

# First Trust Long/Short Equity ETF

## Fund Facts

Ticker	FTLS
Cusip	33744B107
Exchange	TSX
Inception Date	21/07/25
Management Fee	0.15% <sup>1</sup>
Management Expense Ratio	n/a
Distribution Frequency	Quarterly
Benchmark	S&P 500® Index
Distributions Rate	n/a <sup>2</sup>
Total Net Asset Value	\$3 307 974

## Fund Exposure of the Underlying Fund

Long Exposure	98.25%
Short Exposure	-34.88%
Net Exposure	63.37%

## Portfolio Characteristics of the Underlying Fund - Long Exposure

Maximum Market Cap.	\$6,008,647
Median Market Cap.	\$31,669
Minimum Market Cap.	\$1,256
Price/Earning	22.19
Price/Book	4.50
Price/Cash Flow	16.97
Price/Sales	2.44

## Portfolio Characteristics of the Underlying Fund - Short Exposure

Maximum Market Cap.	\$3,483,111
Median Market Cap.	\$25,803
Minimum Market Cap.	\$885
Price/Earning	26.17
Price/Book	2.91
Price/Cash Flow	16.36
Price/Sales	1.91

## Top 10 Holdings of the Underlying Fund - Long Exposure

	% of NAV
Apple Inc.	7.25%
NVIDIA Corporation	6.35%
Microsoft Corporation	3.35%
Alphabet Inc. (Class A)	2.80%
Caterpillar Inc.	2.75%
Meta Platforms, Inc. (Class A)	2.43%
Lam Research Corporation	2.42%
Citigroup Inc.	2.41%
Mastercard Incorporated	2.14%
Adobe Incorporated	2.08%

## Top 10 Holdings of the Underlying Fund - Short Exposure

	% of NAV
RTX Corporation	-0.64%
Take-Two Interactive Software, Inc.	-0.62%
Amazon.com, Inc.	-0.60%
Equinix, Inc.	-0.56%
JPMorgan Chase & Co.	-0.52%
Waste Management, Inc.	-0.51%
Linde Plc	-0.50%
L3Harris Technologies, Inc.	-0.47%
The Boeing Company	-0.47%
Air Products and Chemicals, Inc.	-0.43%

Annualized Performance	1-month	3-month	6-month	YTD	1-year	3-year	5-year	10-year	Since Inception
NAV (Units) <sup>3</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

<sup>1</sup>The First Trust ETF will invest in the underlying U.S. ETF First Trust Long/Short Equity ETF and accordingly the First Trust ETF will also bear the management fee (being 0.95% per annum on the net asset value of the applicable underlying Fund plus other expenses, consisting of margin interest expense and dividend expense on investments sold short) which is payable on the portion of its portfolio assets invested in the underlying fund. Accordingly, the total management fee borne by Unitholders in connection with their Units will be 1.10% per annum of the NAV of the Units plus other expenses.

<sup>2</sup>Distribution rate is calculated by dividing the most recent annualized distribution paid or declared by the Net Asset Value. Distribution rates may vary. The distributed amount may include return of capital (ROC) from time to time.

<sup>3</sup>Inception date of FTLS is July 21, 2025 and Canadian securities law does not allow for the display of fund performance data less than one year old.

## Investment Objective

The First Trust Long/Short Equity ETF (the "First Trust ETF") will seek to provide unitholders with long-term total returns by investing in both a long and short portfolio of U.S. exchange listed equity securities and index futures contracts. The investment strategy of the First Trust ETF is to provide exposure to the listed equity securities and index futures contracts by investing all or substantially all of its assets in First Trust Long/Short Equity ETF ("FTLS"), a U.S.-listed ETF.

## Investment Philosophy

We believe companies that possess higher quality earnings will outperform companies that possess lower quality earnings over the long-term. The fund will seek to systematically provide "long" exposure to high quality earnings stocks and "short" exposure to lower quality earnings stocks. The fund may invest up to 20% of its net assets (plus the amount of any borrowing for investment purposes) in U.S. exchange-listed equity index futures contracts. These futures contracts will be used to gain long or short exposure to broad based equity indexes.

## 4 Pillars of FTLS



## Risk rating

FT Portfolios Canada Co. has rated the volatility of this ETF as **low-to-medium**. Because this is a new ETF the risk rating is only an estimate by FT Portfolios Canada Co. Generally, the rating is based on how much the ETF's returns have changed from year to year. It doesn't tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the ETF's returns, see the Risk section of the ETF's prospectus.



