



First Trust Canadian Capital Strength ETF • FST

Interim Management Report of Fund Performance
June 30, 2025

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2025

First Trust Canadian Capital Strength 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 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 included in the S&P/TSX Composite Index that are based in Canada or have significant business operations in the Canadian market, with a focus on fundamental strength and growth. 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 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 screens 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, 2025, was \$157,018,305 or \$62.08 per unit. The First Trust ETF’s total net asset value as of December 31, 2024, was \$104,878,397 or \$55.81 per unit.

For the six-month period ended June 30, 2025, the First Trust ETF paid total cash distributions of \$0.3450 per unit. In addition, the First Trust ETF declared cash distributions of \$0.1800 per unit for record date of June 30, 2025, with payment date of July 8, 2025.

Investment Performance

For the six-month period ended June 30, 2025, the First Trust ETF returned 11.92% compared to S&P/TSX Composite® Index (the “benchmark”) return of 10.17%. Unlike the benchmark, the First Trust ETF’s returns are net of fees and expenses.

The First Trust ETF outperformed the benchmark for the period. Selection effect was a positive contributor to relative performance, while allocation effect was negative. Stock selections within the Industrials and Information Technology sectors were the main drivers of outperformance. Selections within the Energy and Financials sectors

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and an underweight allocation to the Materials sector were the largest drags on performance through the first half of the year.

The top-performing stocks for the reporting period, based on total return, were Celestica Inc., Finning International Inc., and Dollarama Inc. These stocks returned 60.38%, 54.72%, and 36.95%, respectively. The bottom-performing stocks, based on total return, were Cenovus Energy Inc., Alimentation Couche-Tard Inc., and CGI Inc. These stocks returned -23.02%, -8.91%, and -8.90%, respectively.

The First Trust ETF held 25 equity positions for the period ended June 30, 2025, and made no net change to the number of positions from the beginning of the year. Portfolio changes were made in February 2025 (two positions added, two positions eliminated) and May 2025 (two positions added, two positions eliminated). The top ten equity holdings of the First Trust ETF on June 30, 2025, accounted for 44.06% of total NAV and the top ten equity holdings of the First Trust ETF on December 31, 2024, accounted for 43.98% of total NAV. Financials, Industrials, and Information Technology (in order) were the top three sector weightings at the end of June 2025. Financials, Industrials, and Information Technology (in order) were also the top three sector weightings at the beginning of the year. Relative to its benchmark over the reporting period, the First Trust ETF on average was overweight the Consumer Discretionary, Consumer Staples, Industrials, and Information Technology sectors while underweight the Communication Services, Energy, Financials, Health Care, Utilities, and Real Estate 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 February and May, though there was no net change to the total number of portfolio positions over the period. In February, one position, Teck Resources Ltd., was removed for failing to meet the initial screening criteria and one position, Restaurant Brands International, was removed at the portfolio manager's discretion. Two positions, Alimentation Couche-Tard Inc. and Kinross Gold Corp, were established to replace them. In May, two positions, Cenovus Energy Inc. and National Bank of Canada, were removed at the portfolio manager's discretion. Two positions, Agnico Eagle Mines Ltd. and TMX Group Ltd., were established to replace them.

Recent Developments

The Canadian economy has proved to be remarkably resilient despite facing a number of unprecedented global challenges. Economic growth remained robust throughout 2024, while inflation has remained near the Bank of Canada's ("the BoC") 2% target since last August. However, heightened economic uncertainty has emerged in 2025 due to an escalating trade war between Canada and the United States. If fully implemented, the tariff measures proposed by President Donald Trump would represent the highest rate in over a century, posing potential risks to economic growth and exerting upward pressure on short-term inflation. The BoC continues to closely monitor the evolving trade situation, recognizing that both the scope and the duration of the trade conflict are impossible to predict. In the first half of 2025, there have been four monetary policy meetings. At the January and March meetings, policymakers implemented consecutive -0.25% rate cuts, lowering the policy rate down to 2.75%. Meetings in April and June saw the policy rate unchanged as the increased economic uncertainty has caused policymakers to take a wait and see approach before making any further monetary policy decisions. Despite these challenges, the BoC remains firmly committed to its mandate of maintaining price stability and anchoring inflation around its 2% target level.

