



First Trust JFL Fixed Income Core Plus ETF • FJFB

Interim Management Report of Fund Performance
June 30, 2024

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2024

First Trust JFL Fixed Income Core Plus ETF (the “First Trust ETF”)

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

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

Forward-looking Statements

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

First Trust JFL Fixed Income Core Plus ETF

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For the six-month period ended June 30, 2024

Investment Objective and Strategy

The fundamental investment objective of **First Trust JFL Fixed Income Core Plus ETF** (the “First Trust ETF”) is to provide unitholders with income and preserve capital by investing at least 75% of the First Trust ETF’s net assets in a diversified portfolio of investment grade Canadian corporate, federal, provincial, and municipal bonds. The First Trust ETF may also invest up to 25% of the fund’s net assets in non-investment grade corporate bonds (at the time of purchase, as rated by a designated rating organization), high yield bonds, developed international bonds, emerging market bonds, preferred shares and convertible bonds of North American and/or international issuers.

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

Results of Operations

General

The First Trust ETF’s net asset value as of June 30, 2024 was \$22,884,197 or \$16.95 per unit. The First Trust ETF’s net asset value as of December 31, 2023 was \$22,410,027 or \$17.24 per unit.

For the six-month period ended June 30, 2024, the First Trust ETF paid total cash distributions per unit of \$0.2725. In addition, the First Trust ETF declared cash distributions per unit of \$0.0450 for record date of June 28, 2024 with payment date of July 8, 2024.

Investment Performance

For the six-month period ended June 30, 2024, the First Trust ETF returned -0.08% compared to FTSE Canada Universe Bond Index (the “benchmark”) total return of -0.38%. Unlike the benchmark, the First Trust ETF’s return is net of fees and expenses.

For the first quarter, the First Trust ETF outperformed the benchmark by 43bps. The portfolio performance was flat with its benchmark which posted a loss of -1.22%. Despite the First Trust ETF’s longer maturity profile in a declining interest rate environment, the First Trust ETF’s overweight in corporate bonds was a detraction to relative performance, with both investment grade and high yield credit spreads widening in the quarter. The First Trust ETF’s high yield holdings were a detraction to performance given the notable rally in underlying government yields during the latter portion of the quarter.

For the second quarter, the First Trust ETF outperformed its benchmark by 6 bps. For the quarter, the portfolio performed much better than the benchmark. Corporate spreads were slightly weaker over the quarter; however, by reducing our risk allocation to corporate bonds. With valuations elevated, default rates rising, and rating downgrades also rising, we expect our cautiousness to be rewarded with more attractive opportunities in the future. The portfolio’s performance benefitted from the purchase of the new Coastal Gas Link Pipeline LP (“CGLP”) bonds, which performed quite strongly from the new issuance levels. The portfolio’s high-yield holdings, both hybrid securities and select industrial credits, produced positive excess returns and provided to the portfolio’s quarterly outperformance.

As mentioned above, the portfolio was active, participating in several tranches of the primary issuance from Coastal Gas Link Pipeline LP, which issued \$7.15 billion in an eleven-tranche jumbo transaction. CGLP was the largest single issuer corporate bond transaction in Canadian debt market history, eclipsing Rogers Communications Inc.’s \$4b multi tranche issue in 2022, which was previous a transaction size record. In addition to participation in CGLP, the portfolio participated in a new issue 7-year transaction from Mondelēz Inc., which returned to the Canadian market for the first time since its inaugural issue in 2018.

The portfolio selectively took the opportunity to reduce its holdings in Bell Canada Inc., Keyera Inc. and select financial holdings to monetize gains. The portfolio was active in adding to its holdings in provincial government bonds across the curve.

First Trust JFL Fixed Income Core Plus ETF Management Report of Fund Performance For the six-month period ended June 30, 2024

As at December 31, 2023, the First Trust ETF held 151 individual positions. The portfolio has a strong Canada focus and as at December 31, 2023 is comprised of 98.9% bonds, 0.5% in preferred, and 0.6% cash. The top 10 holdings by issuer accounted for 33.94% of the total portfolio.

