

FIRST TRUST CANADIAN CAPITAL STRENGTH PORTFOLIO
NOTICE OF SPECIAL MEETING OF UNITHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR

August 17, 2016

Meeting to be held at 8:30 a.m.
September 20, 2016
1 First Canadian Place
Suite 6300
100 King Street West
Toronto, Ontario

FIRST TRUST CANADIAN CAPITAL STRENGTH PORTFOLIO
(the “Fund”)

**40 King Street West, Suite 3001,
Toronto, Ontario
M5H 3Y2**

August 17, 2016

Dear Unitholders:

FT Portfolios Canada Co. (the “Manager”), the manager of the Fund, invites you to a Special Meeting (the “Meeting”) of unitholders of the Fund to be held on September 20, 2016 at 8:30 a.m. (Toronto time) at 1 First Canadian Place, Suite 6300, 100 King Street West, Toronto, Ontario.

The purpose of the Meeting is to consider and vote upon an ordinary resolution to approve the conversion (the “Conversion”) of the Fund from a traditional non-listed mutual fund to an exchange-traded fund (“ETF”). The Conversion is expected to provide unitholders of the Fund with several benefits, including the following:

1. Lower Management Fees – the Manager will charge a lower management fee on the Units of the Fund, as a result of efficiencies of the ETF fund structure and accordingly, the Fund’s overall management expense ratio is expected to decline;
2. Market Liquidity – the Units of the Fund are expected to trade on a stock exchange and therefore the Units of the Fund will have secondary market liquidity for its units through a stock exchange listing; and
3. Increase of Asset Base – the Manager expects to be able to increase the asset base of the Fund as a result of the increased marketability and the trading liquidity of the Fund as an ETF.

If the Conversion is approved by unitholders of the Fund and implemented by the Manager, the Fund will commence operating as an ETF on the effective date of the Conversion (the “Effective Date”). The Effective Date is expected to occur in early November 2016.

No changes will be made to the investment objectives, investment strategies or investment restrictions of the Fund, and the Manager, portfolio advisor and independent review committee (“IRC”) of the Fund will remain the same.

The accompanying management information circular (the “Circular”) describes in detail the changes proposed for the Fund. The resolution must be approved by a majority of votes cast at the Meeting by unitholders. You are urged to read the Circular carefully. If you are in doubt as to how to deal with the matters described in the Circular, you should consult your advisors.

If you wish to approve the Conversion, please submit a completed proxy form in favour of the resolution, as soon as possible, and in any event no later than 5:00 p.m. (Toronto time) on September 16, 2016. All unitholders are encouraged to attend the Meeting.

The Board of Directors of the Manager has determined that the Conversion is in the best interests of the Fund and of the unitholders of the Fund. Accordingly, the Board of Directors of the Manager recommends that unitholders vote in favour of the resolution to be considered at the Meeting.

Sincerely,

A handwritten signature in black ink, appearing to read 'F. Howell', with a long horizontal flourish extending to the right.

FRASER HOWELL
President and Chief Executive Officer

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NOTICE OF SPECIAL MEETING OF UNITHOLDERS

TAKE NOTICE that a Special Meeting (the “Meeting”) of holders of Series A units and Series F units of First Trust Canadian Capital Strength Portfolio (the “Fund”) will be held on September 20, 2016 at 8:30 a.m. (Toronto time) at 1 First Canadian Place, Suite 6300, 100 King Street West, Toronto, Ontario for the following purposes:

1. to consider and vote upon the proposal to convert the Fund from a mutual fund to an exchange-traded fund (ETF); and
2. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The accompanying management information circular provides additional information relating to the matters to be dealt with at the Meeting and should be reviewed by unitholders.

DATED at Toronto, Ontario as of the 17th day of August, 2016.

BY ORDER OF THE BOARD OF DIRECTORS



FRASER HOWELL

Director, President and Chief Executive Officer

Note: Reference should be made to the accompanying management information circular for details of the above matters. If you are unable to be present in person at the Meeting, it is requested that you complete the enclosed form of proxy and return it in accordance with the voting instructions on the form of proxy by 5:00 p.m. (Toronto time) on September 16, 2016.

MANAGEMENT INFORMATION CIRCULAR

The information contained in this management information circular (the “Circular”) is provided by FT Portfolios Canada Co. (the “Manager” or “FT Canada”), the manager of First Trust Canadian Capital Strength Portfolio (the “Fund”), in connection with the solicitation of proxies on behalf of the Manager to be used at the meeting of the unitholders of the Fund that is being convened by the Manager for the purposes described below.

The meeting of unitholders of the Fund is to be held on September 20, 2016 at 8:30 a.m. (Toronto time) (including any adjournment or postponement thereof, as the case may be, the “Meeting”) at **Suite 6300, 1 First Canadian Place, 100 King Street West, Toronto, Ontario, M5X 1B8.**

Except as otherwise stated, the information contained in this Circular is given as of August 17th, 2016 and all dollar amounts herein are expressed in Canadian dollars.

THE FUND

The Fund is a mutual fund established under the laws of the Province of Ontario pursuant to an amended and restated trust agreement dated January 27, 2012 (the “Trust Agreement”). The Fund is managed by FT Canada and RBC Investor Services Trust acts as the trustee (the “Trustee”) of the Fund.

The principal office of each of the Fund and FT Canada is located at 40 King Street West, Suite 3001, Scotia Plaza, Box 312, Toronto, ON M5H 3Y2.

PURPOSE OF THE MEETING

The purpose of the Meeting is to consider and vote upon the resolution of the Fund to provide for the conversion (the “Conversion”) of the Fund from a mutual fund to an exchange-traded fund (“ETF”).

The text of the resolution (the “Resolution”) to be considered at the Meeting is set forth in Appendix A to this Circular. To be approved, the Resolution must be passed by unitholders holding a majority of the Series A units and Series F units voting together as a class present in person or by proxy at the Meeting.

DETAILS OF THE CONVERSION

The Fund is currently a mutual fund and offers two series of units, Series A units (the “Series A Units”) and Series F units (the “Series F Units”). The Manager is seeking unitholder approval for the Conversion of the Fund from a mutual fund to an ETF. An ETF is an exchange-traded, continuously offered, open ended fund. If the Conversion is approved and the Fund is converted into an ETF, the Series A Units and Series F Units of the Fund will be redesignated as advisor class units (the “Advisor Class Units”) and common units (the “Common Units”), respectively, and the name of the Fund will be changed to First Trust Canadian Capital Strength ETF. No fractional units of the Fund or cash in lieu thereof will be issued or paid upon the Conversion.

