



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

Interim Management Report of Fund Performance
June 30, 2021

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2021

First Trust Canadian Capital Strength ETF (the “First Trust ETF”)

This interim management report of fund performance contains financial highlights, but does not contain the complete unaudited interim financial statements of the First Trust ETF. All references to dollars contained herein are to Canadian dollars.

Securityholders may also contact us to request a copy of the First Trust ETF’s proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosures relating to the First Trust ETF by calling 1-877-622-5552, by writing to us at FT Portfolios Canada Co., 40 King Street West, Suite 5102, Scotia Plaza, Box 312, Toronto, Ontario M5H 3Y2 or by visiting our website at www.firsttrust.ca or SEDAR at www.sedar.com.

Forward-looking Statements

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent beliefs regarding future events. By their nature, forward-looking statements are based on assumptions and are subject to inherent risks and uncertainties. There is significant risk that forward-looking statements will not prove to be accurate. Readers of this document should not place undue reliance on forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the expectations, estimates or intentions expressed or implied in the forward-looking statements. These factors include but are not limited to market and general economic conditions, interest rates, foreign currency exchange rates, the extent of industry sector exposure, the performance of the securities of the issuers held in the portfolio and regulatory developments and the risks detailed in the First Trust ETF’s prospectus. The Manager does not undertake and specifically disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

First Trust Canadian Capital Strength ETF Management Report of Fund Performance For the six-month period ended June 30, 2021

Investment Objective and Strategy

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

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

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

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

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

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

Risk

The risks associated with an investment in the First Trust ETF remain as discussed in the First Trust ETF’s most recent prospectus. There have been no significant changes during the reporting period that affected the overall level of risk associated with the First Trust ETF.

Results of Operations

General

The First Trust ETF’s total net asset value as of June 30, 2021 was \$45,090,526 or \$38.47 per Common Class unit (“FST”) and \$32.23 per Advisor Class unit (“FST.A”). The First Trust ETF’s total net asset value as of December 31, 2020 was \$43,551,288 or \$34.44 per FST and \$28.87 per FST.A.

For the six-month period ended June 30, 2021, the First Trust ETF paid total cash distributions per unit of \$0.3700 for FST and \$0.1550 for FST.A. In addition, the First Trust ETF declared cash distributions per unit of \$0.2100 for FST and \$0.1000 for FST.A for record date of June 30, 2021 with payment date of July 8, 2021.

Investment Performance

For the six-month period ended June 30, 2021, FST returned 12.93% and FST.A returned 12.33% compared to S&P/TSX Composite® Index (the “benchmark”) return of 17.28%. Unlike the benchmark, the First Trust ETF’s returns are net of fees and expenses.

FST has underperformed the benchmark for the period. Allocation effect and stock selection for the portfolio were both negative contributors to relative performance. Positive contributions to relative performance can be attributed to stock selection in Industrials, an overweight allocation and stock selection in Consumer Discretionary, and an

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underweight allocation in Utilities. Negative contributions can mostly be attributed to stock selection in Information Technology and Financials, as well as an underweight allocation in Energy.

The top-performing stocks for the year, based on total return, were TFI International Inc., Canada Goose Holdings, Inc., and Canadian Imperial Bank of Commerce. These stocks returned +73.67%, +43.18%, and +32.64% respectively, in CAD, including dividends. The bottom-performing stocks, based on total return, were B2Gold Corp, Kinaxis, Inc., and Barrick Gold Corporation. These stocks returned -25.76%, -12.03%, and -10.29%, respectively, in CAD, including dividends.

The First Trust ETF held 25 equity positions for the six-month period ending June 30, 2021 and made no net change to the number of positions from the beginning of the period. Portfolio changes were made in April 2021 (2 positions added, 2 positions eliminated). The top ten equity holdings of the First Trust ETF at June 30, 2021 accounted for 42.83% of total NAV and the top ten equity holdings of the First Trust ETF at June 30, 2020 accounted for 40.58% of total NAV. Financials, Industrials and Information Technology (in order) were the top three sector weightings at the end of the period. Financials, Information Technology and Materials were the top three sector weights at the beginning of the period. Relative to its benchmark over the period, the First Trust ETF was overweight the Information Technology, Industrials, Consumer Discretionary, Consumer Staples and Materials sectors and underweight the Energy, Utilities, Real Estate, Health Care, Communication Services and Financials sectors. The sector weighting of the First Trust ETF changed somewhat over the reporting period, primarily as the result of our bottom-up, multi-step quantitative and fundamental stock selection strategy. Portfolio changes were made in April of 2021, though there was no net change to the total number of portfolio positions over the period. In April, one position, Kinaxis Inc was eliminated for failing to meet the initial screening criteria and Toromont Industries Ltd. was removed at the portfolio manager's discretion. Positions in Finning International Inc. and iA Financial Corp Inc. were established to replace them.

