	31,443
Accrued dividend receivable	4,399	5,199
Derivative assets	24,676	5,175
Other assets	2,085	1,148
	10,371,781	7,976,417
Liabilities		
Accrued liabilities	6,930	8,503
Redemptions payable	-	2,278
Distributions payable to holders of redeemable units	16,600	7,500
	23,530	18,281
Total net assets attributable to holders of redeemable units	10,348,251	7,958,136
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Units	8,368,356	6,926,065
Hedged Units	1,979,895	1,032,071
Redeemable units outstanding [note 6]		
Units	300,000	250,000
Hedged Units	100,000	50,000
Net assets attributable to holders of redeemable units per unit		
Units	27.89	27.70
Hedged Units	19.80	20.64

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	103,315	77,618
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	430,681	272,673
Net realized gain (loss) on derivatives	(119,933)	-
Net realized gain (loss) on foreign exchange	(34)	(1,232)
Net change in unrealized appreciation (depreciation) of investments	(256,819)	81,129
Net change in unrealized appreciation (depreciation) of derivatives	19,501	-
	176,711	430,188
Foreign exchange gain (loss) on cash	2,163	(199)
	178,874	429,989
Expenses [note 7]		
Management fees	37,643	29,568
HST expense	3,591	3,387
Transaction costs [note 3 and note 9]	1,342	1,630
Independent Review Committee fees	896	950
Interest expense	2	-
	43,474	35,535
Expenses waived by manager	(896)	(950)
	42,578	34,585
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	136,296	395,404
Withholding taxes	10,558	7,074
Increase (Decrease) in net assets attributable to holders of redeemable units	125,738	388,330
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Units	190,400	388,330
Hedged Units	(64,662)	-
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Units	0.59	1.15
Hedged Units	(0.73)	-

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust AlphaDEX™ U.S. Industrials Sector Index ETF

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)	June 30 2018 (\$)	June 30 2017 (\$)
	Units	Units	Hedged Units	Hedged Units
Net assets attributable to holders of redeemable units, beginning of period	6,926,065	7,220,975	1,032,071	-
Increase (Decrease) in net assets attributable to holders of redeemable units	190,400	388,330	(64,662)	-
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	8,403,551	1,181,769	1,017,286	-
Redemption of units	(7,131,910)	(2,528,624)	-	-
	1,271,641	(1,346,855)	1,017,286	-
Distributions to holders of redeemable units from:				
Net investment income	(19,750)	(32,500)	(4,800)	-
	(19,750)	(32,500)	(4,800)	-
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	1,442,291	(991,025)	947,824	-
Net assets attributable to holders of redeemable units, end of period	8,368,356	6,229,950	1,979,895	-
			June 30 2018 (\$) Total	June 30 2017 (\$) Total
Net assets attributable to holders of redeemable units, beginning of period			7,958,136	7,220,975
Increase (Decrease) in net assets attributable to holders of redeemable units			125,738	388,330
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			9,420,837	1,181,769
Redemption of units			(7,131,910)	(2,528,624)
			2,288,927	(1,346,855)
Distributions to holders of redeemable units from:				
Net investment income			(24,550)	(32,500)
			(24,550)	(32,500)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period			2,390,115	(991,025)
Net assets attributable to holders of redeemable units, end of period			10,348,251	6,229,950

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Industrials Sector Index ETF

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	125,738	388,330
Adjustments for:		
Net realized (gain) loss on sale of investments	(430,681)	(272,673)
Change in unrealized (appreciation) depreciation of investments and derivatives	237,318	(81,129)
Dividends receivable	800	(1,521)
Other assets	(937)	(457)
Other liabilities	(1,573)	2,295
Purchases of investments	(13,499,059)	(5,130,983)
Proceeds from the sale of investments	11,293,199	6,457,297
	(2,275,195)	1,361,159
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	9,420,837	1,181,769
Amount paid on redemptions of units	(7,134,188)	(2,528,624)
Distributions paid to unitholders	(15,450)	(26,250)
	2,271,199	(1,373,105)
Increase (Decrease) in cash for the period	(3,996)	(11,946)
Cash, beginning of period	31,443	24,833
Cash, end of period	27,447	12,887
Dividends received, net of withholding taxes	93,557	69,023

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Industrials Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks 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 applicable 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 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.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	10,313,174	–	–	10,313,174
Derivative assets*	–	24,676	–	24,676
Total	10,313,174	24,676	–	10,337,850
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	7,933,452	–	–	7,933,452
Derivative assets*	–	5,175	–	5,175
Total	7,933,452	5,175	–	7,938,627

* The derivative assets relate to the Hedged Units only.

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Units	Hedged Units
Outstanding units – December 31, 2016	300,000	–
Redeemable units issued	300,000	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(350,000)	–
Outstanding units – December 31, 2017	250,000	50,000
Redeemable units issued	300,000	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(250,000)	–
Outstanding units – June 30, 2018	300,000	100,000

First Trust AlphaDEX™ U.S. Industrials Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Units	Hedged Units
0.70%	0.70%

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2017 and 2016 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2017	2016	2017	2016
-	-	4,656	147,927

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
1,342	1,630

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
37,643	29,568	6,133	4,758

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Producer Durables Index	475,502	(475,502)	393,945	(393,945)
Russell 1000® Index	485,850	(485,850)	427,370	(427,370)
S&P 500 Industrials Index	469,811	(469,811)	385,986	(385,986)

First Trust AlphaDEX™ U.S. Industrials Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at June 30, 2018 and December 31, 2017:

Currency	At June 30, 2018		At December 31, 2017	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	8,354,112	80.73	6,924,830	87.02

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$83,541 (December 31, 2017 – \$69,248). A portion of this currency risk exposure has been hedged. Please refer to the Schedule of Portfolio Investments for more information. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk – The table below summarizes the concentration risk for the period ended June 30, 2018 and year ended December 31, 2017:

Sector	As a % of net assets attributable to holders of redeemable units	
	June 30, 2018	December 31, 2017
Industrials	89.91	89.39
Information Technology	8.72	7.77
Materials	0.68	1.58
Health Care	0.35	0.95
Total	99.66	99.69

First Trust AlphaDEX™ U.S. Industrials Sector Index ETF

Notes to Financial Statements - Specific Information

For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Health Care—0.35%				
Waters Corp.	141	36,174	35,885	0.35
		36,174	35,885	0.35
Industrials—89.91%				
A.O. Smith Corp.	879	70,179	68,352	0.66
AECOM	2,485	114,887	107,906	1.04
AGCO Corp.	862	74,684	68,810	0.66
Air Lease Corp.	3,463	191,371	191,074	1.85
Alaska Air Group Inc.	2,382	203,506	189,111	1.83
Allegion PLC	328	35,376	33,358	0.32
Allison Transmission Holdings Inc.	716	39,110	38,113	0.37
American Airlines Group Inc.	1,704	108,598	85,037	0.82
Ametek Inc.	1,166	105,489	110,613	1.07
Boeing Co. (The)	270	99,367	119,091	1.15
BWX Technologies Inc.	1,394	106,405	114,209	1.10
C.H. Robinson Worldwide Inc.	1,575	176,142	173,224	1.67
Carlisle Cos. Inc.	848	118,336	120,747	1.17
Caterpillar Inc.	759	141,446	135,374	1.31
Cintas Corp.	865	176,258	210,456	2.03
Clean Harbors Inc.	1,146	71,892	83,691	0.81
Copa Holdings SA, Class 'A'	870	139,185	108,221	1.05
Copart Inc.	2,898	162,686	215,485	2.08
CSX Corp.	2,649	190,861	222,114	2.15
Cummins Inc.	173	37,052	30,249	0.29
Deere & Co.	950	178,889	174,599	1.69
Delta Air Lines Inc.	2,041	137,354	132,926	1.28
Dover Corp.	705	80,543	67,844	0.66
Eaton Corp. PLC	1,847	183,499	181,481	1.75
Emerson Electric Co.	409	36,549	37,176	0.36
Expeditors International of Washington Inc.	883	72,302	84,857	0.82
FedEx Corp.	369	112,405	110,148	1.06
Fortive Corp.	721	70,266	73,090	0.71
General Dynamics Corp.	127	32,766	31,123	0.30
Genesee & Wyoming Inc., Class 'A'	2,085	191,648	222,902	2.15
Graco Inc.	1,223	67,250	72,705	0.70
HEICO Corp.	1,610	130,037	154,363	1.49
Huntington Ingalls Industries Inc.	434	127,588	123,691	1.20
Ilex Corp.	621	105,838	111,422	1.08
J.B. Hunt Transport Services Inc.	477	69,257	76,223	0.74
Jacobs Engineering Group Inc.	473	37,577	39,480	0.38
JetBlue Airways Corp.	7,263	188,417	181,227	1.75
Johnson Controls International PLC	1,587	76,839	69,788	0.67
Kansas City Southern Industries Inc.	1,018	137,277	141,808	1.37
Kirby Corp.	1,454	138,796	159,801	1.54
L3 Technologies Inc.	134	35,688	33,880	0.33