If the Conversion is approved by unitholders, the Manager will apply to list the Common Units and the Advisor Class Units on the Toronto Stock Exchange (the “TSX”) and will prepare and file a long form prospectus of the Fund relating to the continuous distribution of the Common Units and Advisor Class Units. Thereafter, the Fund will commence operating as an ETF and both classes of Units will commence trading on the TSX on or about the effective date of the conversion (the “Effective Date”). The Effective Date is expected to be in early November 2016.

The Conversion will not involve any change to the investment objectives, investment strategies or investment restrictions of the Fund. Additionally, the Fund will continue to be a “mutual fund” under applicable securities legislation and, subject to applicable exemptive relief, will be subject to all of the rules and regulations that apply to mutual funds under such legislation. In addition, the Manager, portfolio advisor and the independent review committee (the “IRC”) of the Fund will remain the same.

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors of the Manager has determined that the Conversion is in the best interests of the Fund and its unitholders and unanimously recommends that unitholders vote in favour of the Resolution. In making its recommendation, the Board considered the following:

- The Manager will charge a lower management fee in respect of each class of Units as a result of efficiencies of the ETF fund structure and accordingly, the Fund’s overall management expense ratio is expected to decline;
- The Advisor Class Units and Common Units are expected to trade on a stock exchange and therefore, the Units of the Fund will have secondary market liquidity;
- The Manager expects to be able to increase the asset base of the Fund as a result of the increased marketability and the trading liquidity of the Fund as an ETF;
- There will be no change to the investment objectives, investment strategies or investment restrictions of the Fund and the Manager, portfolio advisor and IRC of the Fund will remain the same; and
- The changes to the Fund will not result in a disposition of the Units for tax purposes.

HISTORIC MANAGEMENT EXPENSE RATIO

The following table sets forth the Fund’s management expense ratio, which includes management fees and operating expenses, for each of the previous four financial years ended June 30, together with an initial estimate of the management expense ratio for Fund as an ETF.

<u>Year Ended June 30</u>	<u>Series A Units</u>	<u>Series F Units</u>
2015	2.66%	1.54%
2014	2.65%	1.53%
2013	2.58%	1.45%
2012	2.34%	1.18%
2011	2.19%	1.09%
	<u>Advisor Class Units</u>	<u>Common Units</u>
As an ETF	1.86%	0.74%

CURRENT FUND STRUCTURE

The Fund currently offers an unlimited number of Series A Units and Series F Units. If the Conversion is approved and the Fund is converted to an ETF, the Series A Units and Series F Units of the Fund will be redesignated as Advisor Class Units and Common Units, respectively. The following is a summary of the provisions attaching to the current Series A Units and Series F Units.

Distributions

Each series of Units of the Fund is entitled to the portion of any distribution by the Fund equal to that Series' proportionate share of the adjusted net income of the Fund, less the management fee and expenses of the Fund attributable to that Series. Net income is the Fund's net income adjusted for Series specific expenses (including the management fees which will be different for each Series of the Fund). Accordingly, the amount of distributions payable to Series A and Series F unitholders (for each Unit) may not be equal to each other.

Purchases of Units

Currently, investors in the Fund purchase Units directly from the Fund. Subject to the discretion of the Manager to waive minimum investment amounts, the initial investment in Units of the Fund by investors must currently be at least \$1,000. Any additional investment in the Fund must be at least \$100. All complete purchase orders are processed within three business days (or such shorter period required by Canadian securities regulatory authorities). Purchase orders are processed at the relevant Series net asset value calculated on the same business day unless the purchase order is received after the closing time or on a day which is not a business day, in which case it will be processed using the relevant Series net asset value calculated on the next business day.

Investors purchasing Series A Units pay a front-end sales charge to their dealer or advisor of up to a maximum of 3.00% of the purchase price payable at the time of purchase that is negotiated between the investor and their dealer or advisor. The Manager pays a trailing commission on the Series A Units to the unitholder's dealer or advisor as described in the simplified prospectus of the Fund.

Certain dealers and advisors have agreements with the Manager which enable them to offer Series F Units to their clients. Only a client who participates in a fee-based program may invest in Series F Units. These fees are negotiated between the unitholder and their dealer or advisor. Dealer or advisors do not receive trailing commissions from the Manager with respect to Series F Units. No other sales charges are payable in respect to purchases of Series F Units.

Redemptions

Unitholders may redeem Units of the Fund and receive an amount in cash for each unit redeemed equal to the Series net asset value per unit of the Fund as next calculated after the Manager or the person administering the Fund on its behalf receives the redemption request.

Reclassifications

Currently, holders of Series A Units and Series F Units can switch investments among the Series within the Fund or to another fund managed by FT Canada. Unitholders may be charged a switch fee of up to 3.00% of the value of the Units switched. Unitholders also may reclassify their Units of the Fund

into other Series of Units of the Fund that are denominated in the same currency. No redemption charge is payable on a reclassification.

Unitholders may only switch or reclassify their Units if they satisfy the criteria required to hold the Units into which they switching or reclassifying. The number of Units they will receive upon the switch or reclassification depends upon the relative net asset value per Unit of the securities they hold as compared to the net asset value per Unit of the securities into which they will switch or reclassify.

Fees and Expenses

The following table list the fees and expenses that Unitholders currently pay, directly and indirectly, to invest in the Fund. Series F Units are charged lower fees (than that charged to Series A Units) given that the Manager does not pay trailing commissions to dealers or brokers in respect of Series F Units. However, holders of Series F Units pay broker or dealer fees payable under their fee based program.