Recent Developments

As with the rest of the world, Canada experienced a downturn in economic activity in 2020 with the country's GDP contracting by 5.4%. The COVID-19 pandemic forced governments to intervene and take the necessary policy actions to assist their economies, which has continued in 2021. According to the June interest rate announcement by the Bank of Canada (the "BoC"), the Bank Rate was maintained at 0.25% as inflation has reached the top end of the 1% to 3% CPI inflation range. The BoC projects inflation to remain elevated through the summer. The elevated inflation is largely due to temporary factors and base year effects. The BoC stated the economic recovery will continue to necessitate "extraordinary monetary policy" with the Quantitative Easing ("QE") program of \$3 billion a week to suppress interest rates across the yield curve. According to Statistics Canada, the economy grew at an annualized rate of 5.6% during the first quarter of 2021. Statistics Canada states the continued strength dating back to the second half of 2020 can be linked to favorable mortgage rates, government transfers, and improving employment. By mid-May, only about 3% of Canadians were fully vaccinated, according to NPR. Since then the pace of administered vaccine doses has risen significantly with about 43% of Canadians having been fully vaccinated, according to The Canadian Press. The swift rise in vaccinations has helped bolster business sentiment going into the summer. According to the BoC's Business Outlook Survey, "Firms tied to high-contact services still face challenges but are becoming more confident that sales will pick up as vaccination rates rise. This suggests an important broadening in the recovery ahead." As a result, the BoC's Business Outlook Survey Indicator hit its record high heading into the summer. After a contraction in 2020, the BoC projects overall GDP to be up 6.5% for the year, 2022 and 2023 are projected to increase by 3.7% and 3.2%, respectively.

The Canadian equity market took a step back in the first half of 2020. The benchmark was down -7.47% on a total return basis for the first half of the year, which can largely be attributed to the emergence of the coronavirus and an overall decrease in global economic activity. The benchmark rebounded in the second half of 2020, which led to the benchmark increasing 5.60% on a total return basis for the year. Gains continued for the benchmark through the first half of 2021 on the back of favorable fiscal and monetary policy and the reopening of the economy amid the rollout of vaccines. After declining in 2020, the Energy sector rebounded in the first half of 2021 with a total return of over 36%. The outperformance of the Energy sector versus the benchmark is attributed to meteoric rise in oil prices during the first half of the year and the market favoring the value trade. The Financial sector, which makes up nearly a third of

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the benchmark, has been the largest contributing sector to the benchmark's performance over the first six months of the year. The outperformance of the Financial sector relative to the benchmark, like Energy, is largely due the market favoring the value trade. After a strong 2020, the Materials sector is down nearly half a percent on a total return basis so far this year. The underperformance relative to the benchmark is attributed to the lagging stock performance of gold mining companies as the price of gold has fallen over the first half of the year.

According to the BoC, the global economy contracted by 2.5% in 2020 as the world grappled with COVID-19. The lingering effects of the virus are still being felt all around the world resulting in governments and central banks continuing to intervene with fiscal and monetary policy. The BoC forecasts that global growth will rebound this year with a global GDP of about 6.75%. Much of the global recovery is reliant upon other countries doing their part to reduce the impact of emerging COVID-19 variants by continuing to administer vaccinations along with adhering to local COVID-19 guidelines.

Despite the unprecedented conditions, there are still plenty of attractive opportunities in Canada. We believe that the economic recovery will continue largely due to government intervention, the strong vaccination effort domestically, and the increase in oil prices. All of which have boosted business sentiment heading in to the second half of the year. As COVID-19 comes under control and business activity continues to improve, we expect the Canadian equity market will provide ample returns for investors with longer time horizons.

We continue to find attractive candidates from within our selection universe of "capital strength" companies. The First Trust ETF is positioned to provide exposure to one of the world's most developed nations, but with less overall concentration in the three leading sectors (Financials, Energy and Materials represented roughly 56% of the sector weights for the benchmark over the period versus roughly 46% within the First Trust ETF portfolio).

