



---

## First Trust JFL Global Equity ETF • FJFG

---

Interim Management Report of Fund Performance  
June 30, 2021

(Page intentionally left blank)

# **INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE**

## **June 30, 2021**

### **First Trust JFL Global Equity 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 web site at [www.firsttrust.ca](http://www.firsttrust.ca) or SEDAR at [www.sedar.com](http://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 JFL Global Equity ETF

## Management Report of Fund Performance

### For the period ended June 30, 2021

---

#### **Investment Objective and Strategy**

The fundamental investment objective of **First Trust JFL Global Equity ETF** (the “First Trust ETF”) is to provide unitholders with capital appreciation by investing primarily in equity securities of large multinational companies that have demonstrated global leadership in their industry. The Sub-Advisor will primarily target international companies that benefit from exposure to economies typically growing at a rate higher than the global gross domestic product (GDP). Emphasis will be on non-cyclical companies that have a competitive advantage in their industry. The First Trust ETF will not invest more than 20% of its net assets in securities of issuers located in emerging markets.

#### **Risk**

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

#### **Results of Operations**

##### ***General***

The First Trust ETF’s net asset value as of June 30, 2021 was \$1,577,213 or \$21.03 per unit.

The First Trust ETF did not pay cash distributions for the period ended June 30, 2021, however, it declared cash distributions per unit of \$0.0130 for record date of June 30, 2021 with payment date of July 8, 2021.

##### ***Investment Performance***

For the period ended June 30, 2021, the First Trust ETF returned 5.56% compared to MSCI World ACWI Index Net (the “benchmark”) total return of 7.02%. Unlike the benchmark, the First Trust ETF’s return is net of fees and expenses.

The top performing sectors in the index were Information Technology, Real Estate and Health Care. The worst performing sectors were Utilities, Industrials and Materials.

Even within those winning sectors, there were stark differences in performance. Structural winners, like Alphabet and Facebook, provided a strong benefit to portfolio performance while more idiosyncratic exposures, like Fiserv, proved to be a significant headwind. We continue to believe that the eventual re-opening of physical retailers will manifest Fiserv’s growth opportunity. The portfolio also saw continued headwinds from “COVID winners” like Abbott, which guided to lower COVID testing revenues in the quarter as the virus receded, and Interactive Brokers, where investors fear the incredible increase in trading activity during the pandemic will necessarily result in lower growth opportunity in the coming years. We continue to believe these issues are transitory and take a long-term view in which both companies enjoy meaningful opportunities to deploy growth capital at high rates of return.

Top contributors to our performance were our stock selection in the Materials, Industrials and Communication Services sectors. Our stock selection in the Financial sector was the largest detractor to performance. The top performers in the First Trust ETF were Iqvia Holdings, Dechra Pharmaceuticals and ASML Holding. The bottom performers were Interactive Brokers, Fiserv and Tsuruha. The top contributors to performance were Alphabet, Microsoft and Facebook while the top detractors to performance were Interactive Brokers, Fiserv and Tencent Holdings.

#### **Recent Developments**

Equity markets around the world continued to advance during the second quarter, carrying on with their strong performance following the volatile period in early 2020. The MSCI World Index rose about 8% in USD, with key markets, namely France and Switzerland, surpassing the benchmark. Conversely, Japan was a notable underperformer, ending the quarter modestly in the red. Vaccination rates climbed during the quarter and a robust economic expansion occurred in geographical areas where greater progress was made. Valuations remain elevated in most markets, though at least in the near term, they seem supported by typical early-cycle corporate earnings growth. The sustainability of these valuation levels over time has yet to be proven and will heavily depend on the level

---

## First Trust JFL Global Equity ETF Management Report of Fund Performance For the period ended June 30, 2021

---

and path of interest rates. At this time, the market indicates high speculation around a continued accommodative environment, which suggests that significant volatility is in store if those hopes prove unfounded.