Fees and Expenses Payable by the Fund	
<i>Management Fees:</i>	<p>The Manager is entitled to an annual management fee payable monthly out of the assets of the Fund based on the applicable daily Series NAV as follows:</p> <p><u>Series A:</u> An aggregate annual fee based on the daily Series A NAV equal to 1.95% of the Series A NAV, plus applicable taxes payable monthly.</p> <p><u>Series F:</u> An aggregate annual fee based on the daily Series F NAV equal to 0.95% of the Series F NAV, plus applicable taxes payable monthly.</p> <p>The Manager pays a portion of the annual management fees it receives to dealers and advisors as a trailing commission. The Manager also pays a portion of the annual management fees it receives to the portfolio advisor.</p>
<i>Operating Expenses:</i>	<p><u>All Series:</u> The Fund pays its own operating expenses (collectively, the “Operating Expenses”), including the management fee payable to the Manager.</p> <p>The Fund’s Operating Expenses include, without limitation:</p> <ul style="list-style-type: none"> • fees payable to the trustee; • the costs related to recordkeeping, valuation, transfer agency and pricing; • accounting and bookkeeping fees; • audit and legal fees and expenses;

	<ul style="list-style-type: none"> • safekeeping and custodial fees; • the costs of prospectuses, financial reporting and other types of communications; • regulatory filing and other fees; • interest and bank charges; and • extraordinary expenses (such as litigation expenses). <p>Operating Expenses, together with management fees are, however, capped at a maximum of 2.40% of the Series A NAV and 1.40% of the Series F NAV (together, the “Operating Expense Caps”).</p> <p>The Manager has therefore agreed to absorb any Operating Expenses of the Fund or waive all or a portion of its fees to the extent the Operating Expenses of a Series of the Fund exceed the relevant Operating Expense Cap. Notwithstanding the foregoing, the following items are not included within the Operating Expense Cap and are borne by the Fund:</p> <ul style="list-style-type: none"> • applicable taxes (such as GST/HST and income taxes); • brokerage commissions and related transaction fees; • costs associated with its independent review committee (including, without limitation, all member fees, insurance costs, legal or other advisory costs); and • extraordinary expenses such as litigation expenses.
	<p>Each independent review committee member is paid by all First Trust funds in Canada for which it acts an aggregate of \$15,400 per year as compensation for his or her services, plus \$1,000 for each meeting attended. The Chairman of the independent review committee receives an additional \$500 per meeting attended. These fees and expenses are allocated among all of the funds managed by the Manager and its affiliates to which National Instrument 81-107 - Independent Review Committee for Investment Funds (“NI 81-107”) applies, including the Fund, in a manner that is considered by the Manager to be fair and reasonable.</p>
Fees and Expenses Payable Directly by You	
<i>Sales Charges:</i>	<p><i>Sales Charges Payable to Dealers or Advisors:</i></p> <p><u>Series A:</u> Up to 3.00% of the subscription price (where such</p>

	<p>subscription price includes the sales charge, if any).</p> <p><u>Series F:</u> None. While you do not pay any sales charges directly to the Fund, you will have negotiated a fee payable by you to the dealer or advisor in order to participate in the fee-based program.</p>
<i>Short-Term Trading Fee:</i>	<p>The Fund may charge you a short-term trading fee of up to 2.00% of the purchase price (excluding any sales charges) of your Units if you redeem such Units within 30 days of buying them.</p> <p>The Manager, in its sole discretion may waive the applicable trading fee. Any fee payable will be deducted from the redemption proceeds when you redeem your Units and such fee will be retained by the Fund.</p>
<i>Switch Fees:</i>	<p>Your dealer or advisor may charge you a switch fee of up to 3.00% of the value of the Units switched.</p>

PROPOSED ETF STRUCTURE

If the Conversion is approved and implemented, the Manager will also assume the role of trustee of the Fund and the Series A Units and Series F Units will be redesignated as Advisor Class Units and Common Units, respectively. The Advisor Class Units and Common Units are each expected to have a stock exchange listing and will have the attributes set forth below.

The following are terms used in the description of the attributes of the Advisor Class Units and Common Units:

Basket of Securities – a group of securities or assets determined by the portfolio advisor from time to time representing the constituents of the Fund.

Constituent Issuers – means, the issuers included in the portfolio of the Fund from time to time.

Constituent Securities – means, the securities of the Constituent Issuers.

Dealer – a registered dealer (that may or may not be a Designated Broker) that has entered into a Dealer Agreement with the Manager, on behalf of the Fund, pursuant to which the Dealer may subscribe for Units of the Fund.

Dealer Agreement – an agreement between the Manager, on behalf of the Fund, and a Dealer, as amended from time to time.

Designated Broker – a registered dealer that has entered into a Designated Broker Agreement with the Manager, on behalf of the Fund pursuant to which the Designated Broker agrees to perform certain duties in relation to the Fund.

Designated Broker Agreement – an agreement between the Manager, on behalf of the Fund, and a Designated Broker, as amended from time to time.

NAV and NAV per Unit (of a class) – the net asset value of the Fund and the net asset value per Unit of a class of the Fund, calculated by the valuation agent.

Prescribed Number of Units – the number of Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

Trading Day – a day on which: (i) a regular session of the TSX is held; and (ii) the primary market or exchange for the majority of the securities held by the Fund is open for trading.

Unit – a redeemable, transferable Common Unit or Advisor Class Unit of the Fund, which represents an equal, undivided interest in the net assets of the Fund.

Unitholder – a holder of Common Units or Advisor Class Units of the Fund.

Valuation Date – each Trading Day and any other day designated by the Manager on which the NAV and NAV per Unit of a class of the Fund will be calculated. If the Fund elects to have a December 15 year-end for tax purposes as permitted by the Tax Act, the NAV per Unit of a class will be calculated on December 15.

Valuation Time – 4:00 p.m. or such other time the Manager deems appropriate on each Valuation Date.

Distributions

Following the Conversion, any cash distributions on Advisor Class Units and Common Units are expected to be made annually and will be paid primarily out of dividends or distributions, and other income or gains, received by the Fund less the expenses of the Fund, but may also consist of non-taxable amounts including return of capital, which may be paid in the Manager's sole discretion. As a result of the higher management fee on the Advisor Class Units, any such cash distributions on the Advisor Class Units are generally expected to be less than the distributions payable on the Common Units.

On an annual basis, the Fund will ensure that the net income and net realized capital gains of the Fund have been distributed to Unitholders to such an extent that the Fund will not be liable for ordinary income tax thereon. To the extent that the Fund has not distributed the full amount of its net income or capital gains in any year, the difference between such amount and the amount actually distributed by the Fund will be paid as a "reinvested distribution". Reinvested distributions, net of any required withholding tax, will be reinvested automatically in additional Units at a price equal to the NAV per Unit of the Fund and the Units will be immediately consolidated such that the number of outstanding Units following the distribution will equal the number of Units outstanding prior to the distribution.