Related Party Transactions

FT Portfolios Canada Co. is the Manager of the First Trust ETF and is a Canadian affiliate of First Trust Advisors L.P., the investment advisor (the "Advisor") of the First Trust ETF.

Pursuant to terms of the declaration of trust of the First Trust ETF, the Manager provides or arranges for all management, administrative and other services required by the First Trust ETF. The Manager receives a management fee from the First Trust ETF. For further details, please see "Management Fees".

The Manager has retained the Advisor to provide certain services to the First Trust ETF pursuant to an investment advisory agreement. The Advisor receives advisory fees from the Manager out of the management fee.

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Financial Highlights

The following tables show selected key financial information about the First Trust ETF and are intended to help you understand the First Trust ETF's financial performance for the past five years. This information is derived from the First Trust ETF's current unaudited interim financial statements for the six-month period ended June 30, 2021, for the audited annual financial statements for the twelve-months ended December 31, 2020, 2019, 2018, and 2017, and for the six-month period ended December 31, 2016.

Net Asset Value per Unit

FST.A	June 30, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Net asset value, beginning of period/year ⁽¹⁾	\$28.87	\$28.95	\$25.27	\$28.14	\$24.68	\$21.74
Increase (Decrease) from operations:						
Total revenue	0.46	0.66	0.70	0.62	0.51	0.28
Total expenses	(0.27)	(0.48)	(0.50)	(0.50)	(0.47)	(0.29)
Realized gains (losses) for the period/year	2.04	(0.52)	2.09	0.36	2.14	1.05
Unrealized gains (losses) for the period/year	1.33	0.34	1.74	(3.19)	1.37	1.97
Total increase (decrease) from operations ⁽²⁾	\$3.56	\$ -	\$4.03	\$(2.71)	\$3.55	\$3.01
Distributions:						
From income (excluding dividends)	(0.20)	-	-	-	-	-
From dividends	-	(0.10)	(0.18)	(0.03)	-	-
From capital gains	-	-	-	(0.10)	-	-
Return of capital	-	(0.12)	(0.07)	-	(0.09)	-
Total annual distributions ⁽³⁾	\$(0.20)	\$(0.22)	\$(0.25)	\$(0.13)	\$(0.09)	\$ -
Net asset value, end of period/year ⁽⁴⁾	\$32.23	\$28.87	\$28.95	\$25.27	\$28.14	\$24.68

FST	June 30, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Net asset value, beginning of period/year ⁽¹⁾	\$34.44	\$34.59	\$30.18	\$33.44	\$29.12	\$25.50
Increase (Decrease) from operations:						
Total revenue	0.55	0.78	0.84	0.75	0.63	0.34
Total expenses	(0.12)	(0.22)	(0.23)	(0.23)	(0.22)	(0.19)
Realized gains (losses) for the period/year	2.34	(1.13)	2.33	0.07	2.28	1.27
Unrealized gains (losses) for the period/year	1.83	(1.82)	2.73	(3.97)	2.77	2.20
Total increase (decrease) from operations ⁽²⁾	\$4.60	\$(2.39)	\$5.67	\$(3.38)	\$ 5.46	\$ 3.62
Distributions:						
From income (excluding dividends)	(0.42)	-	-	-	-	-
From dividends	-	(0.49)	(0.48)	(0.34)	(0.08)	-
From capital gains	-	-	-	-	-	-
Return of capital	-	(0.15)	-	-	(0.14)	-
Total annual distributions ⁽³⁾	\$(0.42)	\$(0.64)	\$(0.66)	\$(0.34)	\$(0.22)	\$ -
Net asset value, end of period/year ⁽⁴⁾	\$38.47	\$34.44	\$34.59	\$30.18	\$33.44	\$29.12

(1) This information is provided for the six-month period ended June 30, 2021, for the twelve-months ended December 31, 2020, 2019, 2018, and 2017, and six-month period ended December 31, 2016, and is prepared under IFRS.

(2) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the period/year.

(3) Distributions were paid in cash or reinvested in additional units of the First Trust ETF, or both. Non-cash distributions are reinvested in additional units of the First Trust ETF and subsequently consolidated. Neither the number of units held by the unitholder, nor the net asset per unit of the First Trust ETF change as a result of any non-cash distributions.