First Trust AlphaDEX™ U.S. Industrials Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Landstar System Inc.	1,020	136,514	146,431	1.42
Lincoln Electric Holdings Inc.	311	35,555	35,881	0.35
Lockheed Martin Corp.	262	108,061	101,757	0.98
Macquarie Infrastructure Corp.	3,996	232,516	221,691	2.14
ManpowerGroup Inc.	486	70,145	54,985	0.53
MSC Industrial Direct Co. Inc., Class 'A'	305	34,239	34,022	0.33
Nordson Corp.	205	37,069	34,607	0.33
Norfolk Southern Corp.	1,087	187,374	215,597	2.08
Northrop Grumman Corp.	320	126,060	129,446	1.25
Old Dominion Freight Line Inc.	1,004	168,384	196,614	1.90
Oshkosh Corp.	724	72,941	66,931	0.65
PACCAR Inc.	1,338	120,247	108,988	1.05
Pentair PLC	611	46,340	33,801	0.33
Pitney Bowes Inc.	2,568	35,403	28,933	0.28
Quanta Services Inc., Inc.	3,256	150,977	142,969	1.38
Raytheon Co.	410	108,970	104,125	1.01
Regal-Beloit Corp.	1,525	149,109	163,996	1.58
Republic Services Inc.	1,337	113,319	120,155	1.16
Robert Half International Inc.	966	70,348	82,674	0.80
Rockwell Collins Inc.	657	109,631	116,326	1.12
Rollins Inc.	1,096	71,714	75,760	0.73
Roper Technologies Inc.	398	136,120	144,365	1.40
Ryder System Inc.	2,027	199,459	191,492	1.85
Sensata Technologies Holding PLC	539	34,793	33,715	0.33
Snap-On Inc.	600	124,425	126,774	1.23
Spirit Airlines Inc.	3,906	200,125	186,658	1.80
Stanley Black & Decker Inc.	183	36,295	31,952	0.31
Teledyne Technologies Inc.	149	35,829	38,992	0.38
TransDigm Group Inc.	288	114,407	130,677	1.26
Trinity Industries Inc.	4,523	188,133	203,716	1.97
Union Pacific Corp.	832	137,977	154,968	1.50
United Continental Holdings Inc.	1,610	138,213	147,590	1.43
United Rentals Inc.	648	134,032	125,756	1.22
United Technologies Corp.	222	35,013	36,490	0.35
Verisk Analytics Inc., Class 'A'	538	69,078	76,132	0.74
W.W. Grainger Inc.	396	120,747	160,553	1.55
Wabtec Corp.	687	72,426	89,034	0.86
Waste Management Inc.	332	35,375	35,502	0.34
WESCO International Inc.	1,427	116,418	107,120	1.04
XPO Logistics Inc.	1,450	156,766	190,967	1.85
Xylem Inc.	1,919	168,415	169,987	1.64
		9,012,577	9,303,898	89.91
Information Technology—8.72%				
Accenture PLC, Class 'A'	577	111,791	124,092	1.20
Booz Allen Hamilton Holding Corp.	1,444	71,648	83,015	0.80
CoStar Group Inc.	308	133,040	167,079	1.61
Flir Systems Inc.	2,236	137,250	152,769	1.48
Genpact Ltd.	1,748	69,218	66,481	0.64
National Instruments Corp.	1,751	107,370	96,636	0.94
Xerox Corp.	1,943	75,420	61,305	0.59
Zebra Technologies Corp., Class 'A'	804	145,523	151,412	1.46
		851,260	902,789	8.72

First Trust AlphaDEX™ U.S. Industrials Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Materials—0.68%				
Avery Dennison Corp.	526	71,596	70,602	0.68
		71,596	70,602	0.68
Total investments		9,971,607	10,313,174	99.66
Transaction costs		(454)		
Unrealized appreciation on derivatives - see Schedule 1			24,676	0.24
Other assets, less liabilities			10,401	0.10
Total Net Assets Attributable to Holders of Redeemable Units		9,971,153	10,348,251	100.00

Schedule 1 - Foreign Exchange Contracts*

Counterparty	Credit Rating of Counterparty**	Settlement Date	Currency Sell	Amount Sold	Currency Buy	Amount Bought	Forward Rate	Current Rate	Appreciation
									(Depreciation) \$
Bank of New York Mellon (The), New York	A-1+	31/07/2018	USD	1,496,419	CAD	1,991,000	0.752	0.761	24,676
									24,676

* Commercial paper rating per Stand and Poor's Commercial Paper Guide

** Per Standard and Poor's Rating

First Trust AlphaDEX™ U.S. Technology Sector Index ETF

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	38,549,378	26,509,334
Cash	106,497	81,237
Accrued dividend receivable	17,102	10,071
Derivative assets	28,010	5,150
Other assets	5,614	2,944
	38,706,601	26,608,736
Liabilities		
Accrued liabilities	25,625	19,039
Distributions payable to holders of redeemable units	69,000	52,000
	94,625	71,039
Total net assets attributable to holders of redeemable units	38,611,976	26,537,697
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Units	36,384,759	25,513,428
Hedged Units	2,227,217	1,024,269
Redeemable units outstanding [note 6]		
Units	1,000,000	800,000
Hedged Units	100,000	50,000
Net assets attributable to holders of redeemable units per unit		
Units	36.38	31.89
Hedged Units	22.27	20.49

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	231,973	154,567
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	2,157,009	360,177
Net realized gain (loss) on derivatives	(132,842)	-
Net realized gain (loss) on foreign exchange	(4,487)	929
Net change in unrealized appreciation (depreciation) of investments	1,443,320	132,395
Net change in unrealized appreciation (depreciation) of derivatives	22,860	-
	3,717,833	648,068
Foreign exchange gain (loss) on cash	6,764	(2,254)
	3,724,597	645,814
Expenses [note 7]		
Management fees	115,506	49,452
HST expense	12,346	5,397
Transaction costs [note 3 and note 9]	5,821	2,989
Independent Review Committee fees	2,763	1,715
Interest expense	4	6
	136,440	59,559
Expenses waived by manager	(2,763)	(1,715)
	133,677	57,844
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	3,590,920	587,970
Withholding taxes	18,736	10,353
Increase (Decrease) in net assets attributable to holders of redeemable units	3,572,184	577,617
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Units	3,416,680	577,617
Hedged Units	155,504	-
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Units	3.86	1.14
Hedged Units	1.74	-

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust AlphaDEX™ U.S. Technology Sector Index ETF

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)	June 30 2018 (\$)	June 30 2017 (\$)
	Units	Units	Hedged Units	Hedged Units
Net assets attributable to holders of redeemable units, beginning of period	25,513,428	8,886,202	1,024,269	-
Increase (Decrease) in net assets attributable to holders of redeemable units	3,416,680	577,617	155,504	-
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	13,018,371	13,050,541	1,055,444	-
Redemption of units	(5,440,220)	-	-	-
	7,578,151	13,050,541	1,055,444	-
Distributions to holders of redeemable units from:				
Net investment income	(123,500)	(81,750)	(8,000)	-
	(123,500)	(81,750)	(8,000)	-
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	10,871,331	13,546,408	1,202,948	-
Net assets attributable to holders of redeemable units, end of period	36,384,759	22,432,610	2,227,217	-
			June 30 2018 (\$) Total	June 30 2017 (\$) Total
Net assets attributable to holders of redeemable units, beginning of period			26,537,697	8,886,202
Increase (Decrease) in net assets attributable to holders of redeemable units			3,572,184	577,617
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			14,073,815	13,050,541
Redemption of units			(5,440,220)	-
			8,633,595	13,050,541
Distributions to holders of redeemable units from:				
Net investment income			(131,500)	(81,750)
			(131,500)	(81,750)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period			12,074,279	13,546,408
Net assets attributable to holders of redeemable units, end of period			38,611,976	22,432,610

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Technology Sector Index ETF

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	3,572,184	577,617
Adjustments for:		
Net realized (gain) loss on sale of investments	(2,157,009)	(360,177)
Change in unrealized (appreciation) depreciation of investments and derivatives	(1,466,180)	(132,395)
Dividends receivable	(7,031)	(1,834)
Other assets	(2,670)	(1,032)
Other liabilities	6,586	9,188
Purchases of investments	(31,400,142)	(18,691,168)
Proceeds from the sale of investments	22,960,427	5,634,107
	(8,493,835)	(12,965,694)
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	14,073,815	13,050,541
Amount paid on redemptions of units	(5,440,220)	-
Distributions paid to unitholders	(114,500)	(77,500)
	8,519,095	12,973,041
Increase (Decrease) in cash for the period	25,260	7,347
Cash, beginning of period	81,237	61,877
Cash, end of period	106,497	69,224
Dividends received, net of withholding taxes	206,206	142,381

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Technology Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Technology Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable 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 capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Technology Sector.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	38,549,378	–	–	38,549,378
Derivative assets*	–	28,010	–	28,010
Total	38,549,378	28,010	–	38,577,388
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	26,509,334	–	–	26,509,334
Derivative assets*	–	5,150	–	5,150
Total	26,509,334	5,150	–	26,514,484

* The derivative assets relate to the Hedged Units only.

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Units	Hedged Units
Outstanding units – December 31, 2016	350,000	–
Redeemable units issued	1,000,000	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(550,000)	–
Outstanding units – December 31, 2017	800,000	50,000
Redeemable units issued	350,000	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(150,000)	–
Outstanding units – June 30, 2018	1,000,000	100,000

First Trust AlphaDEX™ U.S. Technology Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Units	Hedged Units
0.70%	0.70%

E. TAXATION (NOTE 8)

Tax loss carry-forwards – There were no net capital losses and non-capital losses as at December 31, 2017 and 2016.