Designated Brokers

If the Conversion is approved and implemented, the Manager, on behalf of the Fund, will enter into a Designated Broker Agreement with one or more Designated Brokers pursuant to which the Designated Broker agrees to perform certain duties relating to the Fund including, without limitation: (i) if necessary, to subscribe for a sufficient number of Units to satisfy the TSX's original listing requirements; (ii) to subscribe for Units on an ongoing basis in connection with the rebalancing of and adjustments to the applicable portfolio and when cash redemptions of Units occur as described below under "Redemption and Exchange of Units"; and (iii) to post a liquid two-way market for the trading of Units on the TSX. The Manager may, in its discretion from time to time, reimburse any Designated Broker for certain expenses incurred by the Designated Broker in performing these duties.

The Designated Broker Agreement will provide that the Manager may from time to time and, in any event not more than once quarterly, require the Designated Broker to subscribe for Units of the Fund for cash in a dollar amount not to exceed 0.30% of the NAV of the Fund. The number of Units issued will be the subscription amount divided by the NAV per Unit next determined following the delivery by the Manager of a subscription notice to the Designated Broker. Payment for the Units must be made by the Designated Broker, and the Units will be issued, by no later than the third Trading Day after the subscription notice has been delivered.

Dealers

If the Conversion is approved and implemented, the Manager, on behalf of the Fund, may enter into various Dealer Agreements with registered dealers (that may or may not be Designated Brokers) pursuant to which the Dealers may subscribe for Units of the Fund as described below under “Issuance of Units”.

Issuance of Units

To Designated Brokers and Dealers

If the Conversion is approved and implemented, all orders to purchase Units directly by investors from the Fund must be placed by Designated Brokers or Dealers and not directly from the Fund as is currently the case. The Fund reserves the absolute right to reject any subscription order placed by a Designated Broker or Dealer. No fees will be payable by the Fund to a Designated Broker or Dealer in connection with the issuance of Units. On the issuance of Units, the Manager may, in its discretion, charge an administrative fee to a Designated Broker or Dealer to offset the expenses (including any applicable TSX additional listing fees) incurred in issuing the Units.

On any Trading Day, a Designated Broker or Dealer may place a subscription order for the Prescribed Number of Units (or an integral multiple thereof) of the Fund. If a subscription order is received by the Fund by 9:00 a.m. on a Trading Day (or such later time on such Trading Day as the Manager may permit), the Fund will issue to the Designated Broker or Dealer the Prescribed Number of Units (or an integral multiple thereof) by no later than the third Trading Day after the date on which the subscription order is accepted, provided that payment for such Units has been received.

For each Prescribed Number of Units issued, a Designated Broker or Dealer must deliver payment consisting of, in the Manager’s discretion: (i) one Basket of Securities and cash in an amount sufficient so that the value of the securities and the cash received is equal to the NAV of the Units next determined following the receipt of the subscription order; (ii) cash in an amount equal to the NAV of the Units next determined following the receipt of the subscription order; or (iii) a combination of securities and cash, as determined by the Manager, in an amount sufficient so that the value of the securities and cash received is equal to the NAV of the Units next determined following the receipt of the subscription order.

The Manager may, in its discretion, increase or decrease the Prescribed Number of Units from time to time. The Prescribed Number of Units will be available on the Manager’s website.

To Designated Brokers in Special Circumstances

Units may be issued by the Fund to Designated Brokers in connection with the rebalancing of and adjustments to the Fund or its portfolio.

To Unitholders as Reinvested Distributions

Units may be issued by the Fund to Unitholders of the Fund on the automatic reinvestment of special dividends and other reinvested distributions.

Buying and Selling Units

Investors will be able to buy or sell Common Units and Advisor Class Units through registered brokers and dealers in the province or territory where the investor resides. The Advisor Class Units are designed for purchasers with a broker or registered representative at an investment dealer. Investors may incur customary brokerage commissions in buying or selling Units. The Fund issues Units directly to the Designated Brokers and Dealers.

Special Considerations for Unitholders

The provisions of the so-called “early warning” requirements set out in Canadian securities legislation will not apply in connection with the acquisition of Units. In addition, the Fund will be subject to exemptive relief obtained from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the Units of the class of the Fund through purchases on the TSX without regard to the take-over bid requirements of Canadian securities legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to not vote more than 20% of the Units of the class of the Fund at any meeting of Unitholders.

Non-Resident Unitholders

At no time may: (i) non-residents of Canada; (ii) partnerships that are not Canadian partnerships; or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax act) be the beneficial owners of a majority of the Units of either class of the Fund. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units of a class of the Fund then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of such Units are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident Unitholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Fund as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the fund as a mutual fund trust for purposes of the Tax Act.

Registration and Transfer through CDS

Registrations of interest in, and transfer of, the Units will be made only through CDS. Units must be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner will receive only the customary confirmation and physical certificates evidencing ownership will not be issued.

Neither the Fund nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interest in the Units or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Fund has the option to terminate registration of the Units through the book-based system in which case certificates for units in fully registered form may be issued to beneficial owners of such Units or to their nominees.

Redemption and Exchange of Units

Redemption of Units for Cash

If the Conversion is approved and implemented, on any Trading Day, Unitholders will be able to redeem Units of the Fund for cash at a redemption price per Unit equal to the lesser of (i) 95% of the closing price for the Units on the TSX on the effective day of the redemption or (ii) the NAV per Unit on the effective date of the redemption. Because Unitholders will generally be able to sell Units at the market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions, Unitholders should consult their brokers, dealers or investment advisors before redeeming their Units for cash.

In order for a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by the Manager from time to time must be delivered to the Fund at its registered office by 9:00 a.m. on the Trading Day (or such later time on such Trading Day as the Manager may permit). If a cash redemption request is not received by the delivery deadlines noted immediately above on a Trading Day, the cash redemption request will be effective only on the next Trading Day. Payment of the redemption price will be made by no later than the third Trading Day after the effective day of the redemption. The cash redemption request forms may be obtained from any registered broker or dealer.

Investors that redeem Units prior to the distribution record date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of Units, the Fund may dispose of securities or other assets to satisfy the redemption.

Exchange of Units for Baskets of Securities

On any Trading Day, Unitholders will be able to exchange the Prescribed Number of Units (or an integral multiple thereof) for Baskets of Securities and/or cash in the discretion of the Manager.