By comparison, at June 30, 2024, the First Trust ETF held 159 individual positions. The portfolio has a strong Canada focus and as at June 30, 2024 is comprised of 98.4% bonds, 0.5% in preferreds, and 1.0% cash. The top 10 holdings by issuer accounted for 27.57% of the total portfolio.

Recent Developments

Economic conditions have been favourable for profits and equity market valuations. This stands in contrast to expectations for economic growth, which have been downbeat for much of the market's strong performance. Expectations for economic growth, however, have shifted higher and, as such, the stock market can no longer rely on the economy beating low expectations. For further gains, the stock market will now lean more heavily on economic momentum, and therefore earnings growth, particularly with valuations already at historically elevated levels. Expectations for equity markets returns have also shifted from pessimistic to optimistic in the past two years. While valuations are not at optimistic extremes typically seen at market highs, they no longer provide a tailwind for the market. As a result, a more cautious approach is likely to be more appropriate going forward for the longer term.

Bond markets are somewhat more attractive relative to the low yields on offer in recent years. However, the bullish scenario rests on a continued improvement in inflation and some sort of indication that fiscal excesses will be reined in. The positive economic backdrop of declining inflation and growth looks more obvious in Canada than the US; however, much of this continues to be reflected in the lower Canadian yields. Typically, the start of global easing cycles leads to strong equity and bond market returns, and we believe that some of those gains are already reflected in current valuations.

Looking forward, we continue to maintain a cautious outlook as valuations have expanded and there remains evidence that consumers have limited appetite to re-ignite spending in the face of higher borrowing costs. Our focus remains on unique investment ideas underpinned by sound research and valuations, which provide an adequate margin of safety to mitigate against a variety of economic scenarios.

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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For the six-month period ended June 30, 2024

Financial Highlights

The following tables show selected key financial information about the First Trust ETF and are intended to help you understand the First Trust ETF's financial performance for the six-month period ended June 30, 2024, and for the three years ended December 31. This information is derived from the First Trust ETF's unaudited interim and audited annual financial statements.

Net Asset Value per Unit

FJFB	2024	2023	2022	2021 ^(a)
Net asset value, beginning of period/year ⁽¹⁾	\$17.24	\$16.69	\$20.34	\$20.00 ^(b)
Increase (Decrease) from operations:				
Total revenue	0.32	0.62	0.60	0.46
Total expenses	(0.05)	(0.11)	(0.12)	(0.11)
Realized gains (losses) for the period/year	0.03	(0.20)	(0.87)	0.11
Unrealized gains (losses) for the period/year	(0.30)	0.98	(2.02)	0.22
Total increase (decrease) from operations ⁽²⁾	\$ -	\$1.29	\$(2.41)	\$0.68
Distributions:				
From income (excluding dividends)	(0.27)	(0.44)	(1.23)	(0.30)
From dividends	-	-	-	(0.03)
From capital gains	-	-	-	(0.12)
Return of capital	-	(0.12)	(0.01)	-
Total annual distributions ⁽³⁾	\$(0.27)	\$(0.56)	\$(1.24)	\$(0.45)
Net asset value, end of period/year ⁽⁴⁾	\$16.95	\$17.24	\$16.69	\$20.34

(a) December 31, 2021 does not relate to the full year as the First Trust ETF commenced operations on March 19, 2021.

(b) Seed capital

(1) This information is provided as at June 30, 2024 and December 31 of the period/years shown, and is prepared under IFRS.

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

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

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

Ratios and Supplemental Data

FJFB	2024	2023	2022	2021
Net asset value (000's)	\$22,884	\$22,410	\$1,669	\$2,034
Number of units outstanding	1,350,000	1,300,000	100,000	100,000
Management expense ratio ⁽¹⁾	0.63%	0.65%	0.67%	0.68%
Management expense ratio before waivers or absorption	0.75%	0.77%	0.79%	0.80%
Trading expense ratio ⁽²⁾	0.00%	0.00%	0.00%	0.03%
Portfolio turnover rate ⁽³⁾	33.68%	52.94%	65.10%	34.11%

(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.