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
5,821	2,989

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
115,506	49,452	22,677	13,405

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Technology Index	1,754,914	(1,754,914)	1,280,498	(1,280,498)
Russell 1000® Index	2,073,463	(2,073,463)	1,472,905	(1,472,905)
S&P 500 Information Technology Index	1,756,845	(1,756,845)	1,305,710	(1,305,710)

First Trust AlphaDEX™ U.S. Technology Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at June 30, 2018 and December 31, 2017:

Currency	At June 30, 2018		At December 31, 2017	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	36,343,549	94.13	25,508,709	96.12

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$363,435 (December 31, 2017 - \$225,087). A portion of this currency risk exposure has been hedged. Please refer to the Schedule of Portfolio Investments for more information. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk – The table below summarizes the concentration risk for the period ended June 30, 2018 and year ended December 31, 2017:

Sector	As a % of net assets attributable to holders of redeemable units	
	June 30, 2018	December 31, 2017
Information Technology	99.84	99.89
Total	99.84	99.89

First Trust AlphaDEX™ U.S. Technology Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Information Technology—99.84%				
Activision Blizzard Inc.	1,830	149,352	183,611	0.48
Adobe Systems Inc.	3,047	745,361	976,639	2.53
Alphabet Inc., Class 'A'	238	319,612	353,308	0.92
Amdocs Ltd.	5,551	463,570	483,030	1.25
Amphenol Corp., Class 'A'	1,433	154,492	164,181	0.42
Analog Devices Inc.	2,709	309,035	341,608	0.88
ANSYS Inc.	2,363	473,919	541,093	1.40
Apple Inc.	1,472	317,547	358,218	0.93
Applied Materials Inc.	8,879	545,110	539,166	1.40
Arista Networks Inc.	1,934	477,088	654,677	1.69
ARRIS Group Inc.	9,292	319,933	298,613	0.77
Arrow Electronics Inc.	4,808	472,633	475,833	1.23
Atlassian Corp. PLC	12,210	820,460	1,003,563	2.60
Autodesk Inc.	1,966	326,836	338,815	0.88
Avnet Inc.	11,824	613,569	666,700	1.73
Black Knight Inc.	2,621	163,536	184,517	0.48
CA Inc.	3,641	157,845	170,644	0.44
Cavium Inc.	3,110	341,732	353,661	0.92
CDW Corp.	5,267	440,041	559,411	1.45
Citrix Systems Inc.	1,330	163,273	183,311	0.47
Cognizant Technology Solutions Corp., Class 'A'	6,134	633,896	636,980	1.65
CommScope Holding Inc.	3,088	149,734	118,562	0.31
Cypress Semiconductor Corp.	29,115	584,381	596,341	1.54
DXC Technology Co.	7,572	833,049	802,435	2.08
EchoStar Communications Corp., Class 'A'	12,476	856,532	728,230	1.89
Electronic Arts Inc.	2,036	322,560	377,458	0.98
F5 Network Inc.	854	164,744	193,612	0.50
Fortinet Inc.	9,216	573,526	756,390	1.96
Gartner Inc.	1,050	162,662	183,453	0.47
GoDaddy Inc., Class 'A'	10,719	743,675	994,876	2.58
Guidewire Software Inc.	4,582	479,509	534,786	1.38
Harris Corp.	2,296	414,048	436,285	1.13
Hewlett Packard Enterprise Co.	28,152	600,509	540,717	1.40
HP Inc.	11,263	314,460	335,969	0.87
IAC/InterActiveCorp	2,368	381,148	474,715	1.23
IHS Markit Ltd.	7,677	472,639	520,676	1.35
Intel Corp.	4,741	255,079	309,830	0.80
Intuit Inc.	2,848	610,600	764,943	1.98
IPG Photonics Corp.	2,116	489,285	613,748	1.59
Jabil Inc.	8,594	303,233	312,506	0.81
Juniper Networks Inc.	10,148	356,000	365,812	0.95
KLA-Tencor Corp.	2,265	301,349	305,302	0.79
Lam Research Corp.	3,241	711,482	736,476	1.91
Leidos Holdings Inc.	1,888	153,474	146,442	0.38

First Trust AlphaDEX™ U.S. Technology Sector Index ETF

Notes to Financial Statements - Specific Information

For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited) - continued

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
LogMeIn Inc.	2,137	306,502	290,071	0.75
Marvell Technology Group Ltd.	5,878	169,851	165,678	0.43
Match Group Inc.	14,815	576,837	754,521	1.95
Maxim Integrated Products Inc.	6,150	456,754	474,272	1.23
Microchip Technology Inc.	2,702	301,139	323,071	0.84
Micron Technology Inc.	12,627	633,723	870,508	2.25
Microsoft Corp.	4,058	451,771	526,070	1.36
Motorola Solutions Inc.	3,517	467,812	538,051	1.39
NetApp Inc.	8,004	598,163	826,329	2.14
NVIDIA Corp.	2,843	672,918	885,426	2.29
ON Semiconductor Corp.	26,916	669,235	786,788	2.04
Palo Alto Networks Inc.	3,627	900,357	979,729	2.54
PTC Inc.	4,747	496,248	585,435	1.52
Qorvo Inc.	1,752	165,693	184,653	0.48
Red Hat Inc.	3,303	524,568	583,473	1.51
Sabre Corp.	17,265	480,362	559,265	1.45
salesforce.com Inc.	4,246	600,521	761,385	1.97
ServiceNow Inc.	3,979	714,756	902,189	2.34
Skyworks Solutions Inc.	1,231	156,975	156,412	0.40
Splunk Inc.	6,691	780,728	871,804	2.26
SS&C Technologies Holdings Inc.	12,274	758,510	837,459	2.17
Synopsys Inc.	1,483	149,823	166,829	0.43
Tableau Software Inc.	3,055	309,109	392,589	1.02
Teradyne Inc.	10,802	529,234	540,626	1.40
Texas Instruments Inc.	2,376	303,511	344,378	0.89
Twitter Inc.	12,766	473,037	732,906	1.90
Tyler Technologies Inc.	1,755	482,435	512,432	1.33
Ultimate Software Group Inc. (The)	2,026	623,556	685,340	1.77
VeriSign Inc.	1,041	152,537	188,066	0.49
VMware Inc., Class 'A'	1,018	153,891	196,692	0.51
Western Digital Corp.	5,351	580,701	544,556	1.41
Workday Inc., Class 'A'	3,885	605,763	618,610	1.60
Xilinx Inc.	1,709	154,516	146,622	0.38
		34,044,054	38,549,378	99.84
Total investments		34,044,054	38,549,378	99.84
Transaction costs		(2,869)		
Unrealized appreciation on derivatives - see Schedule 1			28,010	0.07
Other assets, less liabilities			34,588	0.09
Total Net Assets Attributable to Holders of Redeemable Units		34,041,185	38,611,976	100.00

Schedule 1 - Foreign Exchange Contracts*

Counterparty	Credit Rating of Counterparty**	Settlement Date	Currency Sell	Amount Sold	Currency Buy	Amount Bought	Forward Rate	Current Rate	Appreciation
									(Depreciation)
Bank of New York Mellon (The), New York	A-1+	31/07/2018	USD	1,698,597	CAD	2,260,000	0.752	0.761	28,010
									28,010

* Commercial paper rating per Standard and Poor's Commercial Paper Guide

** Per Standard and Poor's Rating

First Trust AlphaDEX™ U.S. Utilities Sector Index ETF

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	1,183,994	1,125,357
Cash	8,038	6,741
Accrued dividend receivable	1,655	2,740
Other assets	94	24
	1,193,781	1,134,862
Liabilities		
Accrued liabilities	752	788
Distributions payable to holders of redeemable units	5,500	5,500
	6,252	6,288
Total net assets attributable to holders of redeemable units	1,187,529	1,128,574
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Units	1,187,529	1,128,574
Redeemable units outstanding [note 6]		
Units	50,000	50,000
Net assets attributable to holders of redeemable units per unit		
Units	23.75	22.57

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	19,845	22,145
Other income		
Other changes in fair value of investments		
Net realized gain (loss) on sale of investments	(16,592)	77,780
Net realized gain (loss) on foreign exchange	64	(110)
Net change in unrealized appreciation (depreciation) of investments	74,197	(102,093)
	77,514	(2,278)
Foreign exchange gain (loss) on cash	64	(154)
	77,578	(2,432)
Expenses [note 7]		
Management fees	3,881	4,341
HST expense	435	538
Transaction costs [note 3 and note 9]	344	435
Independent Review Committee fees	93	139
Interest expense	-	1
	4,753	5,454
Expenses waived by manager	(93)	(139)
	4,660	5,315
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	72,918	(7,747)
Withholding taxes	2,963	3,334
Increase (Decrease) in net assets attributable to holders of redeemable units	69,955	(11,081)
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Units	69,955	(11,081)
Increase in net assets attributable to holders of redeemable units per unit		
Units	1.40	(0.22)

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust AlphaDEX™ U.S. Utilities Sector Index ETF

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Net assets attributable to holders of redeemable units, beginning of period	1,128,574	1,227,668
Increase (Decrease) in net assets attributable to holders of redeemable units	69,955	(11,081)
Distributions to holders of redeemable units from:		
Net investment income	(11,000)	(12,500)
	(11,000)	(12,500)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	58,955	(23,581)
Net assets attributable to holders of redeemable units, end of period	1,187,529	1,204,087

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Utilities Sector Index ETF

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	69,955	(11,081)
Adjustments for:		
Net realized (gain) loss on sale of investments	16,592	(77,780)
Change in unrealized (appreciation) depreciation of investments	(74,197)	102,093
Dividends receivable	1,085	(1,110)
Other assets	(70)	(26)
Other liabilities	(36)	19
Purchases of investments	(527,918)	(479,086)
Proceeds from the sale of investments	526,886	472,478
	12,297	5,507
Cash flows from (used in) Financing Activities		
Distributions paid to unitholders	(11,000)	(13,250)
	(11,000)	(13,250)
Increase (Decrease) in cash for the period	1,297	(7,743)
Cash, beginning of period	6,741	16,598
Cash, end of period	8,038	8,855
Dividends received, net of withholding taxes	17,967	17,701

