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First Trust NASDAQ® Clean Edge® Green Energy ETF  
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Annual Management Report of Fund Performance  
December 31, 2025

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# **ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE**

## **December 31, 2025**

### **First Trust NASDAQ® Clean Edge® Green Energy ETF (the “First Trust ETF”)**

This annual management report of fund performance contains financial highlights but does not contain the complete audited annual financial statements of the First Trust ETF. All references to dollars contained herein are to Canadian dollars.

Securityholders may also contact us to request a copy of the First Trust ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosures relating to the First Trust ETF by calling 1-877-622-5552, by writing to us at FT Portfolios Canada Co., 40 King Street West, Suite 5102, Scotia Plaza, Box 312, Toronto, Ontario M5H 3Y2 or by visiting our web site at [www.firsttrust.ca](http://www.firsttrust.ca) or SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

### **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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# First Trust NASDAQ® Clean Edge® Green Energy ETF

## Management Report of Fund Performance

### For the year ended December 31, 2025

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

The fundamental investment objective of **First Trust NASDAQ® Clean Edge® Green Energy ETF** (the “First Trust ETF”) is to replicate, to the extent possible, the performance of an index of U.S. listed companies designed to track the performance of clean energy companies engaged in manufacturing, development and installation of clean-energy technologies including, but not limited to, solar photovoltaics, wind power, advanced batteries, fuel cells, and electric vehicles, initially the NASDAQ® Clean Edge® Green Energy Index<sup>SM</sup>.

The NASDAQ® Clean Edge® Green Energy Index<sup>SM</sup> is a modified market capitalization weighted index designed to track the performance of clean energy companies that are publicly traded in the United States and includes companies engaged in manufacturing, development, distribution and installation of emerging clean-energy technologies including, but not limited to, solar photovoltaics, wind power, advanced batteries, fuel cells, and electric vehicles.

#### **Risk**

The First Trust ETF provides exposure to its index by investing all or substantially all of its assets in an underlying U.S. index fund known as First Trust NASDAQ® Clean Edge® Green Energy Index Fund (the “Underlying Fund”), which is managed by the First Trust ETF's portfolio advisor.

The risks associated with an investment in the First Trust ETF is discussed in the First Trust ETF's most recent prospectus.

#### **Results of Operations**

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

The First Trust ETF's net asset value as of December 31, 2025, was \$4,996,426 or \$19.99 per unit. The First Trust ETF's net asset value as of December 31, 2024, was \$8,923,595 or \$15.93 per unit.

For the year ended December 31, 2025, the First Trust ETF paid total cash distributions of \$0.0400 per unit. There were no cash distributions declared, nor notional distributions made, for the year ended December 31, 2025, by the First Trust ETF.

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

For the year ended December 31, 2025, the First Trust ETF returned 25.60% compared to the S&P 500® Index (the “benchmark”) return of 12.35%. Unlike the benchmark, the First Trust ETF's return is net of fees and expenses.

The First Trust ETF's only holding, the Underlying Fund, held 49 equity securities as of December 31, 2025. The top ten equity holdings for the Underlying Fund accounted for 60.29% of the portfolio within the Underlying Fund.

The Underlying Fund outperformed the benchmark during the year due to stock selection, primarily within the Industrials and Materials Sectors. Sector allocation was a slight negative to performance relative to the benchmark. At the industry level, overweight positions in the Electrical Equipment and Metals & Mining industries contributed positively to performance.

The Underlying Fund's top five stocks by contribution to return were Bloom Energy Corporation, MP Materials Corp., Nextpower Inc., First Solar, Inc., and Rivian Automotive, Inc. The Underlying Fund's bottom five stocks by contribution to return were Lucid Group, Inc., Enphase Energy, Inc., Power Integrations, Inc., ON Semiconductor Corporation, and Universal Display Corporation.

The First Trust's ETF's exposure to the U.S. dollar detracted from its absolute performance during the year, as the U.S. dollar depreciated 4.65% against the Canadian dollar from December 31, 2024, to December 31, 2025.

