



First Trust JFL Fixed Income Core Plus ETF • FJFB

Interim Management Report of Fund Performance
June 30, 2026

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2026

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 either the interim financial report or annual financial statements of the First Trust ETF. You can get a copy of the interim financial report or annual financial statements at your request, and at no cost, 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 or SEDAR+ at www.sedarplus.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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.

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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 reporting 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, 2026 was \$12,974,167 or \$17.30 per unit. The First Trust ETF’s net asset value as of December 31, 2025 was \$12,923,342 or \$17.23 per unit.

For the six-month period ended June 30, 2026, the First Trust ETF paid total cash distributions per unit of \$0.3100. In addition, the First Trust ETF declared cash distributions per unit of \$0.0550 for record date of June 30, 2026 with payment date of July 8, 2026.

Investment Performance

For the six-month period ended June 30, 2026, the First Trust ETF returned 2.24% compared to FTSE Canada Universe Bond Index (the “benchmark”) total return of 2.25%. Unlike the benchmark, the First Trust ETF’s return is net of fees and expenses.

For the first quarter of 2026, the First Trust ETF underperformed the benchmark. Absolute performance was driven primarily by security selection, with positions in industrials, banks, and select high-yield holdings – namely Top Aces and Heavy Metal Equipment & Rentals – outperforming the broader market. Given rich corporate credit valuations, we remained selective in the primary market, adding issues that offered relatively attractive risk-reward opportunities. These included Rogers Communications hybrids; subordinated debt from Intact Financial; bail-in bank securities from National Bank and TD Bank; senior debt from AtkinsRéalis Group, Exchange Income Corp., Honda Finance, Noverco, and WSP Global.

Secondary-market activity continued to focus on credit-curve optimization, and trimming positions that appeared fully valued in the absence of meaningful catalysts for continued outperformance. In government credit, the portfolio participated in new issues that offered value and took advantage of attractive provincial spreads in secondary markets.

For the second quarter, the First Trust ETF did slightly better than the benchmark. Performance was driven primarily by asset allocation and security selection, with the portfolio benefitting from its positioning in banks and financial sector securities.

Security selection was led by holdings in Rogers Communications Hybrids, Heavy Metal Equipment & Rentals and Top Aces. Given rich corporate credit valuations, we remained selective in the primary market and invested in several new issues that offered attractive risk-reward opportunities, including CES Energy Solutions, Coastal GasLink, TD Bank, Manulife, National Bank, and North American Construction. We also participated in several inaugural bond issuance, including transactions from Alphabet and Amazon, Chubb, and Project REM. We trimmed positions in Heathrow and select short-dated bank securities.

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Recent Developments

As with past commodity shocks, particularly those not driven by underlying fundamentals, we believe current conditions will eventually subside. Prolonged conflicts offer limited benefits to any party, and we would expect this to ultimately lead to some form of de-escalation in the near-term. In the meantime, the current environment has created attractive opportunities for capital deployment in other areas for investors with a long-term horizon.

The Federal Reserve left the policy rate unchanged at 3.75%, and markets are now leaning toward scenario of very limited or no easing. Looking ahead, policy is likely to remain on hold until there is clearer evidence that inflation pressures are contained and growth is slowing, although the policy path could still be influenced by political developments. The Bank of Canada ("BoC") also kept rates unchanged, highlighting higher oil prices as a key upside risk to inflation and financial conditions. From here, the BoC appears inclined to remain cautious, with rate cuts likely delayed unless the growth backdrop weakens more meaningfully. The European Central Bank maintained a cautious but more hawkish stance, emphasizing the risk of inflation expectations becoming unanchored, and appears set to keep policy restrictive for longer.

Credit markets remain generally constructive. Despite modest widening in recent weeks, spreads remain near historically compressed levels, which keeps us cautious. A key risk we are monitoring is the growing strain in private credit, not only within direct lending vehicles managed by private credit firms, but also in privately sourced fixed income exposures held on insurance company balance sheets globally. Another key macro risk remains the large and growing U.S. fiscal deficit. As deficits expand and the average maturity of new bond issuance shortens, fiscal and monetary policy become more tightly linked, increasing the potential for market volatility and policy constraints over time.

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.