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Utilities Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Utilities Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable 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 capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Utilities Sector.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	1,183,994	–	–	1,183,994
Total	1,183,994	–	–	1,183,994
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	1,125,357	–	–	1,125,357
Total	1,125,357	–	–	1,125,357

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Units
Outstanding units – December 31, 2016	50,000
Redeemable units issued	–
Redeemable units issued on reinvestments	–
Redeemable units redeemed	–
Outstanding units – December 31, 2017	50,000
Redeemable units issued	–
Redeemable units issued on reinvestments	–
Redeemable units redeemed	–
Outstanding units – June 30, 2018	50,000

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Units
0.70%

First Trust AlphaDEX™ U.S. Utilities Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

E. TAXATION (NOTE 8)

Tax loss carry-forwards – The net capital losses and non-capital losses as at December 31, 2017 and 2016 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2017	2016	2017	2016
32,912	32,912	–	–

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
344	435

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
3,881	4,341	666	736

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Utilities Index	54,745	(54,745)	47,966	(47,966)
Russell 1000® Index	35,626	(35,626)	41,195	(41,195)
S&P 500 Utilities Index	52,489	(52,489)	46,274	(46,274)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as June 30, 2018 and December 31, 2017:

Currency	At June 30, 2018		At December 31, 2017	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	1,186,520	99.92	1,127,248	99.88

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$11,865 (December 31, 2017 - \$11,272). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

First Trust AlphaDEX™ U.S. Utilities Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

Concentration Risk – The table below summarizes the concentration risk for the period ended June 30, 2018 and year ended December 31, 2017:

Sector	As a % of net assets attributable to holders of redeemable units	
	June 30, 2018	December 31, 2017
Utilities	73.02	79.97
Telecommunication Services	26.68	19.74
Total	99.70	99.71

First Trust AlphaDEX™ U.S. Utilities Sector Index ETF
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Telecommunication Services—26.68%				
AT&T Inc.	1,175	56,946	49,601	4.18
CenturyLink Inc.	2,550	84,561	62,488	5.26
Sprint Corp.	8,586	59,594	61,405	5.17
Telephone and Data Systems Inc.	1,495	52,105	53,891	4.54
T-Mobile US Inc.	549	39,529	43,124	3.63
Verizon Communications Inc.	701	43,068	46,364	3.90
		335,803	316,873	26.68
Utilities—73.02%				
Alliant Energy Corp.	205	10,588	11,405	0.96
Ameren Corp.	148	9,424	11,839	1.00
American Electric Power Co. Inc.	367	32,499	33,411	2.81
Atmos Energy Corp.	298	30,760	35,314	2.97
Avangrid Inc.	492	25,225	34,235	2.88
CenterPoint Energy Inc.	1,529	53,107	55,700	4.69
Consolidated Edison Inc.	323	29,544	33,113	2.79
Dominion Energy Inc.	249	21,282	22,319	1.88
DTE Energy Co.	241	30,343	32,833	2.76
Duke Energy Corp.	433	43,959	45,016	3.79
Edison International	132	11,708	10,979	0.92
Entergy Corp.	106	10,729	11,258	0.95
Eversource Energy	284	19,632	21,883	1.84
Exelon Corp.	1,074	46,943	60,148	5.07
Hawaiian Electric Industries Inc.	244	10,346	11,003	0.93
MDU Resources Group Inc.	595	20,869	22,434	1.89
National Fuel Gas Co.	652	46,127	45,395	3.82
NextEra Energy Inc.	103	17,243	22,617	1.90
NRG Energy Inc.	1,098	35,609	44,315	3.73
OGE Energy Corp.	1,279	53,798	59,203	4.99
PG&E Corp.	763	53,465	42,691	3.60
Pinnacle West Capital Corp.	315	29,457	33,361	2.81
PPL Corp.	592	23,914	22,220	1.87
Public Services Enterprise Group Inc.	500	32,194	35,588	3.00
UGI Corp.	755	45,630	51,683	4.35
Vectren Corp.	131	8,060	12,305	1.04
WEC Energy Group Inc.	267	21,149	22,693	1.91
Xcel Energy Inc.	369	19,051	22,160	1.87
		792,655	867,121	73.02
Total investments		1,128,458	1,183,994	99.70
Transaction costs		(403)		
Other assets, less liabilities			3,535	0.30
Total Net Assets Attributable to Holders of Redeemable Units		1,128,055	1,187,529	100.00

First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)

STATEMENTS OF FINANCIAL POSITION As at June 30, 2018 (unaudited) and December 31, 2017

	June 30 2018 (\$)	December 31 2017 (\$)
Assets		
Investments (non-derivative financial assets)	4,525,928	2,240,262
Cash	3,510	42,350
Accrued dividend receivable	7,691	3,689
Derivative assets	57,259	11,607
Other assets	253	-
	4,594,641	2,297,908
Liabilities		
Accrued liabilities	1,292	654
Distributions payable to holders of redeemable units	-	37,610
	1,292	38,264
Total net assets attributable to holders of redeemable units	4,593,349	2,259,644
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Units	4,593,349	2,259,644
Redeemable units outstanding [note 6]		
Units	200,000	100,000
Net assets attributable to holders of redeemable units per unit		
Units	22.97	22.60

STATEMENTS OF COMPREHENSIVE INCOME For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Revenues		
Dividends	10,028	4,480
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	70,065	(16,395)
Net realized gain (loss) on derivatives	(269,779)	57,515
Net change in unrealized appreciation (depreciation) of investments	128,696	(18,343)
Net change in unrealized appreciation (depreciation) of derivatives	45,652	22,088
	(15,338)	49,345
Foreign exchange gain (loss) on cash	3	(2)
	(15,335)	49,343
Expenses [note 7]		
Management fees	6,044	2,081
Transaction costs [note 3 and note 9]	1,519	614
HST expense	532	269
Independent Review Committee fees	338	170
Interest expense	-	2
	8,433	3,136
Expenses waived by manager	(338)	(170)
	8,095	2,966
Increase (Decrease) in net assets attributable to holders of redeemable units	(23,430)	46,377
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Units	(23,430)	46,377
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Units	(0.13)	0.75

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Net assets attributable to holders of redeemable units, beginning of period	2,259,644	1,006,232
Increase (Decrease) in net assets attributable to holders of redeemable units	(23,430)	46,377
Redeemable unit transactions [note 6]		
Proceeds from issuance of units	2,357,135	1,036,552
	2,357,135	1,036,552
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	2,333,705	1,082,929
Net assets attributable to holders of redeemable units, end of period	4,593,349	2,089,161

See accompanying notes which are an integral part of these financial statements.

First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)

STATEMENTS OF CASH FLOW For the periods ended June 30 (unaudited)

	June 30 2018 (\$)	June 30 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(23,430)	46,377
Adjustments for:		
Net realized (gain) loss on sale of investments	(70,065)	16,395
Change in unrealized (appreciation) depreciation of investments and derivatives	(174,348)	(3,745)
Dividends receivable	(4,002)	(2,372)
Other assets	(253)	-
Other liabilities	638	292
Purchases of investments	(3,897,104)	(1,727,668)
Proceeds from the sale of investments	1,810,199	644,047
	(2,358,365)	(1,026,674)
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	2,357,135	1,036,552
Amount paid on redemptions of units	-	(6,000)
Distributions paid to unitholders	(37,610)	-
	2,319,525	1,030,552
Increase (Decrease) in cash for the period	(38,840)	3,878
Cash, beginning of period	42,350	5,944
Cash, end of period	3,510	9,822
Dividends received, net of withholding taxes	6,026	2,108

See accompanying notes which are an integral part of these financial statements.

First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to provide unitholders with exposure to the performance of a portfolio of dividend paying equity securities domiciled in the emerging markets and selected from the countries represented in the S&P BMI Emerging Markets Index as well as providing unitholders with monthly distributions.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018 and year ended December 31, 2017:

	Financial Assets at Fair Value (\$) As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	4,525,928	–	–	4,525,928
Derivative assets	–	57,259	–	57,259
Total	4,525,928	57,259	–	4,583,187
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	2,240,262	–	–	2,240,262
Derivative assets	–	11,607	–	11,607
Total	2,240,262	11,607	–	2,251,869

There have been no transfers from one Level to another for the period ended June 30, 2018 and year ended December 31, 2017.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018 and year ended December 31, 2017:

Redeemable Units	Units
Outstanding units – December 31, 2016	50,000
Redeemable units issued	100,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(50,000)
Outstanding units – December 31, 2017	100,000
Redeemable units issued	100,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	–
Outstanding units – June 30, 2018	200,000

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Units
0.30%

First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

E. TAXATION (NOTE 8)

Tax loss carry-forwards – There were no net capital losses and non-capital losses as at December 31, 2017 and 2016.