To effect an exchange of Units, a Unitholder must submit an exchange request in the form prescribed by the Manager from time to time to the Fund at its registered office by 9:00 a.m. on a Trading Day (or such later time on such Trading Day as the Manager may permit). The exchange price will be equal to the NAV of the Units on the effective day of the exchange request, payable by delivery of Baskets of Securities and cash. The Units will be redeemed in the exchange.

If an exchange request is not received by the submission deadlines noted immediately above on a Trading Day, the exchange order will be effective only on the next Trading Day. Settlement of exchanges for Baskets of Securities and cash will be made by no later than the third Trading Day after the effective day of the exchange request. The securities to be included in the Baskets of Securities delivered on an exchange shall be selected by the Portfolio Advisor in its discretion.

Unitholders should be aware that the NAV per Unit will decline on the date of declaration of any distribution payable in cash on Units. A Unitholder that is no longer a holder of record on the applicable distribution record date will not be entitled to receive that distribution.

If Constituent Securities are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a Unitholder on an exchange in the Prescribed Number of Units may be postponed until such time as the transfer of the securities is permitted by law.

Requests for Exchange and Redemption

A Unitholder submitting an exchange or redemption request will be deemed to represent to the Fund and the Manager that: (i) it has full legal authority to tender the Units for exchange or redemption and to receive the proceeds of the exchange or redemption; and (ii) the Units have not been loaned or pledged and are not the subject of a repurchase agreement, securities lending agreement or a similar arrangement that would preclude the delivery of the Units to the Fund. The Manager reserves the right to verify these representations at its discretion. Generally, the Manager will require verification with respect to an exchange or redemption request if there are unusually high levels of exchange or redemption activity or short interest in the Fund. If the Unitholder, upon receipt of a verification request, does not provide the Manager with satisfactory evidence of the truth of the representations, the Unitholder's exchange or redemption request will not be considered to have been received in proper form and will be rejected.

Conversion of Units

Unitholders will be able to convert Advisor Class Units into Common Units of the Fund or Common Units into Advisor Class Units of the Fund in any month. To do so, Units must be surrendered and the Unitholder's CDS Participant must deliver to CDS (at its office in the City of Toronto) on behalf of the Unitholder, notice of the Unitholder's intention to convert at any time during the period from the first day of a month until 5:00 p.m. (Toronto time) on the last business day prior to the 16th day of such month. Units surrendered for conversion will be converted on the last Trading Day of the month (the "Conversion Date"). For each Common Unit so converted, a holder will receive a number of Advisor Class Units equal to the NAV of a Common Unit as of the Trading Day divided by the NAV per Advisor Class Unit as of the Conversion Date.

For each Advisor Class Unit so converted, a holder will receive a number of Common Units equal to the NAV per Advisor Class Unit as of the Trading Day divided by the NAV per Common Unit as of the Conversion Date.

Unitholders should consult with their own tax advisors about the tax consequences of undertaking a Unit conversion.

Suspension of Exchange and Redemption

The Manager may suspend the redemption of Units or payment of redemption proceeds by the Fund: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the Fund are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the Fund, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Fund; or (ii) with the prior permission of the securities regulatory authorities, for any period not exceeding 30 days during which the Manager determines that conditions exist that render impractical the sale of assets of the Fund or that impair the ability of the Valuation Agent to determine the value of the assets of the Fund. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of suspension made by the Manager shall be conclusive.

Costs Associated with Exchange and Redemption

The Manager may charge to Unitholders, in its discretion, an administrative fee of up to 0.15% of the exchange or redemption proceeds of the Fund to offset certain transaction costs associated with the exchange or redemption of Units of the Fund.

Exchange and Redemption of Units through CDS Participants

The exchange and redemption rights described above must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold Units sufficiently in advance of the cut-off times described above to allow such CDS Participants to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

FEES AND EXPENSES

If the Conversion is approved and implemented, the fees and expenses payable by the Fund and the Manager shall be as follows:

Management Fee

The Fund will pay the Manager a management fee and, in respect of the Advisor Class Units, an additional amount, as set forth in the table below based on the average day NAV of the Fund. 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.

First Trust ETF	Maximum Annual Management Fee (%)	Additional Amount Applicable to Advisor Class Units
First Trust Canadian Capital Strength ETF	Up to 0.65% of NAV of the Fund	1.00% of NAV of Advisor Class Units (total up to 1.65%)

In the event that the Fund invests portfolio assets in another investment fund to obtain exposure to Constituent Securities the Fund will pay the other fund's management fee on the portion of the Fund's portfolio assets invested in the other fund, regardless of whether the fund is managed by the Manager or an affiliate of the Manager. The management fee payable to the Manager will not be payable in respect of the portion of the Fund portfolio assets invested in the other fund to the extent that such fee would be duplicative. The management fees paid to the Manager together with the management fees paid to the other investment fund may exceed the amount of the management fee noted in the above table.

Advisor Class Unit Service Fee

The Manager will pay registered dealers a service fee equal to 1.00% per annum of the NAV of the Advisor Class Units for the Advisor Class Units held by clients of the registered dealer, plus any applicable taxes. The service fee will be calculated and accrued daily and paid quarterly at the end of each calendar quarter.

Operating Expenses

In addition to the payment of the management fee, the Fund is responsible for the costs and expenses incurred in complying with NI 81-107 (including any expenses related to the implementation and ongoing operation of IRC), brokerage expenses and commissions, income and withholding taxes as well as all other applicable taxes, including HST, the costs of complying with any new governmental or regulatory requirement introduced after the effective date of the conversion and extraordinary expenses including any costs associated with the printing and distribution of any documents that the securities regulatory authorities require be sent or delivered to investors in the Fund. The Manager is responsible for all other costs and expenses of the Fund, including the Advisor Class Units service fee (described above), fees payable to the portfolio advisor, custodian, valuation agent, registrar, transfer agent and fees payable other service providers retained by the Manager.

Management Fee Distribution

To achieve effective and competitive management fees, the Manager may agree to charge a reduced management fee as compared to the management fee it would otherwise be entitled to receive from the Fund with respect to investments in the Fund by certain Unitholders. An amount equal to the difference between the fee otherwise chargeable and the reduced fee of the Fund will be distributed in cash by the Fund to those Unitholders as "Management Fee Distributions".