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# First Trust NASDAQ® Clean Edge® Green Energy ETF

## Management Report of Fund Performance

### For the year ended December 31, 2025

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#### **Recent Developments**

The clean energy industry outperformed the broader equity market in 2025. The First Trust ETF gained 25.60% in 2025 versus a return of 12.35% on the S&P 500® Index. Despite a down start to the year, the First Trust ETF rallied nearly 38% in the last six months of 2025 significantly outperforming the S&P 500® Index. The 10-year US treasury yield decreased substantially in 2025 which aided long duration equities like clean energy stocks. In early July, the US Congress passed the “One Big Beautiful Bill.” While the bill set earlier expiration dates for clean energy tax benefits from the Inflation Reduction Act (IRA), it did create more certainty. The clean energy industry’s outlook was opaque following the passing of the IRA, mainly due to the lack of details regarding tax benefits. Outlook was further muddled after President Trump won the 2024 Presidential election as many suspected benefits from the bill would be amended or outright cancelled. While the removal of tax benefits was a net negative for the clean energy industry, a sense of certainty helped outlook as there was no longer a legislative overhang. General commentary surrounding the clean energy industry has seemed to become more positive in the last six months, particularly utility scale clean energy. The artificial intelligence buildout and broader electrification theme has been prominent in conversations among investors and market commentators. Initially most of the benefit was seen for natural gas and nuclear generation but the conversation has started to become inclusive of clean energy solutions. Power demand estimates have become so exceedingly large that investors are beginning to see the need for getting electrons from all sources including renewables. Solar is getting interest among utility companies as the levelized cost of electricity is only slightly higher than natural gas and cheaper than nuclear, coal, and wind. Natural gas generation costs also continue to increase as gas turbines are primarily made by three companies in the world. These companies are seeing heightened demand with limited opportunity for supply increases leading to pricing pressures in the industry. Overall, it appears sentiment regarding the clean energy industry is turning more positive than recent history. Clean energy is starting to see more interest among utility providers and valuations have come down substantially in recent years. The rate cutting story in the US is also helpful as many clean energy companies are rate sensitive. Key risks to consider are financing costs if rates are not cut, continued legislative pressures, tariff risks, and margin compression due to tax benefits ending.

#### **Related Party Transactions**

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

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

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

# First Trust NASDAQ® Clean Edge® Green Energy ETF

## Management Report of Fund Performance

### For the year ended December 31, 2025

#### 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 five years ended December 31. This information is derived from the First Trust ETF's audited annual financial statements.

#### Net Asset Value per Unit

QCLN	2025	2024	2023	2022	2021 <sup>(a)</sup>
Net asset value, beginning of year <sup>(1)</sup>	\$15.93	\$18.33	\$20.97	\$28.19	\$31.33
Increase (Decrease) from operations:					
Total revenue	0.04	0.13	0.14	0.07	0.04
Total expenses	(0.03)	(0.03)	(0.07)	(0.05)	(0.07)
Realized gains (losses) for the year	(9.32)	(2.11)	(2.34)	(1.36)	3.31
Unrealized gains (losses) for the year	10.14	0.14	(0.28)	(5.46)	(4.92)
Total increase (decrease) from operations <sup>(2)</sup>	\$0.83	\$(1.87)	\$(2.55)	\$(6.80)	\$(1.64)
Distributions:					
From income (excluding dividends)	(0.01)	(0.08)	(0.09)	-	(0.03)
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	(0.37)
Return of capital	(0.01)	(0.09)	-	-	-
Total annual distributions <sup>(3)</sup>	\$(0.02)	\$(0.17)	\$(0.09)	\$ -	\$(0.40)
Net asset value, end of year <sup>(4)</sup>	\$19.99	\$15.93	\$18.33	\$20.97	\$28.19

(a) For the years prior to February 17, 2021, represent returns for the First Trust ETF based on the First Trust ETF's investment objective prior to the change in investment objective which occurred on February 17, 2021.

(1) This information is provided as at 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 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

QCLN	2025	2024	2023	2022	2021 <sup>(a)</sup>
Net asset value (000's)	\$4,996	\$8,924	\$9,531	\$11,534	\$17,195
Number of units outstanding	250,000	560,000	520,000	550,000	610,000
Management expense ratio <sup>(1)</sup>	0.73%	0.75%	0.74%	0.74%	0.77%
Management expense ratio before waivers or absorption	0.74%	0.77%	0.76%	0.76%	0.78%
Trading expense ratio <sup>(2)</sup>	0.00%	0.00%	0.00%	0.00%	0.02%
Portfolio turnover rate <sup>(3)</sup>	20.58%	24.52%	20.68%	39.96%	81.09%

(a) For the years prior to February 17, 2021, represent returns for the First Trust ETF based on the First Trust ETF's investment objective prior to the change in investment objective which occurred on February 17, 2021.

(1) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year, including the First Trust ETF's proportionate share of the MER of the Underlying Fund in which the First Trust ETF has invested, and is expressed as an annualized percentage of daily average net asset value during the 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 year. This includes the First Trust ETF's proportionate share of the commissions of Underlying Fund in which the First Trust ETF has invested.