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the periods ended June 30, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
1,519	614

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the periods ended June 30, 2018 and 2017, including amounts owing as at June 30, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
6,044	2,081	1,146	518

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and interest rates. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018		At December 31, 2017	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Dorsey Wright U.S. Sector Focus Five Index	210,605	(210,605)	74,794	(74,794)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at June 30, 2018 and December 31, 2017:

Currency	At June 30, 2018		At December 31, 2017	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	(4,562,684)	(99.33)	(2,296,338)	(101.62)

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$45,627 (December 31, 2017 - \$22,963). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk – The table below summarizes the concentration risk for the period ended June 30, 2018 and year ended December 31, 2017:

Holdings	At June 30, 2018		At December 31, 2017	
	Fair Value (\$)	% Net Assets	Fair Value (\$)	% Net Assets
Exchange-Traded Funds	4,525,928	98.53	2,240,262	99.14
Total	4,525,928	98.53	2,240,262	99.14

First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)
Notes to Financial Statements - Specific Information
For the six-month period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Exchange Traded Funds—98.53%				
First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF	34,729	907,673	921,916	20.07
First Trust AlphaDEX™ U.S. Energy Sector Index ETF	63,254	913,388	939,031	20.44
First Trust AlphaDEX™ U.S. Financial Sector Index ETF	30,388	834,430	903,131	19.66
First Trust AlphaDEX™ U.S. Industrials Sector Index ETF	31,646	836,145	887,987	19.33
First Trust AlphaDEX™ U.S. Technology Sector Index ETF	23,948	751,755	873,863	19.03
		4,243,391	4,525,928	98.53
Total investments		4,243,391	4,525,928	98.53
Transaction costs		(934)		
Unrealized appreciation on derivatives - see Schedule 1			57,259	1.25
Other assets, less liabilities			10,162	0.22
Total Net Assets Attributable to Holders of Redeemable Units		4,242,457	4,593,349	100.00

Schedule 1 - Foreign Exchange Contracts*

Counterparty	Credit Rating of Counterparty**	Settlement Date	Currency Sell	Amount Sold	Currency Buy	Amount Bought	Forward Rate	Current Rate	Appreciation
									(Depreciation) \$
Bank of New York Mellon (The), New York	A-1+	31/07/2018	USD	3,472,353	CAD	4,620,000	0.752	0.761	57,259
									57,259

* Commercial paper rating per Stand and Poor's Commercial Paper Guide

** Per Standard and Poor's Rating

First Trust Indxx Innovative Transaction and Process ETF

STATEMENT OF FINANCIAL POSITION As at June 30, 2018 (unaudited)

	June 30 2018 (\$)
Assets	
Investments (non-derivative financial assets)	1,915,813
Cash	12,997
	1,928,810
Liabilities	
Accrued liabilities	276
	276
Total net assets attributable to holders of redeemable units	1,928,534
Total Net Assets Attributable to Holders of Redeemable Units per class	
Units	1,928,534
Redeemable units outstanding [note 6]	
Units	100,000
Net assets attributable to holders of redeemable units per unit	
Units	19.29

STATEMENT OF COMPREHENSIVE INCOME

For the period from March 23, 2018 to June 30, 2018 (unaudited)

	June 30 2018 (\$)
Revenues	
Dividends	8,529
Other changes in fair value of investments	
Change in unrealized appreciation (depreciation) of investments	(11,502)
	(2,973)
Foreign exchange gain (loss) on cash	7
	(2,966)
Expenses [note 7]	
Management fees	702
Independent Review Committee fees	94
HST expense	91
	887
Expenses waived by manager	(94)
	793
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	(3,759)
Withholding taxes	1,358
Increase (Decrease) in net assets attributable to holders of redeemable units	(5,117)
Increase (Decrease) in net assets attributable to holders of redeemable units for each class	
Units	(5,117)
Increase (Decrease) in net assets attributable to holders of redeemable units per unit	
Units	(0.05)

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,
FT Portfolios Canada Co.



..... Director



..... Director

First Trust Indxx Innovative Transaction and Process ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period from March 23, 2018 to June 30, 2018 (unaudited)

	June 30 2018 (\$)
Net assets attributable to holders of redeemable units, beginning of period	-
Increase (Decrease) in net assets attributable to holders of redeemable units	(5,117)
Redeemable unit transactions [note 6]	
Proceeds from redeemable units issued	1,933,671
Redemption of redeemable units	(20)
	1,933,651
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	1,928,534
Net assets attributable to holders of redeemable units, end of period	1,928,534

See accompanying notes which are an integral part of these financial statements.

First Trust Indxx Innovative Transaction and Process ETF

STATEMENT OF CASH FLOW

For the period from March 23, 2018 to June 30, 2018 (unaudited)

	June 30 2018 (\$)
Cash flows from (used in) Operating Activities	
Increase (Decrease) in net assets attributable to holders of redeemable units	(5,117)
Adjustments for:	
Change in unrealized (appreciation) depreciation of investments	11,502
Other liabilities	276
Purchases of investments	(1,927,315)
	(1,920,654)
Cash flows from (used in) Financing Activities	
Amount received from the issuance of units	1,933,671
Amount paid on redemptions of units	(20)
	1,933,651
Increase (Decrease) in cash for the period	12,997
Cash, beginning of period	-
Cash, end of period	12,997
Dividends received, net of withholding taxes	7,171

See accompanying notes which are an integral part of these financial statements.

First Trust Indxx Innovative Transaction and Process ETF
Notes to Financial Statements - Specific Information
For the period ended June 30, 2018 (unaudited)

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to replicate, to the extent possible, the performance of an innovative transaction and process index. Currently, the First Trust ETF seeks to replicate, to the extent possible, the performance of the Indxx Blockchain Index, net of expenses. The First Trust ETF will obtain exposure to the Indxx Blockchain Index by investing in the Underlying Fund, a U.S.-listed index ETF which itself seeks to replicate or substantially replicate the performance of such index.

B. FAIR VALUE MEASUREMENT (NOTE 5) - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended June 30, 2018:

	Financial Assets at Fair Value (\$)			
	As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities	1,915,813	–	–	1,915,813
Total	1,915,813	–	–	1,915,813

There have been no transfers from one Level to another for the period ended June 30, 2018.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of the reporting period.

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the period ended June 30, 2018:

Redeemable Units	Units
Beginning balance – March 23, 2018*	–
Redeemable units issued	100,001
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(1)
Outstanding units – June 30, 2018	100,000

*commencement of operations

D. MANAGEMENT FEES AND EXPENSES (NOTE 7) - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee**
Units
0.15%

**The First Trust ETF will bear the Underlying Fund's management fee of 0.65% per annum on average daily net assets on the First Trust ETF's portfolio assets invested in the Underlying Fund. Accordingly, the management fee cost to unitholders of their investment will be 0.80% per annum of NAV of the Units plus applicable taxes. There will be no management fees payable by the First Trust ETF that, to a reasonable person, would duplicate a fee payable by the Underlying Fund for the same service. Further, no sales fees or redemption fees are payable by the First Trust ETF in relation to its purchases or redemptions of the securities of the Underlying Fund and there will be no sales or redemption fees payable by the First Trust ETF that, to a reasonable person, would duplicate a fee payable by an investor in the First Trust ETF.

E. TAXATION (NOTE 8)

Tax loss carry-forwards – There were no capital losses and non-capital losses as at December 31, 2017 as the First Trust ETF's commencement of operations was March 23, 2018.

First Trust Indxx Innovative Transaction and Process ETF
Notes to Financial Statements - Specific Information
For the period ended June 30, 2018 (unaudited)

F. COMMISSION (NOTE 9) - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the period ended June 30, 2018:

Transaction Cost (\$)
2018
-

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the period ended June 30, 2018, including amounts owing as at June 30, 2018 are as follows:

Management Fee Expense (\$)	Management Fee Payable (\$)
2018	2018
702	244

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at June 30, 2018, the First Trust ETF's market risk is affected by changes in actual market prices and interest rates. If the following index had increased (decreased) by 5% at June 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At June 30, 2018	
	5% Increase (\$)	5% Decrease (\$)
S&P 500 Index CAD	70,295	(70,295)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at June 30, 2018:

Currency	At June 30, 2018	
	Net Exposure (\$)	% Net Assets
United States Dollar	1,922,991	99.71

As at June 30, 2018, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$19,230. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk - The table below summarizes the concentration risk for the period ended June 30, 2018:

Holdings	At June 30, 2018	
	Fair Value (\$)	% Net Assets
Exchange-Traded Funds	1,915,813	99.34
Total	1,915,813	99.34

First Trust Indxx Innovative Transaction and Process ETF
Notes to Financial Statements - Specific Information
For the period ended June 30, 2018 (unaudited)

SCHEDULE OF PORTFOLIO INVESTMENTS As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Exchange Traded Funds—99.34%				
First Trust Indxx Innovative Transaction & Process ETF	50,600	1,927,315	1,915,813	99.34
		1,927,315	1,915,813	99.34
Total investments		1,927,315	1,915,813	99.34
Other assets, less liabilities			12,721	0.66
Total Net Assets Attributable to Holders of Redeemable Units		1,927,315	1,928,534	100.00

First Trust Exchange-Traded Funds
Notes to Financial Statements (unaudited)
For the six-month period ended June 30, 2018

1. GENERAL INFORMATION

The following First Trust exchange-traded funds (each, a “First Trust ETF” and collectively, the “First Trust ETFs”) are continuously distributed exchange-traded mutual funds established as trusts formed on the dates noted below under the laws of the Province of Ontario pursuant to a declaration of trust last amended on March 15, 2018. The units of the First Trust ETFs are listed for trading on the Toronto Stock Exchange (“TSX”), except for some of the Hedged Units¹ of the U.S. Sector Index ETFs.