Disclosure: Jarislowsky Fraser Institutional is the Canadian institutional business of Scotia Global Asset Management, a business name used by 1832 Asset Management L.P., a wholly-owned subsidiary of The Bank of Nova Scotia (BNS). BNS securities held in your portfolio are related securities.

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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 six-month period ended June 30, 2026, for the four years ended December 31, and for the period from commencement of operations to December 31, 2021. This information is derived from the First Trust ETF's unaudited interim and audited annual financial statements.

Net Asset Value per Unit

FJFB	2026	2025	2024	2023	2022	2021 ^(a)
Net asset value, beginning of period/year ⁽¹⁾	\$17.23	\$17.45	\$17.24	\$16.69	\$20.34	\$20.00 ^(b)
Increase (Decrease) from operations:						
Total revenue	0.36	0.73	0.66	0.62	0.60	0.46
Total expenses	(0.06)	(0.11)	(0.11)	(0.11)	(0.12)	(0.11)
Realized gains (losses) for the period/year	(0.07)	0.26	0.45	(0.20)	(0.87)	0.11
Unrealized gains (losses) for the period/year	0.15	(0.44)	(0.20)	0.98	(2.02)	0.22
Total increase (decrease) from operations ⁽²⁾	\$ 0.38	\$ 0.44	\$0.80	\$1.29	\$(2.41)	\$0.68
Distributions:						
From income (excluding dividends)	(0.32)	(0.62)	(0.58)	(0.44)	(1.23)	(0.30)
From dividends	-	-	-	-	-	(0.03)
From capital gains	-	(0.02)	-	-	-	(0.12)
Return of capital	-	-	-	(0.12)	(0.01)	-
Total annual distributions ⁽³⁾	\$(0.32)	\$(0.64)	\$(0.58)	\$(0.56)	\$(1.24)	\$(0.45)
Net asset value, end of period/year ⁽⁴⁾	\$17.30	\$17.23	\$17.45	\$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, 2026 and December 31 of the period/years shown, and is prepared under IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB").

(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	2026	2025	2024	2023	2022	2021
Net asset value (000's)	\$12,974	\$12,923	\$15,706	\$22,410	\$1,669	\$2,034
Number of units outstanding	750,000	750,000	900,000	1,300,000	100,000	100,000
Management expense ratio ⁽¹⁾	0.64%	0.63%	0.63%	0.65%	0.67%	0.68%
Management expense ratio before waivers or absorption	0.75%	0.74%	0.75%	0.77%	0.79%	0.80%
Trading expense ratio ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
Portfolio turnover rate ⁽³⁾	61.48%	59.75%	83.72%	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%.

Maximum annual management fee of 0.70%. 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 and is subject to review periodically.

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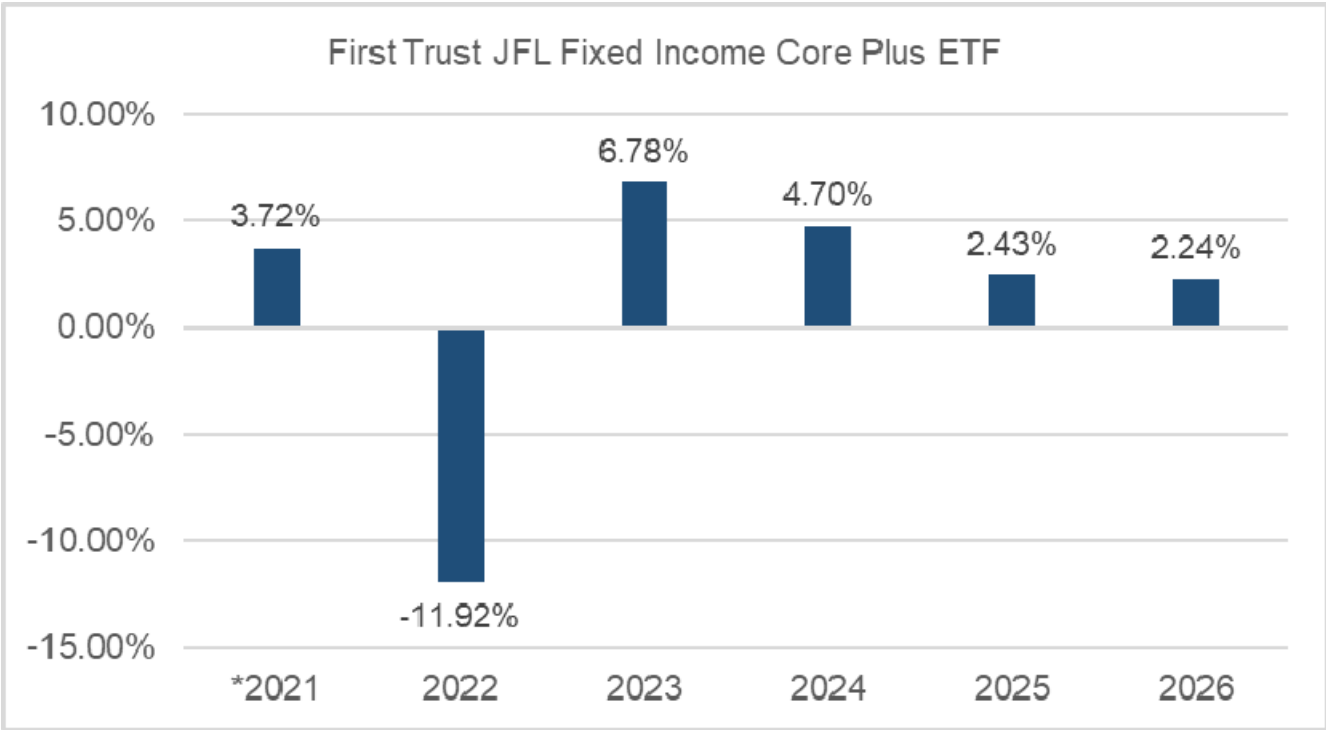
Past Performance