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Management Fees

The First Trust ETF will pay the Manager a management fee of 0.70% based on the average daily NAV of the First Trust ETF. The management fee, plus applicable taxes including HST, will be accrued daily and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

The First Trust ETF currently pays the Manager a management fee equal to 0.60%.

The Manager has agreed to waive a portion of the management fee equal to 0.10% of average daily net assets of the First Trust ETF until December 31, 2024, in response to the current low interest rate environment. The Manager anticipates that if the trailing average 30-day yield of the current 10-year Canadian Treasury Bond exceeds 3.50% before December 31, 2024, the fee waiver may not be continued past December 31, 2024. Given that the 0.10% waiver is on an annualized basis, if the waiver is for less than a year, the net management fee will be higher than 0.60%. Following December 31, 2024, the Manager may waive a portion of the management fee at any time in its discretion.

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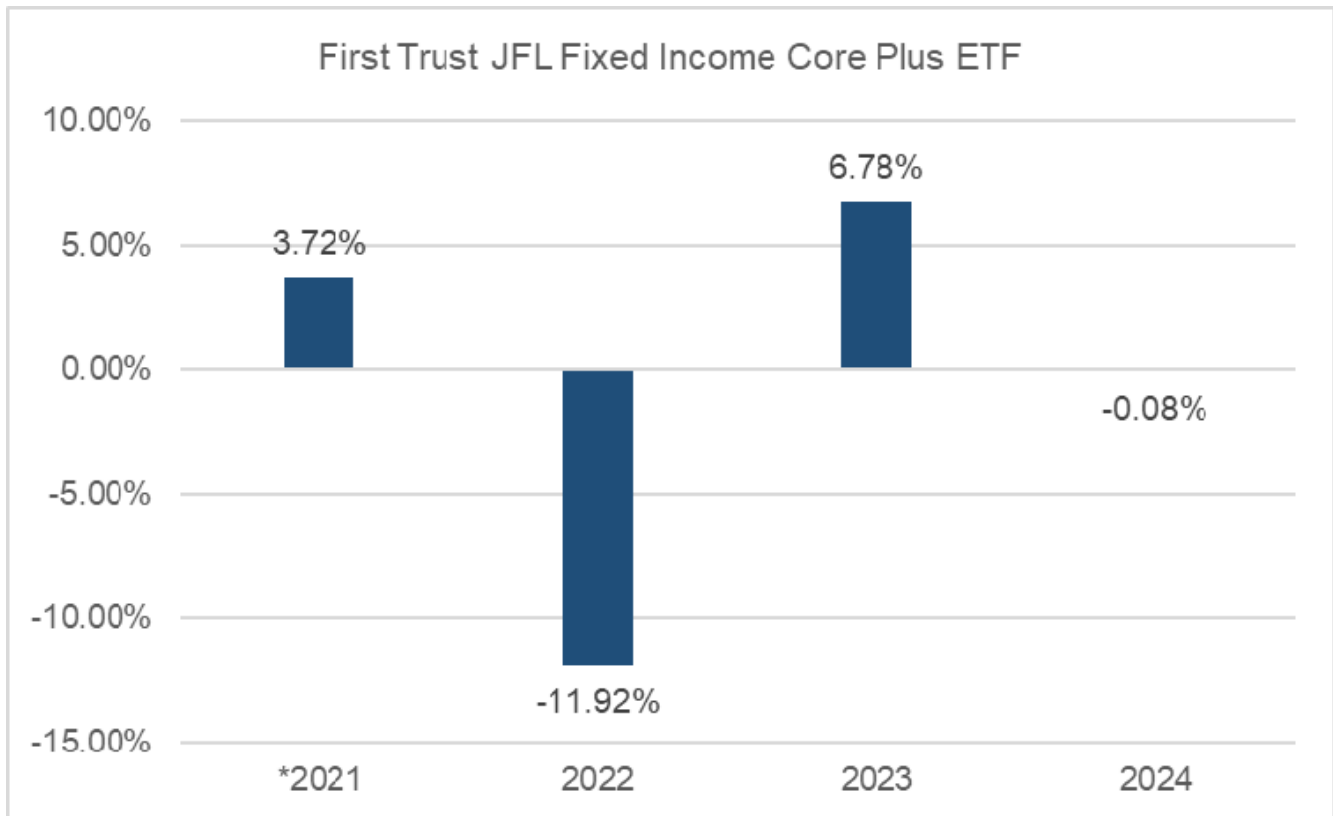
Past Performance