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

**First Trust NASDAQ® Clean Edge® Green Energy ETF  
 Management Report of Fund Performance  
 For the year ended December 31, 2025**

**Management Fees**

The First Trust ETF will pay the Manager a management fee of 0.15% based on the average daily NAV of the First Trust ETF. The management fee, plus applicable taxes including HST, will be accrued daily and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

*The First Trust ETF's management fee will also bear the management fee of the Underlying Fund.*

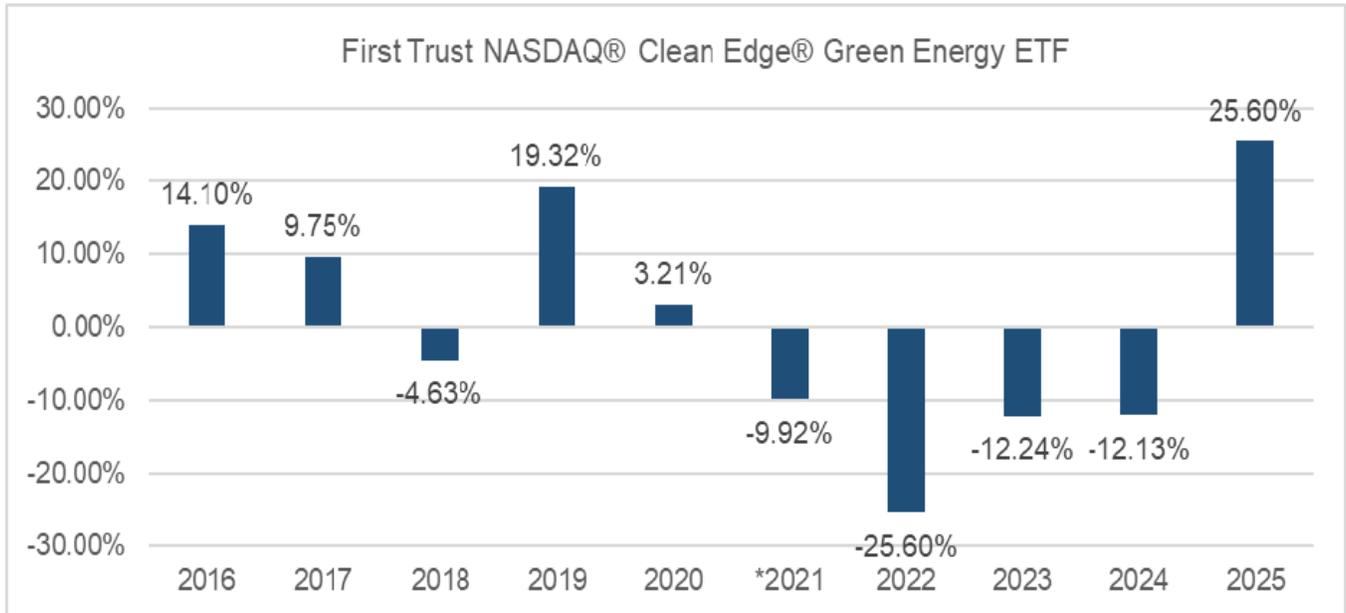
**Past Performance**

**General**

The past performance information shown assumes that all distributions made by the First Trust ETF in the 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 years ended December 31 and illustrates how the investment fund's performance has changed from year to year. The chart also shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



*\*For the years prior to February 17, 2021, represent returns for the First Trust ETF based on the First Trust ETF's investment objective prior to the change in investment objective which occurred on February 17, 2021.*

# First Trust NASDAQ® Clean Edge® Green Energy ETF

## Management Report of Fund Performance

### For the year ended December 31, 2025

#### Annual Compound Returns

The table below shows the First Trust ETF's annual compound total return since inception and for the years ended December 31, 2025. The annual compound return is compared to the returns of the relevant benchmark; however, the First Trust ETF's return is net of fees and expenses. See Results of Operations section of this report for further information regarding the current year performance of the First Trust ETF relative to the benchmark.

Returns	1-year	3-year	5-year	10-year	Since Inception
First Trust NASDAQ® Clean Edge® Green Energy ETF	25.60%	-1.06%	-8.28%	-0.46%	0.88%
S&P 500® Index	12.35%	23.48%	16.11%	14.67%	15.87%

*S&P 500® Index is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.*

#### Summary of Investment Portfolio

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's holdings as at December 31, 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](http://www.firsttrust.ca).

Holdings	% of ETF Total Net Asset Value
First Trust NASDAQ® Clean Edge® Green Energy Index Fund	99.88%
Cash and Cash Equivalents	0.13%
Other Assets, Less Liabilities	-0.01%
Total	100.00%

#### Portfolio Breakdown

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's portfolio as at December 31, 2025.

Breakdown	% of ETF Total Net Asset Value
Exchange-Traded Fund	99.88%
Cash and Cash Equivalents	0.13%
Other Assets, Less Liabilities	-0.01%
Total	100.00%

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