First Trust ETFs	Ticker Symbols	Inception Date
Actively Managed Funds		
First Trust Canadian Capital Strength ETF ²	FST, FST.A	November 30, 2001
First Trust Senior Loan ETF (CAD-Hedged)	FSL, FSL.A	August 28, 2013
First Trust Short Duration High Yield Bond ETF (CAD-Hedged)	FSD, FSD.A	May 20, 2011
Income Funds		
First Trust Global Risk Managed Income Index ETF	ETP, ETP.A	July 23, 2014
First Trust Tactical Bond Index ETF	FTB	June 19, 2015
First Trust Value Line® Dividend Index ETF (CAD-Hedged) ³	FUD, FUD.A	May 15, 2013
AlphaDEX™ Dividend Funds		
First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)	FDE, FDE.A	May 15, 2013
First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)	EUR, EUR.A	February 4, 2014
AlphaDEX™ U.S. Sector Funds		
First Trust AlphaDEX™ U.S. Financial Sector Index ETF	FHF	October 30, 2014
	FHF.F	-
First Trust AlphaDEX™ U.S. Energy Sector Index ETF	FHE	October 30, 2014
	FHE.F	-
First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF	FHD	October 30, 2014
	FHD.F	-
First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF	FHC	October 30, 2014
	FHC.F	December 8, 2017
First Trust AlphaDEX™ U.S. Health Care Sector Index ETF	FHH	October 30, 2014
	FHH.F	December 8, 2017
First Trust AlphaDEX™ U.S. Materials Sector Index ETF	FHM	October 30, 2014
	FHM.F	-
First Trust AlphaDEX™ U.S. Industrials Sector Index ETF	FHG	October 30, 2014
	FHG.F	December 8, 2017
First Trust AlphaDEX™ U.S. Technology Sector Index ETF	FHQ	October 30, 2014
	FHQ.F	December 8, 2017
First Trust AlphaDEX™ U.S. Utilities Sector Index ETF	FHU	October 30, 2014
	FHU.F	-
Specialty Funds		
First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)	FSR	September 29, 2016
First Trust Indxx Innovative Transaction and Process ETF	BLCK	March 23, 2018

¹ The Hedged Units of the U.S. Sector Index ETFs were qualified for distribution by a prospectus last renewed on June 7, 2018. As of the date of this interim financial statements, four of the U.S. Sector Index ETFs have offered securities to the public effective December 8, 2017 (i.e. FHC.F, FHH.F, FHG.F, FHQ.F).

² First Trust AlphaDEX™ Canadian Dividend ETF (“FDY”) merged (the “Merger”) with FST in order to combine FDY and FST into one Canadian equity exchange-traded fund with FST being the continuing fund. The Merger took place after required Unitholders approval. Under the Merger, holders of units in FDY became unitholders of the First Trust ETF. The Merger was implemented effective October 16, 2017.

First Trust Exchange-Traded Funds

Notes to Financial Statements (unaudited)

For the six-month period ended June 30, 2018

³ On October 25, 2017, unitholders of the First Trust AlphaDEX™ U.S. Dividend ETF (CAD-Hedged) approved a proposal to (a) change the investment objective (the "Proposal"), (b) change the management fee in respect of the common units and (c) change the name to "First Trust Value Line® Dividend Index ETF (CAD-Hedged)". The Proposal was implemented as of November 22, 2017.

The Manager is also the trustee and promoter of the First Trust ETFs. First Trust Advisors L.P., an affiliate of the Manager, is the Portfolio Advisor of the First Trust ETFs. CIBC Mellon Trust Company is the custodian of the assets of the First Trust ETFs.

The address of the Manager is 40 King Street West, Suite 5102, Scotia Plaza, Box 312, Toronto, Ontario M5H 3Y2. The financial statements were authorized for issuance by the Manager on August 29, 2018.

2. BASIS OF PRESENTATION

The information provided in these financial statements and notes thereto is as at June 30, 2018 with comparatives for December 31, 2017 and for the six-month period ended June 30, 2018 with comparatives for the six-month period ended June 30, 2017.

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Amendments to IAS 7

IAS 7 requires disclosures related to changes in liabilities arising from financing activities for annual periods beginning on or after January 1, 2017. Units issued by the First Trust ETFs are classified as financial liabilities in accordance with IAS 32, as they do not meet the definition of puttable instruments to be classified as equity in accordance with IAS 32 for financial reporting purposes. However, the Units are considered liabilities for the purposes of the IAS 7 disclosures, regardless of their classification for financial reporting purposes under IAS 32. A reconciliation between the opening and closing balances of the Units of the First Trust ETFs is presented in the statement of changes in net assets attributable to holders of redeemable Units for the year ended December 31, 2017 and period ended June 30, 2018, including changes from cash flows and non-cash changes.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Financial instruments

(i) Classification

The First Trust ETFs classify the investments in debt and equity securities, open-ended investment funds and derivatives as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are at fair value through profit or loss ("FVTPL") at inception.

Financial assets and financial liabilities designated at FVTPL at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the First Trust ETFs' investment strategy as documented in its prospectus, and information about these financial assets and liabilities are evaluated by the management of the First Trust ETFs on a fair value basis together with other relevant financial information. All long equity and fixed income positions are included in this category.

First Trust Exchange-Traded Funds

Notes to Financial Statements (unaudited)

For the six-month period ended June 30, 2018

All other financial assets and liabilities are classified as loans and receivables and other financial liabilities. Loans and receivables and other financial liabilities are measured at amortized cost

(ii) Recognition and measurement

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, which is the date on which the First Trust ETFs become a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially recognized at fair value, with transaction costs recognized in the statement of comprehensive income. Financial assets or financial liabilities not at FVTPL are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Subsequent to initial recognition, financial assets and liabilities at FVTPL are measured at fair value. Net realized gain (loss) on sale of investments and net change in unrealized appreciation (depreciation) of investments arising from changes in their fair value are included in the statement of comprehensive income for the period in which they arise. Dividend or interest earned on financial assets at fair value through profit or loss and dividend or interest expense on the financial liabilities at fair value through profit or loss are disclosed in a separate line item in the statement of comprehensive income. Fair value is determined in the manner described in item (iv) below.

(iii) Derecognition

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the First Trust ETF has transferred substantially all risks and rewards of ownership.

Financial liabilities at FVTPL are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Net realized gain (loss) on sale of investments and derivatives are determined on a weighted average cost basis.

(iv) Fair value measurement

For the majority of First Trust ETFs, investments in listed securities are measured at fair value, which is determined in reference to their quoted close prices on the principal securities exchange on which the issue is traded. The change in the difference between the fair value and average cost is included in the statement of comprehensive income as unrealized appreciation (depreciation) on investments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

Forward foreign exchange contracts are valued at the current market value thereof on the valuation date. The value of these forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. A First Trust ETF uses a variety of methods and makes assumptions that are based on market conditions existing at each year-end date. Valuation techniques used for non-standardized financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable

First Trust Exchange-Traded Funds

Notes to Financial Statements (unaudited)

For the six-month period ended June 30, 2018

recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the First Trust ETF may use internally developed models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Valuation models are used primarily to value unlisted equity and debt securities for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the First Trust ETF holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

IFRS 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgment, considering factors specific to the asset or liability. The following shows financial instruments recognized at fair value, categorized between those whose fair value is based on:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The determination of what constitutes "observable" requires significant judgment by the First Trust ETF. The First Trust ETF considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Unobservable Inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the First Trust ETFs determine whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

The carrying values of cash, other assets, other liabilities and the First Trust ETFs' obligation for net assets attributable to holders of redeemable units approximate their fair values due to their short-term nature.

See Note 5 for additional details related to the First Trust ETFs' fair value measurements.

First Trust Exchange-Traded Funds

Notes to Financial Statements (unaudited)

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Cash

Cash consists of cash on deposit and bank overdraft.

Receivable for portfolio securities sold and Payable for portfolio securities purchased

Receivable for portfolio securities sold and Payable for portfolio securities purchased are recorded on the statement of financial position at the amount to be received or delivered.

Net assets attributable to holders of redeemable units per unit

First Trust ETFs under the U.S. Sector Funds currently have two classes of redeemable units in issue: Units and Hedged Units. However, the Hedged Units have not offered any securities to the public yet, except for FHC.F, FHH.F, FHQ.F, and FHG.F. Since the US Sector ETFs will seek to hedge their U.S. dollar currency exposure only in respect of the Hedged Units, all of the gains or losses associated with any hedging transactions in that regard will be solely for the account of the Hedged Units.

Majority of the First Trust ETFs not under U.S. Sectors Funds have two classes of redeemable units in issue: Common Class and Advisor Class. For U.S. Sector Funds, four funds have also two classes of redeemable units in issue: Units and Hedged Units. FTB, FSR, and BLCK have only one class of redeemable units (See note 1 – “The First Trust ETFs”). These classes of redeemable units are the most subordinate classes of financial instruments in First Trust ETFs and rank *pari passu* in all material respects and have the same terms and conditions other than differences in management fee rate where the Advisor Class pays additional amount for service fees (See note 7 – “Management Fees and Expenses”).

A separate net asset value is calculated for each class of Units of the First Trust ETFs. The net asset value of a particular class of unit is computed by calculating the value of the class’ proportionate share of the assets and liabilities of the First Trust ETF common to all series less direct expenses attributable only to that class. The net asset value is divided by the number of units outstanding for each class on the day of valuation to compute net asset value per unit. Other expenses are allocated proportionately to each series based upon the relative net assets value of each class. Expenses are accrued daily.