(4) At the time of the conversion to an ETF, there was an exchange of units whereby holders of Series F units received 1 Common unit for each Series F unit held and holders of Series A units received 1 Advisor Class unit for each Series A held.

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

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Ratios and Supplemental Data

FST.A	June 30, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Net asset value (000's)	\$26,126	\$24,849	\$27,810	\$26,803	\$35,547	\$34,626
Number of units outstanding	810,726	860,726	960,726	1,060,726	1,263,337	1,402,854
Management expense ratio ⁽¹⁾	1.74%	1.76%	1.77%	1.76%	1.76%	2.41%
Management expense ratio before waivers or absorption	1.76%	1.78%	1.79%	1.78%	1.78%	2.41%
Trading expense ratio ⁽²⁾	0.01%	0.03%	0.02%	0.03%	0.03%	0.04%
Portfolio turnover rate ⁽³⁾	21.55%	60.13%	45.10%	63.24%	54.57%	26.70%
Net asset value per unit	\$32.23	\$28.87	\$28.95	\$25.27	\$28.14	\$24.68

FST	June 30, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Net asset value (000's)	\$18,965	\$18,703	\$32,614	\$42,046	\$39,815	\$7,207
Number of units outstanding	492,993	542,993	942,993	1,392,993	1,190,807	247,534
Management expense ratio ⁽¹⁾	0.66%	0.66%	0.65%	0.66%	0.66%	1.29%
Management expense ratio before waivers or absorption	0.68%	0.69%	0.67%	0.68%	0.68%	1.29%
Trading expense ratio ⁽²⁾	0.01%	0.03%	0.02%	0.03%	0.03%	0.04%
Portfolio turnover rate ⁽³⁾	21.55%	60.13%	45.10%	63.24%	54.57%	26.70%
Net asset value per unit	\$38.47	\$34.44	\$34.59	\$30.18	\$33.44	\$29.12

(1) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period/year and is expressed as an annualized percentage of daily average net asset value during the period/year.

(2) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period/year.

(3) The First Trust ETF's portfolio turnover rate indicates how actively the First Trust ETF's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the First Trust ETF buying and selling all of the securities in its portfolio once in the course of the period/year. The higher a First Trust ETF's portfolio turnover rate in a period/year, the greater the trading cost payable by the First Trust ETF in the period/year, and the greater the chance of an investor receiving taxable capital gains in the period/year. There is not necessarily a relationship between high turnover rate and the performance of a First Trust ETF.

Management Fees

The First Trust ETF will pay the Manager a management fee of 0.60% and, in respect of the FST.A, an additional amount for a service fee (see "FST.A Service Fee" below) based on the average daily NAV of the First Trust ETF. The management fee, plus applicable taxes including HST, will be accrued daily and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