During the quarter, other asset classes echoed developments in equities, as oil continued its ascent (Brent Crude was up 18% in USD) on hopes of economic gains coming out of COVID coupled with a lack of investment in new supply. Following reassuring message from the U.S. Federal Reserve mid-quarter, long-term Treasury yields fell (i.e. bond prices rose) as investors were less worried about inflation running out of control. As a result, equity market attention shifted away from cyclical sectors and back to the growth-focused sentiment of 2019-2020, though perhaps with less ardor considering the uncertainty around inflation, which should remain for at least several quarters to come.

### **Related Party Transactions**

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

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

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

# First Trust JFL Global Equity ETF

## Management Report of Fund Performance

### For the period ended June 30, 2021

#### 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 period. The information are derived from the First Trust ETF's unaudited interim financial statements for the period ended June 30, 2021.

#### Net Asset Value per Unit

FJFG	June 30, 2021
Net asset value, beginning of period <sup>(1)</sup>	\$20.00 <sup>(a)</sup>
Increase (Decrease) from operations:	
Total revenue	0.10
Total expenses	(0.10)
Realized gains (losses) for the period	0.04
Unrealized gains (losses) for the period	1.00
Total increase (decrease) from operations <sup>(2)</sup>	\$1.04
Distributions:	
From income (excluding dividends)	(0.01)
From dividends	-
From capital gains	-
Return of capital	-
Total annual distributions <sup>(3)</sup>	\$(0.01)
Net asset value, end of period <sup>(4)</sup>	\$21.03

(a) Seed capital

(1) This information is provided for the period from March 19, 2021 (commencement of operations) to June 30, 2021 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.

(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

FJFG	June 30, 2021
Net asset value (000's)	\$1,577
Number of units outstanding	75,000
Management expense ratio <sup>(1)</sup>	0.96%
Management expense ratio before waivers or absorption	0.99%
Trading expense ratio <sup>(2)</sup>	0.40%
Portfolio turnover rate <sup>(3)</sup>	13.15%
Net asset value per unit	\$21.03

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

(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.

(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. The higher a First Trust ETF's portfolio turnover rate in a period, the greater the trading cost payable by the First Trust ETF in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between high turnover rate and the performance of a First Trust ETF.

---

# First Trust JFL Global Equity ETF

## Management Report of Fund Performance

### For the period ended June 30, 2021

---

#### Management Fees

The First Trust ETF will pay the Manager a management fee of 0.85% 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.