The benchmark gained 10.17% through the first half of 2025 after returning 21.65% on a total return basis in 2024. Health Care was the only sector with a negative return as the other ten GICS sectors finished the first half of the year with positive returns. Materials was by far the top performing sector, gaining 30.09%. The Metals & Mining industry drove the sector higher as both gold and silver prices gained roughly 25%. Health Care was the worst performing sector in the first half of the year, falling -6.12%, though it only accounts for 0.26% of the index. The Pharmaceuticals industry dragged the sector lower as it posted a -38.23% return for the period. Financials, which make up almost a third of the benchmark, slightly outperformed the broader market and returned 10.77%.

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We believe there are plenty of long-term attractive opportunities in Canada and expect the Canadian equity market will provide ample returns for investors with longer time horizons. We continue to find attractive long-term candidates from within our selection universe of “capital strength” companies.

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 six-month period ended June 30, 2025, and for the five 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

FST	2025	2024	2023	2022 ^(a)	2021	2020
Net asset value, beginning of period/year ⁽¹⁾	\$55.81	\$44.80	\$40.54	\$41.02	\$34.44	\$34.59
Increase (Decrease) from operations:						
Total revenue	0.61	1.24	1.05	1.33	0.99	0.78
Total expenses	(0.19)	(0.34)	(0.29)	(0.27)	(0.27)	(0.22)
Realized gains (losses) for the period/year	3.86	5.22	0.01	3.96	4.28	(1.13)
Unrealized gains (losses) for the period/year	2.47	5.52	4.23	(3.41)	2.53	(1.82)
Total increase (decrease) from operations ⁽²⁾	\$6.75	\$11.64	\$5.00	\$1.61	\$7.53	\$(2.39)
Distributions:						
From income (excluding dividends)	(0.36)	-	-	-	-	-
From dividends	-	(0.65)	(0.67)	(0.75)	(0.56)	(0.49)
From capital gains	-	-	(0.06)	(0.08)	(0.20)	-
Return of capital	-	-	-	-	-	(0.15)
Total annual distributions ⁽³⁾	\$(0.36)	\$(0.65)	\$(0.73)	\$(0.83)	\$(0.76)	\$(0.64)
Net asset value, end of period/year ⁽⁴⁾	\$62.08	\$55.81	\$44.80	\$40.54	\$41.02	\$34.44

(a) As of February 28, 2022, the First Trust ETF no longer offered FST.A and the Manager successfully redesignated FST.A to FST of the First Trust ETF.

(1) This information is provided as at June 30, 2025 and December 31 of the 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

FST	2025	2024	2023	2022 ^(a)	2021	2020
Net asset value (000's)	\$157,018	\$104,878	\$66,262	\$57,933	\$20,223	\$18,703
Number of units outstanding	2,529,209	1,879,209	1,479,209	1,429,209	492,993	542,993
Management expense ratio ⁽¹⁾	0.65%	0.65%	0.66%	0.67%	0.66%	0.66%
Management expense ratio before waivers or absorption	0.66%	0.66%	0.67%	0.69%	0.68%	0.69%
Trading expense ratio ⁽²⁾	0.02%	0.01%	0.01%	0.01%	0.03%	0.03%
Portfolio turnover rate ⁽³⁾	53.21%	51.01%	32.45%	70.32%	56.13%	60.13%

(a) As of February 28, 2022, the First Trust ETF no longer offered FST.A and the Manager successfully redesignated FST.A to FST of the First Trust ETF.

(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 0.60% 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.