Dividends are distributed according to the dividend policy discussed in the respective simplified prospectuses of the First Trust ETFs. Income not distributed is included in net assets attributable to holders of redeemable shares.

Investment income

The “Interest income for distribution purposes” shown on the Statement of Comprehensive Income represents the coupon interest received by the First Trust ETFs accounted for on a straight-line basis. The First Trust ETFs do not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight-line basis.

Dividend income is recognized on the ex-dividend date in the statement of comprehensive income within dividend income, gross of withholding taxes, when the Fund’s right to receive payments is established.

The First Trust ETFs generally incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the statement of comprehensive income.

Foreign currencies

The Manager considers the currency of the primary economic environment in which the First Trust ETFs operate to be the Canadian dollars as this is the currency which, in their opinion, most faithfully represents the economic effects

First Trust Exchange-Traded Funds

Notes to Financial Statements (unaudited)

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of underlying transactions, events and conditions. Furthermore, Canadian dollars is the currency in which the First Trust ETFs measure its performance and also issues and redeems its redeemable shares.

Investments purchased or sold in foreign currencies are translated into Canadian dollars using the exchange rate prevailing on the trade date. Income on foreign investments is recorded at gross, withholding taxes are shown separately as a line item, and are translated at the rate of exchange on the dates of such transactions. The fair values of investments and other assets and liabilities in foreign currencies are translated at the period-end exchange rates.

Increase (decrease) in net assets attributable to holders of redeemable units per unit

Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations by class divided by the average units outstanding per class during the period.

Transaction costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities are presented as a separate line item in the Statement of Comprehensive Income in the period incurred.

First Trust Senior Loan ETF (CAD-Hedged) ("FSL") and First Trust Short Duration High Yield Bond ETF (CAD-Hedged) ("FSD") typically do not incur transaction costs because these First Trust ETFs invest in senior loans and high yield bonds. Transaction costs are not incurred on the purchase and sale of senior loans and high yield bonds.

Forward foreign exchange currency agreements

Some of the First Trust ETFs may purchase forward foreign exchange currency agreements to hedge assets and liabilities denominated in foreign currencies.

The value of the forward foreign exchange currency agreements is the gain or loss that would be realized if, on the valuation date, the position in the forward contract was closed out in accordance with its terms. The unrealized gains or losses on the forward contract are reported as part of the net change in unrealized appreciation or depreciation of derivatives in the statement of comprehensive income until it is closed out or partially settled.

Valuations of derivative instruments are carried out daily, using normal exchange reporting sources for exchange-traded derivatives and specific broker enquiry for over-the-counter derivatives.

Upon the closing out of the instrument, any gain or loss on forward foreign exchange currency agreements is disclosed in the Statement of Comprehensive Income as net realized (loss) gain on foreign exchange.

Forward contracts entered into by the First Trust ETF represent a firm commitment to buy or sell an underlying asset, or currency at a specified value and point in time based upon an agreed or contracted quantity.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Fund currently has a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Critical accounting estimates and assumptions

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing these financial statements. Actual results may differ from these estimates.

First Trust Exchange-Traded Funds

Notes to Financial Statements (unaudited)

For the six-month period ended June 30, 2018

Fair value of securities not quoted in an active market

The fair value of such securities not quoted in an active market may be determined by the First Trust ETFs using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. The First Trust ETF would exercise judgment and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The determination of what constitutes 'observable' requires significant judgment by the First Trust ETFs. The First Trust ETFs considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 5 for further information about the fair value measurement of the First Trust ETFs' financial instruments.

4. FORWARD FOREIGN EXCHANGE CURRENCY AGREEMENTS

Certain First Trust ETFs may enter into forward foreign exchange currency agreements to minimize the impact of changes in the Canadian-U.S. foreign exchange rate or Canadian-CHF/EUR/GBP foreign exchange rates on the First Trust ETFs' net asset value. The typical duration for a forward contract is one month but some contracts may be for longer periods up to six months. Bank of New York Mellon is the counterparty to all forward contracts of the First Trust ETFs.

The forward foreign exchange currency agreements, as applicable, shown in the Notes to Financial Statements - Specific Information under Schedule of Portfolio Investments for each First Trust ETF.

5. FAIR VALUE MEASUREMENT

Valuation techniques and inputs used for the fair value measurements categorized within Level 2 of the fair value hierarchy is given below:

Unlisted debt securities

Unlisted debt securities are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices.

Senior loans

The senior loans in which the First Trust ETFs invest are not listed on any securities exchange or board of trade. Senior loans are typically bought and sold by institutional investors in individually negotiated private transactions that function in many respects like an over-the-counter secondary market, although typically no formal market-makers exist. This market, while having grown substantially in the past several years, generally has fewer trades and less liquidity than the secondary market for other types of securities. Some senior loans have few or no trades, or trade infrequently, and information regarding specific senior loans may not be widely available or may be incomplete. Accordingly, determinations of the fair value of senior loans may be based on infrequent and dated information. Because there is less reliable, objective data available, judgment and estimates play a greater role in valuation of senior loans than for other types of securities. Senior loans with readily available quotations are valued at fair value using the current bid price quotations provided by a prominent pricing service. Senior loans for which current quotations are not readily available are valued at fair value as determined by the Portfolio Advisor Pricing Committee. The Pricing Committee prices the assets if a price is unavailable from the pricing service.

First Trust Exchange-Traded Funds

Notes to Financial Statements (unaudited)

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Forward foreign exchange currency contracts

The value of the forward foreign exchange currency agreements is the gain or loss that would be realized if, on the valuation date, the position in the forward contract was closed out in accordance with its terms. The most significant observable input is the forward foreign currency exchange rate.

The fair value hierarchy classifications of assets and liabilities are discussed in the Notes to Financial Statements - Specific Information for each First Trust ETF, where applicable.

6. REDEEMABLE UNITS

Many of the First Trust ETFs have two classes of redeemable units in issue: Common Class and Advisor Class (See note 1 – “The First Trust ETFs”). The only difference between these units is the service fee component of the management fee payable by a First Trust ETF in respect of the units of each class (as described under “Management Fees and Expenses” – See note 7). Accordingly, the net asset value per unit of each class may not be the same as a result of the different fees allocable to each class of units.

Majority of the U.S. Sector Funds currently have one class of redeemable units called Units. The Hedged Units have not offered any securities to the public yet, except for FHC.F, FHH.F, FHQ.F, and FHG.F.

FTB, FSR, and BLCK have also only one class of redeemable units called Units.

Units of each of the First Trust ETFs are being issued and sold on a continuous basis and there is no maximum number of units that may be issued. The Units of the First Trust ETFs are Canadian dollar denominated. The First Trust ETFs are listed on the TSX and an investor is able to buy or sell Units of the First Trust ETFs on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Units.

Investors that redeem Units prior to the distribution record date for any distribution will not be entitled to receive that distribution.

7. MANAGEMENT FEES AND EXPENSES

Each First Trust ETF will pay the Manager a management fee and, in respect of the Advisor Class Units, an additional amount for a service fee based on the average daily NAV of the applicable First Trust ETF.

The management fee, plus applicable taxes, including HST, are 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.

Advisor Class Units Service Fee: The Manager pays to registered dealers a service fee equal to 1.00% per annum of the NAV of the Advisor Class Units in respect of all First Trust ETFs, other than First Trust Global Risk Managed Income Index ETF (“ETP”), FSL, and FSD, and 0.50% per annum of the NAV of the Advisor Class Units in respect of ETP, FSL, and FSD, for each Advisor Class Unit 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.

In addition to the payment of the management fee, each First Trust ETF is responsible for the costs and expenses incurred in complying with NI 81-107 (including any expenses related to the implementation and on-going operation of an independent review committee), brokerage expenses and commissions, income and withholding taxes as well as all other applicable taxes, including HST, the costs of complying with any new governmental or regulatory requirement introduced after the First Trust ETF was established. The Manager is responsible for all other costs and expenses of the First Trust ETFs, including the Advisor Class service fee (described above), the fees payable to the Portfolio Advisor, Custodian, Valuation Agent, Registrar, Transfer Agent and Plan Agent and fees payable to other service providers.

First Trust Exchange-Traded Funds

Notes to Financial Statements (unaudited)

For the six-month period ended June 30, 2018

The management fees charged are discussed in the Notes to Financial Statements - Specific Information for each First Trust ETF.

8. TAXATION

Income taxes

The First Trust ETFs are trusts and registered investments under Provisions of the Income Tax Act (Canada) (the "Tax Act") and are expected to meet the requirements to be mutual fund trusts under the provisions of the Tax Act. The First Trust ETFs will generally not be subject to tax under Part I of the Act in respect of its net income or net realized capital gain in each taxation year to the extent that such net income and net realized capital gain are paid or payable in the year to the unitholders.

Distributions

Cash distributions on Units of a First Trust ETF are paid primarily out of dividends or distributions and other income or gains received by the First Trust ETF less the expenses of the First Trust ETF but may also consist of non-taxable amounts including return of capital, which may be paid in the Manager's sole discretion. To the extent that the expenses of a First Trust ETF exceed the income generated by such First Trust ETF in any given month, quarter or year, as the case may be, it is not expected that a monthly distribution will be paid. As a result of the higher management fees on the Advisor Class Units, any such cash distributions on the Advisor Class Units are expected to be less than the distributions payable on the Common Units. Non-cash distributions are reinvested back to the First Trust ETFs.

Distributions of sufficient net realized capital gains (reduced by loss carry-forwards, if any) are made after December 15 but on or before December 31 to ensure that the First Trust ETF will not be liable for income taxes.