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 for the six-month period ended June 30, 2024, for the years ended December 31, and for the period from commencement of operations to December 31, 2021 and illustrates how the investment fund's performance has changed from year to year. The chart also shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



*First Trust ETF Commencement: March 19, 2021

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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, by issuer, as at June 30, 2024. This summary of portfolio holdings may change due to ongoing portfolio transactions of the First Trust ETF. Daily and quarterly updates are available at www.firsttrust.ca.

Top 25 Holdings	Coupon Rate/Yield	Maturity Date	% of ETF Total Net Asset Value
Province of Ontario	1.35%	02-Dec-30	6.93%
Province of Ontario	3.75%	02-Dec-53	3.58%
Government of Canada	2.75%	01-Jun-33	2.89%
Province of Ontario	4.15%	02-Jun-34	2.77%
Province of Ontario	3.65%	02-Jun-33	2.38%
Government of Canada	1.50%	01-Dec-31	2.04%
Government of Canada	3.00%	01-Jun-34	1.95%
Government of Canada	3.25%	01-Sep-28	1.86%
Wells Fargo & Co.	3.87%	21-May-25	1.72%
Province of Quebec	3.50%	01-Dec-48	1.52%
Government of Canada	1.75%	01-Dec-53	1.48%
Province of Quebec	5.00%	01-Dec-41	1.46%
Province of Alberta	4.15%	01-Jun-33	1.39%
Canadian Imperial Bank of Commerce, Callable	4.95%	29-Jun-27	1.33%
Government of Canada	2.00%	01-Jun-32	1.29%
bclMC Realty Corp., Callable	2.84%	03-Jun-25	1.19%
National Bank of Canada, Variable Rate, Callable	5.43%	16-Aug-32	1.17%
Government of Canada	3.50%	01-Sep-29	1.16%
National Bank of Canada	5.22%	14-Jun-28	1.13%
Province of New Brunswick	4.45%	14-Aug-33	1.12%
Royal Bank of Canada	5.23%	24-Jun-30	1.09%
NuVista Energy Ltd., Callable	7.88%	23-Jul-26	1.07%
Province of Ontario	2.80%	02-Jun-48	1.05%
Province of Quebec	3.10%	01-Dec-51	1.01%
National Grid Electricity Transmission PLC, Callable	2.30%	22-Jun-29	0.94 %
Total			45.52%

Portfolio Breakdown

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's portfolio, by sector, as at June 30, 2024.

Sector Weightings	% of ETF Total Net Asset Value
Corporate Bonds	47.06%
Provincial Bonds & Guarantees	32.78%
Federal Bonds & Guarantees	18.81%
Cash and Cash Equivalents	1.03%
Other Assets, Less Liabilities	0.32%
Total	100.00%

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The table below sets out the percentage (based on total net asset value) of the First Trust ETF's portfolio, including equities, by country, as at June 30, 2024.

Country Weightings	% of ETF Total Net Asset Value
Canada	89.90%
United States	5.29%
Jersey C.I.	2.51%
United Kingdom	0.95%
Total	98.65%

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's portfolio by credit rating, as at June 30, 2024.

S&P Rating	% of ETF Total Net Asset Value
AAA	19.66%
AA	13.45%
A	38.21%
BBB	20.27%
Below BBB	7.06%
Total	98.65%

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