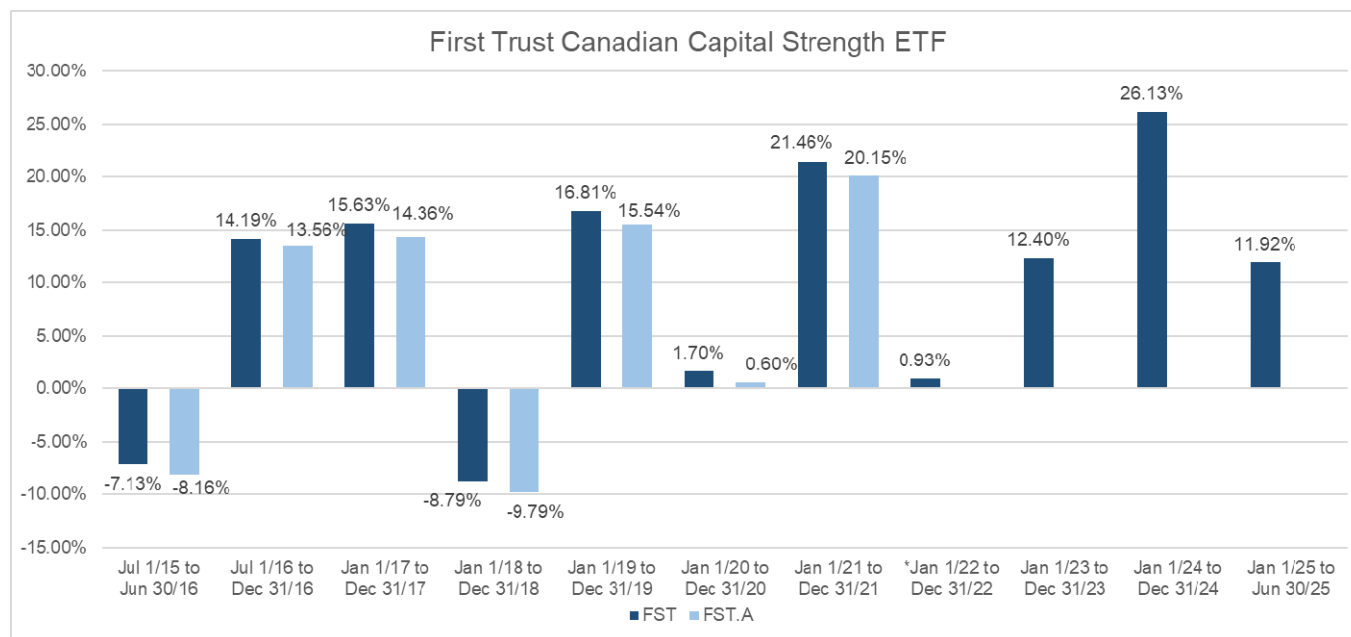
Past Performance

General

The past performance information shown assumes that all distributions made by the First Trust ETF in the 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, 2025, for the years ended December 31, for the six-month period ended December 31, 2016, and for the fiscal year ended June 30, 2016 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.



*As of February 28, 2022, the First Trust ETF no longer offered FST.A and the Manager successfully redesignated FST.A to FST of the First Trust ETF.

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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, 2025. 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
Celestica Inc.	5.87%
Finning International Inc.	5.36%
Stantec Inc.	4.31%
Dollarama Inc.	4.14%
Shopify Inc., Class 'A'	4.14%
WSP Global Inc.	4.13%
CCL Industries Inc., Class 'B'	4.06%
Kinross Gold Corp.	4.04%
Canadian Imperial Bank of Commerce	4.01%
Sun Life Financial Inc.	4.00%
iA Financial Corp. Inc.	3.98%
Canadian Natural Resources Ltd.	3.91%
Royal Bank of Canada	3.91%
Agnico Eagle Mines Ltd.	3.88%
Canadian Pacific Kansas City Ltd.	3.82%
TMX Group Ltd.	3.79%
Suncor Energy Inc.	3.74%
Gildan Activewear Inc.	3.72%
Loblaw Cos. Ltd.	3.70%
Manulife Financial Corp.	3.64%
Constellation Software Inc.	3.64%
CGI Inc.	3.62%
Pembina Pipeline Corp.	3.48%
Alimentation Couche-Tard Inc.	3.47%
Waste Connections Inc.	3.42%
Total	99.78%

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, 2025.

Sector Weightings	% of ETF Net Asset Value
Financials	23.33%
Industrials	21.04%
Information Technology	17.27%
Materials	11.98%
Energy	11.13%
Consumer Discretionary	7.86%
Consumer Staples	7.17%
Cash and Cash Equivalents	0.41%
Other Assets, Less Liabilities	-0.19%
Total	100.00%

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