The availability, amount and timing of Management Fee Distributions with respect to Units of a class of the Fund will be determined by the Manager in its sole discretion, from time to time. Management Fee Distributions will generally be calculated and applied based on a Unitholder's average holdings of such Units (excluding Units lent by those Unitholders under the terms of securities lending agreements) over each applicable period as specified by the Manager from time to time. Management

Fee Distributions will be available only to beneficial owners of Units (including Designated Brothers and Dealers) and not to the holdings of Units by dealers, brokers or other CDS Participants that hold Units on behalf of beneficial owners. Management Fee Distributions will be paid first out of net income of the Fund then out of capital gains of the Fund and thereafter out of capital. In order to receive a Management Fee Distribution for any applicable period, a beneficial owner of Units must submit a claim for a Management Fee Distribution that is verified by a CDS Participant on the beneficial owner's behalf and provide the Manager with such further information as the Manager may require in accordance with the terms and procedures established by the Manager from time to time.

The Manager reserves the right to discontinue or change Management Fee Distributions at any time. The tax consequences of Management Fee Distributions made by the Fund generally will be borne by the Unitholders receiving these distributions.

UNITHOLDER MATTERS

If the Conversion is approved and implemented, Unitholder meeting rights and Unitholder voting rights will be as follows:

Meeting of the Unitholders

A meeting of the Unitholders of the Fund may be called at any time by the Manager and shall be called by the Manager upon written request of Unitholders of the Fund holding in the aggregate not less than 5% of the Units of the Fund. Except as otherwise required or permitted by law, meetings of the Unitholders of the Fund will be held if called by the Manager upon written notice of not less than 21 days nor more than 50 days before the meeting. At any meeting of Unitholders of the Fund, a quorum shall consist of two or more Unitholders of the Fund present in person or by proxy and holding 10% of the Units of the Fund. If no quorum is present at such meeting, the meeting, if convened upon the request of Unitholders or for the purpose of considering a change in the Manager of the Fund, shall be cancelled, but in any other case, the meeting shall stand adjourned and will be held at the same time and place on the day which is not less than 10 days later. The Manager will give at least three days' notice by press release to Unitholders of the date of the reconvened meeting, and at the reconvened meeting, Unitholders present in person or represented by proxy will constitute a quorum. A separate class vote will be held if a proposal affects holders of Units of one class differently from holders of Units of the other class.

Matters Requiring Unitholder Approval

National Instrument 81-102 requires a meeting of Unitholders of the Fund to be called to approve certain changes as follows:

- (a) the basis of the calculation of a fee or expense that is charged to the Fund is changed in a way that could result in an increase in charges to the Fund, except where:
 - (i) the Fund is at arm's length with the person or company charging the fee;
 - (ii) the Unitholders have received at least 60 days' notice before the effective date of the change; and
 - (iii) the right to notice described in (ii) is disclosed in the prospectus of the Fund;

- (b) a fee or expense is introduced that is to be charged to the Fund or directly to its Unitholders by the Fund or the Manager in connection with the holding of Units of the Fund that could result in an increase in charges to the Fund or its Unitholders;
- (c) the Manager is changed, unless the new manager of the Fund is an affiliate of the Manager;
- (d) a fundamental investment objective of the Fund is changed;
- (e) the Fund decreases the frequency of calculating its NAV per Unit;
- (f) the investment restrictions of the Fund are changed, unless such change is necessary to ensure compliance with all applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;
- (g) the Fund undertakes a reorganization with, or transfers its assets to, another mutual fund, if the Fund ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of the Fund becoming securityholders in the other mutual fund unless;
 - (i) the IRC of the Fund has approved the change;
 - (ii) the Fund is being reorganized with, or its assets are being transferred to, another mutual fund that is managed by the Manager, or an affiliate of the Manager;
 - (iii) the Unitholders have received at least 60 days' notice before the effective date of the change;
 - (iv) the right to notice described in (iii) is disclosed in the prospectus of the Fund; and
 - (v) the transaction complies with certain other requirements of applicable Canadian securities legislation;
- (h) the Fund undertakes a reorganization (other than a Permitted Merger as defined below) with, or acquisition of assets of, a mutual fund trust, if
 - (i) the Fund continues after the reorganization or acquisition of assets;
 - (ii) the transaction results in the securityholders of the mutual fund trust becoming Unitholders of the Fund; and
 - (iii) the transaction would be a material change to the Fund; or
- (i) any matter which is required by the constating documents of the Fund or by the laws applicable to the Fund or by any agreement to be submitted to a vote of the Unitholders of the Fund.

Approval of the foregoing matters will be deemed to have been given by extraordinary resolution passed at a meeting called and held for such purpose. Unitholders are entitled to one vote per whole Unit held on the record date established for voting at any meeting of Unitholders.

The Fund may, without Unitholders' approval, enter into a merger or other similar transaction that has the effect of combining the funds or their assets (a "Permitted Merger") with any other investment funds managed by the Manager or an affiliate of the Manager that have investment objectives that are substantially similar to those of the Fund, subject to:

- (a) approval of the merger by the IRC;
- (b) compliance with certain merger pre-approval conditions set out section 5.6 of National Instrument 81-102; and
- (c) written notice to Unitholders at least 60 days before the effective date of the merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective net asset values for the purpose of such transaction.

In addition, the auditor of the Fund may not be changed unless:

- (a) the IRC has approved the change; and
- (b) Unitholders have received at least 60 days' notice before the effective date of the change.

Amendments to the Declaration of Trust

FT Canada may, without the approval of or notice to Unitholders, amend the Declaration of Trust for certain limited purposes specified therein, including to:

- (a) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law or regulation applicable to or affecting the Fund;
- (b) make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission;
- (c) bring the Declaration of Trust into conformity with applicable laws, including the rules and policies of Canadian securities regulators or with current practice within the securities or investment fund industries, provided that any such amendment does not adversely affect the rights, privileges or interests of Unitholders;
- (d) maintain, or permit the Manager to take such steps as may be desirable or necessary to maintain, the status of the fund as a "mutual fund trust" and a "unit trust" for the purposes of the Tax Act or to respond to amendments to the Income Tax Act or to the interpretation or administration thereof; or
- (e) provide added protection to Unitholders.

Except for changes to the Declaration of Trust which require the approval of Unitholders or changes described above which do not require approval of or prior notice to Unitholders, the Declaration of Trust may be amended from time to time by the Manager upon not less than 30 days' prior written notice to Unitholders.