## First Trust Long/Short Equity ETF

### Top Sector Exposure of the

#### Underlying Fund - Long Exposure

	% of NAV**
Information Technology	33.77%
Financials	17.80%
Industrials	11.57%
Consumer Discretionary	10.67%
Health Care	7.63%
Communication Services	6.55%
Energy	4.89%
Consumer Staples	3.49%
Materials	1.73%
Real Estate	0.15%

\*\*Percentage of net asset value may not equal 100%

### Top Sector Exposure of the

#### Underlying Fund - Short Exposure

	% of NAV**
Industrials	-4.42%
Information Technology	-3.46%
Consumer Discretionary	-2.69%
Health Care	-2.50%
Materials	-2.46%
Financials	-2.25%
Communication Services	-1.99%
Real Estate	-1.78%
Utilities	-1.59%
Consumer Staples	-1.33%
Energy	-0.84%

### Investment Process

The fund's investment process involves constructing both a long and short portfolio consisting of at least 80% in U.S. exchange-listed equity securities and/or U.S. exchange-traded funds that provide exposure to U.S. exchange-listed equity securities. The overall portfolio, under normal market conditions, will be 80% to 100% invested in long positions and 0% to 50% invested in short positions.

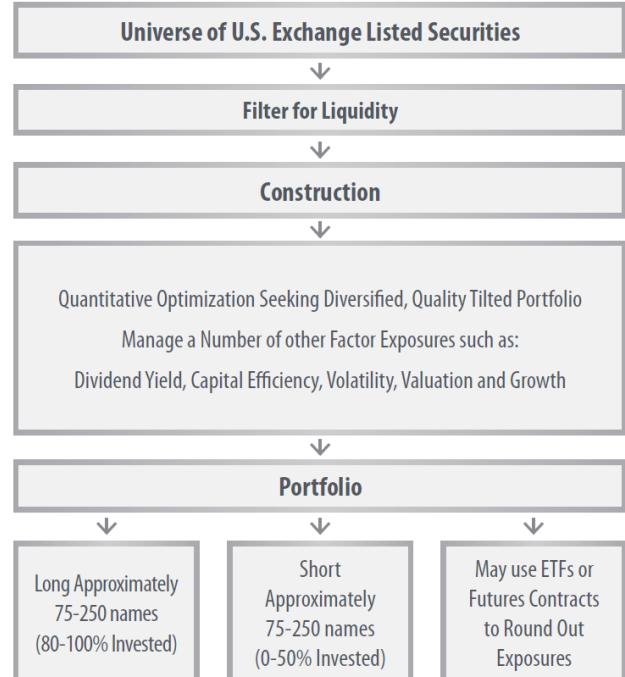
The portfolio management team follows a systematic portfolio construction process designed to balance the drivers of risk and return that exist between the long and short positions.

**Long and Short Security Selection** | The investment process analyzes fundamental data, market-related data, and technical and statistical attributes of eligible securities, including a stock's earnings quality, seeking to identify those companies that have the potential to outperform or underperform the market for inclusion in the long or short portfolios, respectively. Additional proprietary research will be used to manage portfolio risk and tactically manage both the overall percentage and composition of the long and short exposures in the portfolio.

**Factor Exposure** | Seek to manage risk and control exposures between the long and short portfolio.

**Beta Positioning** | Quantitative and fundamental analysis is used to position the size and expected level of risk of the short portfolio.

**Integrated Portfolio** | The long and short portfolios are integrated and optimized to seek to balance the risk and return between the long and short positions relative to the general equity market.



### About First Trust

First Trust Canada is the trustee, manager and promoter of the fund. First Trust Canada and its affiliates First Trust Advisors L.P. ("FTA"), portfolio advisor to the fund, an Ontario Securities Commission registered portfolio manager and U.S. Securities and Exchange Commission registered investment advisor, and First Trust Portfolios L.P. ("FTP"), a FINRA registered broker-dealer, are privately held companies that provide a variety of investment services. FTA has approximately US \$307.42 billion in total assets under supervision or management.

Commissions, management fees and expenses all may be associated with ETF investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compound total returns including changes in the unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by the unitholder that would have reduced returns. ETFs are not guaranteed, their values change frequently and past performance may not be repeated.