Tax loss carry-forwards

The non-capital losses for income tax purposes may be carried forward for 20 years. The net capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years.

The net capital losses and non-capital losses, as applicable, are discussed in the Notes to Financial Statements - Specific Information for each First Trust ETF.

9. COMMISSION

Total commissions and other transaction costs paid or payable to dealers by the First Trust ETFs for their portfolio transactions, where applicable, are discussed in the Specific Information for each First Trust ETF. Note that FSL and FSD typically do not incur transaction costs because these First Trust ETFs invest in senior loans and bonds (see Note 3 - Significant Accounting Policies, under Transaction Costs).

10. RELATED PARTY INFORMATION

The Manager is responsible for the management and administration of the First Trust ETFs. In consideration for the services provided by the Manager, the First Trust ETFs pay management fees (see note 7 – Management Fees and Expenses).

The total management fees earned by the Manager including amounts owing where applicable, are discussed in the Notes to Financial Statements - Specific Information for each First Trust ETF.

11. FINANCIAL RISK MANAGEMENT

The First Trust ETFs are exposed to a number of risks due to the nature of their activities and as further set out in its offering memorandum. These risks include market risk (including currency risk, interest rate risk and price risk),

First Trust Exchange-Traded Funds

Notes to Financial Statements (unaudited)

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credit risk and liquidity risk. The First Trust ETFs' objective in managing these risks is the protection and enhancement of share value.

The financial risk management (market risk, interest rate risk, credit risk, currency risk, liquidity risk, and concentration risk) as applicable, are discussed in the Notes to Financial Statements - Specific Information for each First Trust ETF.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The investments of the First Trust ETFs are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the First Trust ETFs is determined by the fair value of the financial instruments. The Portfolio Advisor moderates this risk through a careful selection of securities within specified limits and the First Trust ETFs' market price risk is moderated through diversification of the investment portfolio. The Investment Manager monitors the First Trust ETFs' overall market positions on a daily basis and positions are maintained within established ranges.

ETP, FSR, FTB, and BLCK hold other ETFs. There is no look-through of the financial risks. Thus, they are indirectly exposed to the market risk through the investments held by the ETFs in their investment portfolio.

For the period ended June 30, 2018, the overall market exposures relate to the First Trust ETFs' investments in securities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Certain First Trust ETFs are exposed to interest rate risk as they invest in listed debt securities bearing interest at fixed and floating interest rates. Other financial assets and liabilities exposed to interest rate risk include borrowings which are invested at long term interest rates and cash and bank balances which are invested at short term interest rate. The Portfolio Advisors manage the First Trust ETFs' exposure to interest rate risk on a daily basis in accordance with the First Trust ETFs' investment objectives and policies. The First Trust ETFs' overall exposure to interest rate risk is monitored closely by the Portfolio Advisors.

Interest rate risk arises on interest-bearing financial instruments. The majority of the First Trust ETFs', except FSL, FTB, ETP, and FSD, financial assets and liabilities are non-interest bearing. As a result, the majority of the First Trust ETFs' are not subject to significant amounts of interest rate risks due to fluctuations in the prevailing level of market interest rates.

FSL, FTB, ETP, and FSD invest in interest-bearing securities. The income of these First Trust ETFs may be affected by changes in interest rates relevant to particular securities or as a result of the Portfolio Advisor being unable to secure similar returns on the expiry or sale of securities. In addition, the price of interest-bearing securities will also fluctuate with interest rate changes. FSL holds senior loans that have an interest rate reset period of approximately 30 - 90 days. As a result, this First Trust ETF is not exposed to a significant risk, relative to a fixed rate fund, that the NAV will fluctuate due to changes in the prevailing levels of market interest rates. FTB and ETP hold various exchange traded funds (the "Underlying ETFs") that invest in interest bearing securities, some of which are fixed rate. As a result, the price of the Underlying ETFs may fluctuate due to changes in the prevailing levels of market interest rates.

ETP, FSR, and FTB hold other ETFs. There is no look-through of the financial risks. Thus, they are indirectly exposed to the interest rate risk through the investments held by the ETFs in their investment portfolio.

As noted above, senior loans have very little interest rate sensitivity due to their floating interest rate. High yield bonds, by contrast, typically have a fixed interest rate and are subject to greater interest rate sensitivity.

First Trust Exchange-Traded Funds

Notes to Financial Statements (unaudited)

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Credit risk

Credit risk is the risk of non-payment of scheduled interest and/or principal payments because the issuer of the security experiences a decline in its financial status.

The First Trust ETFs, except FTB, ETP, FSL, and FSD, had no significant investments in debt instruments and/or derivatives as of June 30, 2018, as applicable.

FTB and ETP - The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. For more information regarding the credit risk of underlying funds, refer to the underlying funds' financial statements available on the SEDAR website at www.sedar.com.

FSL - The value of senior loans is affected by the creditworthiness of borrowers and by general economic and specific industry conditions. If this First Trust ETF acquires a senior loan from another lender, for example, by acquiring a participation, this First Trust ETF may also be subject to credit risks with respect to that lender. As at June 30, 2018, the maximum credit risk exposure of this First Trust ETF is \$110,225,731 (December 31, 2017 - \$127,790,540).

FSD - The value of senior loans is affected by the creditworthiness of borrowers and by general economic and specific industry conditions. If this First Trust ETF acquires a senior loan from another lender, for example, by acquiring a participation, this First Trust ETF may also be subject to credit risks with respect to that lender. As at June 30, 2018, the maximum credit risk exposure of this First Trust ETF is \$17,393,231 (December 31, 2017 - \$17,942,360).

ETP, FSR, and FTB hold other ETFs. There is no look-through of the financial risks. Thus, they are indirectly exposed to the credit risk through the investments held by the ETFs in their investment portfolio.

Currency risk

Many of the First Trust ETFs hold assets and liabilities, including cash, short-term investments, equities, fixed income instruments and currency-based derivative contracts that are denominated in foreign currencies. These First Trust ETFs are therefore exposed to currency risk, as the value of the securities denominated in another currency fluctuates due to changes in exchange rates.

ETP, FSR, FTB, and BLCK hold other ETFs. There is no look-through of the financial risks. Thus, they are indirectly exposed to the currency risk through the investments held by the ETFs in their investment portfolio.

ETP, FTB, and FST are Canadian funds therefore they have insignificant currency risk as at June 30, 2018.

Liquidity risk

Liquidity risk is defined as the risk that the First Trust ETFs may not be able to settle or meet their obligation. The First Trust ETFs are exposed to daily cash redemptions of redeemable units. Therefore, the First Trust ETFs invest the majority of the assets in investments that are traded in the active market and can be readily disposed. In addition, the First Trust ETFs retain sufficient cash and cash equivalent positions to maintain liquidity.

FSL and FSD invest substantial portions of its assets in lower-quality debt issued by companies that are highly leveraged. Lower-quality debt tends to be less liquid than higher-quality debt. Moreover, smaller debt issues tend to be less liquid than larger debt issues. If the economy experiences a sudden downturn, or if the debt markets for such companies become distressed, these First Trust ETFs may have particular difficulty selling their assets in sufficient amounts, at reasonable prices and in a sufficiently timely manner to raise the cash necessary to meet any potentially heavy exchange or redemption requests by unitholders of these First Trust ETFs.

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Concentration Risk

Concentration risk indicates the relative sensitivity of the First Trust ETFs' performance to developments affecting a particular industry or geographical location. Concentrations of risk also arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Portfolio Advisor monitors concentration risk through diversification and a thorough understanding of each investment in the portfolio.

12. CAPITAL MANAGEMENT

The First Trust ETFs' capital are the net assets, representing unitholders' equity. The First Trust ETFs' objectives when managing capital is to safeguard the First Trust ETFs' ability to continue as a going concern in order to provide returns for unitholders, maximize unitholder value and maintain financial strength.

The First Trust ETFs are not subject to any externally imposed capital requirements.

13. SECURITIES LENDING

A First Trust ETF may, in compliance with NI 81-102, lend portfolio securities to third parties pursuant to the terms of a securities lending agreement between the First Trust ETF and a securities lending agent under which: (i) the borrower will pay to the First Trust ETF a negotiated securities lending fee and will make compensation payments to the First Trust ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the First Trust ETF will receive collateral security equal to at least 102% of the value of the portfolio securities loaned. The securities lending agent for a First Trust ETF will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis.

As of June 30, 2018, there were no securities lending done by the First Trust ETFs.

14. TRANSITION TO IFRS 9

IFRS 9 Financial Instruments ("IFRS 9")

Effective January 1, 2018, The First Trust ETFs adopted IFRS 9. IFRS 9 issued in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Classification and measurement of financial assets and financial liabilities

Under IFRS 9, classification and measurement of financial assets will be driven by the First Trust ETFs' business model for managing them and their contractual cash flows. Classification and measurement categories under IFRS 9 are amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL").

IFRS 9 largely retains the existing requirements for classification and measurement of financial liabilities. However, unlike IAS 39 where all fair value changes of liabilities designated at fair value through profit or loss are recognized in profit or loss, under IFRS 9, fair value changes related to changes in the issuer's own credit risk will be presented in other comprehensive income.

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Based on the First Trust ETFs' initial assessment, IFRS 9 is not expected to have a material impact on classification and measurement of financial instruments, since the First Trust ETFs make decisions based on the assets' fair values and manages the assets to realize those fair values. As such the majority of the First Trust ETFs' financial assets will continue to be measured at FVTPL. In addition, derivatives will continue to be measured at FVTPL.

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