TERMINATION OF THE FUND

If the Conversion is approved and implemented, the Fund may be terminated by the Manager on at least 60 days' notice to Unitholders of such termination and the Manager will issue a press release in advance thereof. Upon termination of the Fund, the cash and other assets remaining after paying or providing for all liabilities and obligations of the Fund, determined in accordance with the Fund's valuation policies and procedures, shall be distributed pro rata among the Unitholders of the Fund.

EXPENSES OF THE CONVERSION

Whether or not the Resolution is approved, all costs associated with the proposal to change the Fund from a mutual fund to an exchange traded fund will be borne by the Manager.

MANAGEMENT OF THE FUND

FT Canada acts as the manager of the Fund and provides the Fund with management and administrative services and facilities in return for the management fee.

The name and municipality of residence, position and office held with the Manager of each of the directors and executive officers of the Manager are as follows:

Name and Municipality of Residence	Position with Manager
RONALD MCALISTER Wayne, Illinois	Director and Chairman of the Board
DAVID D. MCGAREL Western Springs, Illinois	Director
FRASER HOWELL Toronto, Ontario	President, Chief Executive Officer and Corporate Secretary and Director
JAMES M. DYKAS Orland Park, Illinois	Chief Financial Officer
STEVEN KIM Toronto, Ontario	Senior Vice President

Additional information relating to FT Canada is available in the most recent simplified prospectus of the Fund and in the annual information form of the Fund. Such information is specifically incorporated by reference into this Circular. The simplified prospectus of the Fund and the annual information form of the Fund are available on SEDAR at www.sedar.com.

If the Conversion is approved and implemented, FT Canada will act as trustee and Manager of the Fund under the Declaration of Trust and First Trust Advisors L.P. will continue to act as the Fund's portfolio advisor.

INTERESTS OF MANAGEMENT AND OTHERS IN THE CONVERSION

FT Canada is the manager of the Fund and receives fees from the Fund for providing management services to the Fund, as described under "Fees and Expenses".

TERMINATION OF THE CONVERSION

The Conversion may, at any time before or after the holding of the Meeting, be terminated by the Board of Directors of the Manager, without further notice to, or action on the part of, Unitholders of the Fund if the Board of Directors of the Manager, determines in its sole judgement that it would be inadvisable for the Fund to proceed with the Conversion.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Fund, the following is a summary of the principal Canadian federal income tax considerations relating to the Conversion that are generally applicable to unitholders of the Fund who, at all relevant times, for purposes of the *Income Tax Act* (Canada) and the regulations thereunder (the “Tax Act”), are resident or are deemed to be resident in Canada, hold their Units as capital property, have not with respect to Units entered into a derivative forward agreement as defined in the Tax Act and deal at arm’s length with and are not affiliated with the Fund. Certain holders whose Units might not otherwise qualify as capital property may be entitled to make the irrevocable election in the circumstances permitted by subsection 39(4) of the Tax Act to deem such Units (and all other Canadian securities owned by the holder) to be capital property. Holders considering making such an election should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act and regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and counsel’s understanding of the current administrative policies and assessing practices of Canada Revenue Agency (“CRA”) published in writing prior to the date hereof. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except as mentioned above, does not anticipate any changes in the relevant laws, whether by judicial, governmental or legislative action or decision, nor any changes in the administrative policies or assessing practices of CRA, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. This summary also relies on advice from the Fund relating to certain factual matters.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular unitholder of the Fund, and no representations with respect to the income tax consequences to any particular unitholder are made. Accordingly, unitholders should consult their own tax advisors for advice with respect to the tax consequences to them of the Conversion.

The changes set forth in the Resolution, as described in Appendix A of the Circular, will not constitute a disposition of Units of the Fund if the Resolution is approved and implemented.

VOTING SECURITIES AND PRINCIPAL UNITHOLDERS

As of August 10, 2016, the number of outstanding Units of the Fund was as follows:

Series	Number Outstanding
Series A Units	1,579,564
Series F Units	246,868

As of August 11, 2016, to the knowledge of the directors and officers of the Manager no person owned of record more than 10% of the outstanding Units of any class of the Fund, other than Ottaway Mark which holds 10.4% of the outstanding Series F Units.

GENERAL PROXY INFORMATION

Management Information Circular

This Circular is furnished in connection with the solicitation of proxies by management of the Fund to be used at the Meeting for the purposes set out in the Notice accompanying this Circular or at any adjournment thereof. The Meeting will be held on September 20, 2016 at 8:30 a.m. (Toronto time) at 1 First Canadian Place, Suite 6300, 100 King Street West, Toronto, Ontario. Solicitation of proxies will be by mail, and may be supplemented by telephone or other personal contact by representatives or agents of the Fund.

Proxy Information, Record Date, Voting Rights and Quorum

To be used at the meeting, a proxy must be delivered to Broadridge Investor Communication Solutions in accordance with one of the proxy voting methods outlined in the form of proxy at any time up to 5:00 p.m. (Toronto time) on September 16, 2016 or with the Chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or the day of any adjournment of the Meeting.

Only unitholders of record at the close of business on August 18, 2016 will be entitled to receive notice of the Meeting and to vote in respect of the matters to be voted at the Meeting or any adjournment thereof, including the Resolution.

With respect to each matter properly before the Meeting, a unitholder shall be entitled to one vote for each Unit registered in the name of such unitholder. In order to become effective, the Resolution of the Fund must be approved by unitholders present in person or by proxy at the Meeting voting a majority of the Series A Units and Series F Units together as a class in favour of the Resolution.

Pursuant to the constating documents of the Fund, a quorum at the Meeting will consist of two (2) unitholders of the Fund permitted to vote at the Meeting present in person or represented by proxy. If the quorum requirement is not satisfied within one-half hour of the scheduled time for the Meeting, then the Meeting will be adjourned by the Chair of the Meeting. If adjourned, the Meeting will be rescheduled to 8:30 a.m. (Toronto time) on September 30, 2016. At the adjourned Meeting, the business of the Meeting will be transacted by those holders of securities present in person or represented by proxy.