FST.A Service Fee

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

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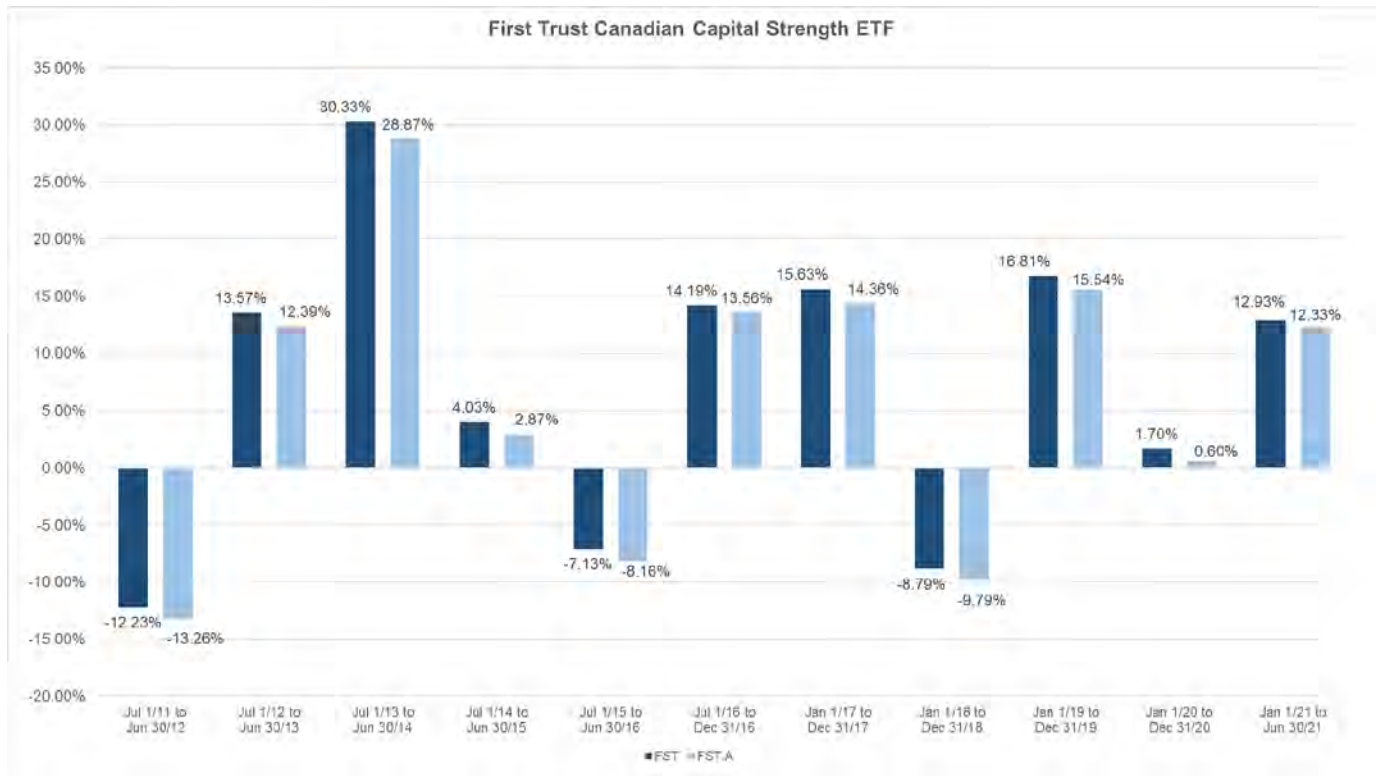
Past Performance

General

The past performance information shown assumes that all distributions made by the First Trust ETF in the period/years shown were reinvested in additional securities of the First Trust ETF. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the First Trust ETF has performed in the past does not necessarily indicate how it will perform in the future.

Year by Year Returns

The bar chart below shows the First Trust ETF's performance, per class, for the six-month period ended June 30, 2021, for the twelve-months ended December 31, 2020, 2019, 2018, and 2017 and for the six-month period ended December 31, 2016, and for the fiscal years ended June 30 and illustrate how the investment fund's performance has changed from year to year. The chart also shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



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Summary of Investment Portfolio

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's top 25 holdings as at June 30, 2021. This summary of portfolio holdings may change due to ongoing portfolio transactions of the First Trust ETF. Daily and quarterly updates are available at www.firsttrust.ca.

Top 25 Holdings	% of ETF Total Net Asset Value
TFI International Inc.	4.69%
Canadian Imperial Bank of Commerce	4.51%
Alimentation Couche-Tard Inc., Class 'B'	4.36%
Canada Goose Holdings Inc.	4.29%
Royal Bank of Canada	4.22%
BCE Inc.	4.20%
Toronto-Dominion Bank (The)	4.18%
Bank of Nova Scotia	4.14%
CGI Inc.	4.12%
Intact Financial Corp.	4.12%
Canadian Pacific Railway Ltd.	4.11%
Finning International Inc.	4.05%
Open Text Corp.	4.04%
Metro Inc., Class 'A'	4.02%
Constellation Software Inc.	3.94%
iA Financial Corp. Inc.	3.90%
Sun Life Financial Inc.	3.89%
CCL Industries Inc., Class 'B'	3.89%
Magna International Inc.	3.83%
Enghouse Systems Ltd.	3.77%
Barrick Gold Corp.	3.67%
Manulife Financial Corp.	3.59%
Canadian National Railway Co.	3.52%
West Fraser Timber Co. Ltd.	3.37%
B2Gold Corp.	3.30%
Total	99.72%

Portfolio Breakdown

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's portfolio as at June 30, 2021.

Sector Weightings	% of ETF Net Asset Value
Financials	32.55%
Industrials	16.37%
Information Technology	15.87%
Materials	14.23%
Consumer Staples	12.67%
Communication Services	4.20%
Consumer Discretionary	3.83%
Cash and Cash Equivalents	0.66%
Other Assets, Less Liabilities	-0.38%
Total	100.00%

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