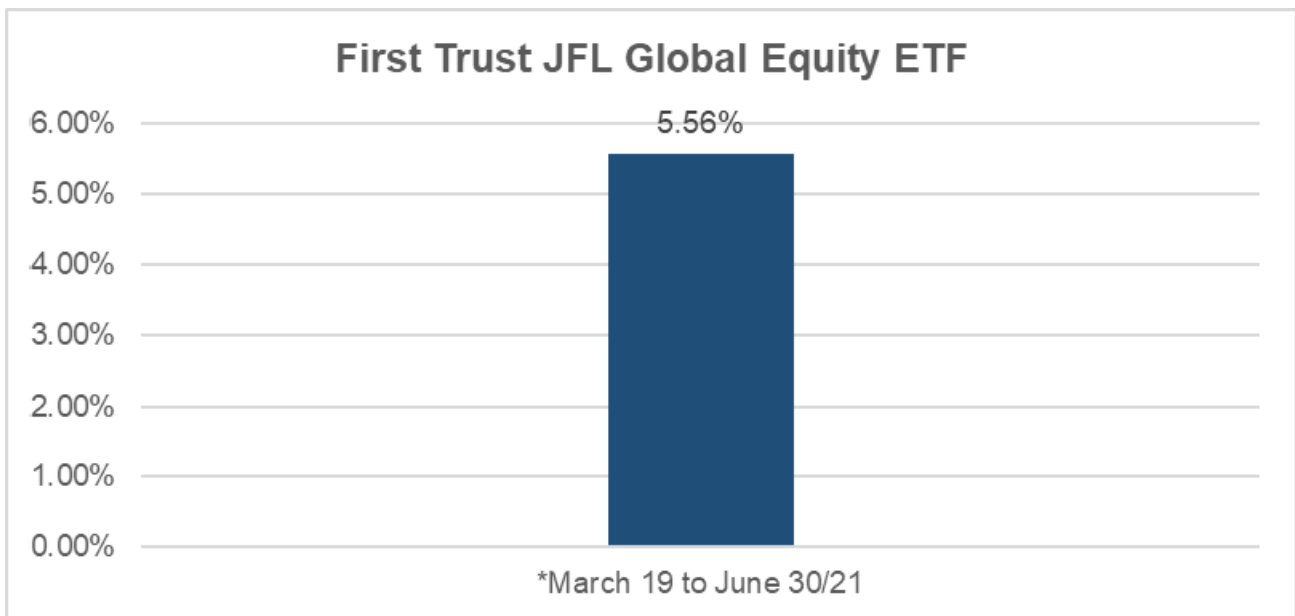
#### Past Performance

##### General

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

##### Year by Year Returns

The bar chart below shows the First Trust ETF's performance for the period from commencement of operations to June 30, 2021 and illustrates how the investment fund's performance has changed for the period.



\*First Trust ETF Commencement: March 19, 2021

**First Trust JFL Global Equity ETF**  
**Management Report of Fund Performance**  
**For the period ended June 30, 2021**

**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](http://www.firsttrust.ca).

Top 25 Holdings	% of ETF Total Net Asset Value
Amazon.com Inc.	4.32%
Microsoft Corp.	4.30%
Alphabet Inc., Class 'A'	4.22%
Facebook Inc., Class 'A'	3.83%
Boston Scientific Corp.	2.96%
UnitedHealth Group Inc.	2.84%
ASML Holding NV	2.59%
LVMH Moët Hennessy-Louis Vuitton SA	2.47%
Tencent Holdings Ltd.	2.37%
Becton, Dickinson and Co.	2.33%
Mastercard Inc., Class 'A'	2.30%
Sika AG, Registered	2.29%
Copart Inc.	2.28%
Interactive Brokers Group Inc., Class 'A'	2.18%
Abbott Laboratories	2.13%
Hoya Corp.	2.09%
Booking Holdings Inc.	2.06%
IQVIA Holdings Inc.	2.02%
Chubb Ltd.	1.98%
Keyence Corp.	1.98%
Diageo PLC	1.97%
Sherwin-Williams Co. (The)	1.97%
Kinaxis Inc.	1.96%
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	1.95%
Alibaba Group Holding Ltd., ADR	1.94%
<b>Total</b>	<b>63.33%</b>

**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 Total Net Asset Value
Health Care	19.36%
Information Technology	18.77%
Consumer Discretionary	16.90%
Financials	16.77%
Communication Services	11.41%
Industrials	6.21%
Consumer Staples	5.76%
Materials	3.37%
Cash and Cash Equivalents	1.57%
Other Assets, Less Liabilities	-0.12%
<b>Total</b>	<b>100.00%</b>



---

**First Trust JFL Global Equity ETF**  
**Management Report of Fund Performance**  
**For the period ended June 30, 2021**

---

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

Country Weightings	% of ETF Total Net Asset Value
United States	51.50%
United Kingdom	8.79%
Japan	6.48%
China	5.61%
France	5.11%
Switzerland	4.27%
Canada	3.44%
Netherlands	2.59%
Taiwan	1.95%
India	1.74%
Hong Kong	1.56%
Spain	1.53%
Singapore	1.39%
Sweden	1.31%
Finland	1.28%
Total	98.55%

FT Portfolios Canada Co.

40 King Street West, Suite 5102  
Scotia Plaza, Box 312  
Toronto, Ontario M5H 3Y2

[www.firsttrust.ca](http://www.firsttrust.ca)