Appointment of Proxy Holders

Unitholders who are unable to be present at the Meeting may still vote through the use of proxies. If you are a unitholder, you should complete, execute and return the enclosed proxy form. By completing and returning the enclosed proxy form, you can participate in the Meeting through the person or persons named on the form. Please indicate the way you wish to vote and your vote will be cast accordingly. **If you do not indicate a preference, the Units represented by the enclosed proxy form, if the same is executed in favour of the management appointees named in the proxy form and deposited as provided in the Notice, will be voted in favour of all matters identified in the Notice.**

Discretionary Authority of Proxies

The proxy form confers discretionary authority upon the management appointees named therein with respect to such matters, including, without limitation, amendment or variation to the Resolution, as, though not specifically set forth in the Notice, may properly come before the Meeting. Management does not know of any such matter which may be presented for consideration at the Meeting. However, if such a matter is presented, the proxy will be voted on the matter in accordance with the best judgment of the management appointees named in the proxy form.

On any ballot that may be called for at the Meeting, all Units in respect of which the management appointees named in the accompanying proxy form have been appointed to act will be voted in accordance with the specification of the unitholder signing the proxy form. If no such specification is made, the Units will be voted in favour of all matters identified in the Notice.

Alternate Proxy

A unitholder has the right to appoint a person to represent them at the Meeting other than the management appointees designated on the accompanying proxy form by crossing out the printed names and inserting the name of the person he or she wishes to act as proxy in the blank space provided or by completing another proxy form. Proxy forms that appoint persons other than the management appointees whose names are printed on the form should be submitted to the Fund and the person so appointed should be notified. A person acting as proxy need not be a unitholder.

On any ballot that may be called for at the Meeting, all Units in respect of which the management appointees named in the accompanying proxy form have been appointed to act will be voted in accordance with the specification of the unitholder signing the proxy form. If the unitholder specifies a choice with respect to any matter to be acted upon, the Units will be voted accordingly. If no such specification is made, the Units may be voted in accordance with the best judgement of the person named in the proxy form. Furthermore, the person named in the proxy form will have discretionary authority with respect to any amendments to the matters set forth in the Notice and with respect to any other matters that may properly come before the Meeting, and will vote on such amendments and other matters in accordance with the best judgment of the person named in the proxy form.

Revocation of Proxies

If the accompanying form of proxy is executed and returned, the proxy may nevertheless be revoked by an instrument in writing executed by the unitholder or his or her attorney authorized in writing, as well as in any other manner permitted by law. Any such instrument revoking a proxy must either be deposited (a) with registered office of RBC Investor Services Trust no later than 5:00 p.m. (Toronto time) on the day before the day of the Meeting or (b) with the Chair of the Meeting on the day of the Meeting or any adjournment thereof. If the instrument of revocation is deposited with the Chair on the day of the Meeting or any adjournment thereof, the instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to that proxy.

Solicitation of Proxies

In addition to solicitation by mail, officers and directors of the Manager, as the case may be, may, without additional compensation, solicit proxies personally or by telephone.

FORWARD-LOOKING STATEMENTS

Certain statements in this Circular are forward-looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend” and similar expressions to the extent they relate to the Fund or the Manager. Forward-looking statements are not historical facts but reflect the current expectations of the Fund or the Manager regarding future results or events. Such forward-looking statements reflect the Fund’s or the Manager’s current beliefs and are based on information currently available to them. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results or events to differ materially from current expectations. Some of these risks, uncertainties and other factors are described under the heading “What are the Risks of Investing in the Fund” in the simplified prospectus of the Fund dated September 29, 2015. Although the forward-looking statements contained in this Circular are based upon assumptions that the Fund or the Manager believe to be reasonable, neither the Fund nor the Manager can assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained herein were prepared for the purpose of providing unitholders with information about the Fund and may not be appropriate for other purposes. Neither the Fund nor the Manager assumes any obligation to update or revise them to reflect new events or circumstances, except as required by law.

DOCUMENTS INCORPORATED BY REFERENCE

Additional information relating to the Units of the Fund, the Fund and the risks associated with an investment therein are described in the Fund’s simplified prospectus and annual information form, which are specifically incorporated by reference into, and form an integral part of, this Circular. Any statement contained herein or in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Circular to the extent that a statement contained herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular. Information on any website maintained by the Fund or the Manager does not constitute a part of this Circular. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

A copy of the Fund’s simplified prospectus and annual information form is available on SEDAR at www.sedar.com. Copies of these documents will be provided by the Manager free of charge upon request. See “Additional Information”.

ADDITIONAL INFORMATION

Financial information about the Fund is available in such Fund’s comparative financial statements and management report of fund performance for its most recently completed financial year. These documents and other information about the Fund is available on SEDAR at www.sedar.com. Copies of these documents will be provided by the Manager free of charge upon request. To make such a request, call toll-free at 1-877-622-5552, write to Investor Relations, FT Portfolios Canada Co., 40 King Street West, Suite 3001, Scotia Plaza, Box 312, Toronto, ON M5H 3Y2, email: info@firsttrust.ca or visit the Funds’ website at www.firsttrust.ca.

Approval by the Board of Directors

The Board of Directors of the Manager has approved the contents and the sending of this Circular to unitholders.

DATED as of the 17th day of August, 2016.

A handwritten signature in black ink, appearing to read 'F Howell', with a stylized, flowing script.

FRASER HOWELL
President and Chief Executive Officer

APPENDIX A
FIRST TRUST CANADIAN CAPITAL STRENGTH PORTFOLIO
(THE “FUND”)

BE IT RESOLVED THAT:

1. The conversion of the Fund into an exchange traded fund (“ETF”) and the amendments to the attributes of the Series A Units and Series F Units and to the provisions of the Fund’s declaration of trust in order to implement such conversion including by appointing FT Portfolios Canada Co. (“FT Canada”) as trustee and adding the Fund to the existing master declaration of trust for FT Canada’s ETFs, are authorized and approved.
2. The Series A units of the Fund are hereby redesignated as advisor class units (the “Advisor Class Units”) and the Series F units of the Fund are hereby redesignated as common units (the “Common Units”) having the attributes described in the Fund’s management information circular dated August 17, 2016.
3. FT Canada and the directors and officers thereof are hereby authorized and directed to take such actions and to execute and deliver such documentation as may be necessary or desirable to implement this resolution including entering into of any agreements with third party service providers and making application to The Toronto Stock Exchange to list the Fund’s Advisor Class Units and Common Units.
4. Notwithstanding the provisions hereof, the directors of FT Canada may revoke this resolution at any time without further approval of the unitholders of the Fund.