General

The past performance information shown assumes that all distributions made by the First Trust ETF in the periods/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, 2026, 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, 2026. 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 Total Net Asset Value
Government of Canada	4.00%	01-Jun-41	3.13%
Province of Ontario	3.95%	02-Dec-35	2.96%
Government of Canada	3.25%	01-Sep-28	2.39%
Government of Canada	3.25%	01-Dec-35	2.39%
Province of Quebec	3.50%	01-Dec-48	2.22%
Province of Quebec	5.00%	01-Dec-41	2.16%
Government of Canada	3.50%	01-Dec-57	2.12%
Province of Ontario	4.15%	02-Dec-54	2.11%
Canada Housing Trust No. 1	3.50%	15-Mar-36	2.10%
Province of Ontario	2.80%	02-Jun-48	1.79%
Government of Canada	2.75%	01-Dec-55	1.69%
Government of Canada	1.50%	01-Dec-31	1.66%
WSP Global Inc., Callable	4.75%	12-Sep-34	1.59%
Definity Financial Corp., Callable	4.39%	12-Sep-35	1.53%
Toronto-Dominion Bank (The)	4.48%	18-Jan-28	1.51%
Rogers Communications Inc., Variable Rate, Convertible Bonds, Callable	6.25%	31-Jul-56	1.49%
Province of Ontario	4.65%	02-Jun-41	1.48%
Province of Quebec	4.00%	01-Sep-35	1.41%
Government of Canada	3.00%	01-Jun-34	1.40%
Canada Housing Trust No. 1	3.55%	15-Sep-32	1.37%
Boyd Group Services Inc., Callable	5.75%	04-Sep-33	1.17%
Top Aces Inc., Callable	9.00%	13-Mar-30	1.15%
Province of Ontario	4.15%	02-Jun-34	1.14%
Heavy Metal Equipment & Rentals, Callable	7.25%	26-Feb-30	1.13%
Amazon.com Inc., Callable	5.00%	12-Jun-56	1.09%
Total			44.18%

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, 2026.

Sector Weightings	% of ETFTotal Net Asset Value
Corporate Bonds	53.17%
Provincial Bonds & Guarantees	22.95%
Federal Bonds & Guarantees	20.88%
Municipal Bonds & Guarantees	0.87%
Cash and Cash Equivalents	1.62%
Other Assets, Less Liabilities	0.51%
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, 2026.

Country Weightings	% of ETF Total Net Asset Value
Canada	90.92%
United Kingdom	4.43%
United States	2.52%
Total	97.87%

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, 2026.

S&P Rating	% of ETF Total Net Asset Value
AAA	21.29%
AA	18.25%
A	32.63%
BBB	16.44%
Below BBB	9.26%
Total	97.87%

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