



First Trust JFL Global Equity ETF • FJFG

Annual Management Report of Fund Performance
December 31, 2022

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2022

First Trust JFL Global Equity 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 website at www.firsttrust.ca or SEDAR at www.sedar.com.

Forward-looking Statements

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent beliefs regarding future events. By their nature, forward-looking statements are based on assumptions and are subject to inherent risks and uncertainties. There is significant risk that forward-looking statements will not prove to be accurate. Readers of this document should not place undue reliance on forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the expectations, estimates or intentions expressed or implied in the forward-looking statements. These factors include but are not limited to market and general economic conditions, interest rates, foreign currency exchange rates, the extent of industry sector exposure, the performance of the securities of the issuers held in the portfolio and regulatory developments and the risks detailed in the First Trust ETF’s prospectus. The Manager does not undertake and specifically disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Investment Objective and Strategy

The fundamental investment objective of **First Trust JFL Global Equity ETF** (the “First Trust ETF”) is to provide unitholders with capital appreciation by investing primarily in equity securities of large multinational companies that have demonstrated global leadership in their industry. The Sub-Advisor will primarily target international companies that benefit from exposure to economies typically growing at a rate higher than the global gross domestic product (GDP). Emphasis will be on non-cyclical companies that have a competitive advantage in their industry. The First Trust ETF will not invest more than 20% of its net assets in securities of issuers located in emerging markets.

Risk

The risks associated with an investment in the First Trust ETF remain as discussed in the First Trust ETF’s most recent prospectus. There have been no significant changes during the period that affected the overall level of risk associated with the First Trust ETF.

Results of Operations

General

The First Trust ETF’s net asset value as of December 31, 2022 was \$2,430,345 or \$19.44 per unit. The First Trust ETF’s net asset value as of December 31, 2021 was \$15,519,690 or \$22.99 per unit.

For the year ended December 31, 2022, the First Trust ETF paid total cash distributions per unit of \$0.0167. The First Trust ETF also made a notional distribution per unit of \$0.1041 for the year ended December 31, 2022. This amount was reinvested in the First Trust ETF and not paid in cash to unitholders.

Investment Performance

For the year ended December 31, 2022, the First Trust ETF returned -15.36%* compared to MSCI ACWI Index (the “benchmark”) total return of -12.43%. Unlike the benchmark, the First Trust ETF’s return is net of fees and expenses.

During the first quarter, the First Trust ETF underperformed the benchmark. The Energy sector and commodity-focused companies were the clear winners, with conflict in Europe exacerbating upward pressure that had been building as economies recovered briskly coming out of COVID. This commodity shock took place in the context of a market rotation already underway towards lower-quality, more cyclically-exposed firms, presenting a double headwind to our style of investing in higher-quality companies for the long term. Attractive sectors like Technology, Consumer Discretionary, and Communication Services were the worst performers by a considerable margin. European markets like France and Germany and emerging markets like China fared poorly relative to the United States this quarter. Oil was rampant (Brent Crude Oil up 39% in USD) and rate markets also witnessed a sharp adjustment as investors grappled with inflation that no longer looks “transitory”.

During the second quarter, the First Trust ETF slightly underperformed benchmark. With higher-than-expected inflation leading to higher rates sooner, markets around the world focused sharply on the potential for central banks tipping their economies into recession territory in an attempt to force the inflation genie back into the bottle. In this environment, defensive sectors performed best and most sectors with cyclical exposure suffered. Notably, trends that were apparent in the first quarter, namely commodity inflation and the “growth to value” rotation, were also present in the second quarter but has moderated somewhat. The U.S. was among the worst performing markets, as it has been the center of elevated valuations and concern over higher rates. However, due to currency depreciation, most other developed markets performed nearly as poorly.

During the third quarter, the First Trust ETF underperformed the benchmark. These results were helped by a falling currency, as the performance was about 7% weaker in U.S. dollar terms. U.S. market dynamics continued to be dominated by the outlook for inflation and interest rates, while country-specific factors tended to dominate elsewhere:

* For the portfolio, rates of return are time-weighted, which is a method of measuring performance that is not sensitive to contributions or withdrawals. Returns are calculated daily, using the gross (prior to the deduction of fees) modified Dietz method but net of (or after) withholding taxes on foreign income. Returns were calculated based on gross foreign income.

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energy pricing in Europe, fiscal policy in the U.K., and the property market in China. Most large global markets fell moderately in local currency, with those losses compounded by a strong U.S. dollar, which gained a remarkable 7% versus a basket of global currencies. It was a volatile quarter, with an equity rally followed by a sell-off, higher interest rates and inverted yield curves, and lower oil prices.

During the fourth quarter, the First Trust ETF slightly underperformed benchmark. The First Trust ETF's absence from the Energy sector (+18.1%), the top-performing sector, provided a meaningful headwind despite a broad-based recovery in many other sectors. Within Health Care (+11.7%), pharmaceutical names were notably stronger in the quarter, and our underweight positioning was also a relative detractor. Our concerns in this sector remain intact, namely the ongoing need to replenish pipelines via costly and often higher-risk R&D activities. That said, investors, this year, are favouring the low current valuations and high dividend yields available. Larger technology names were also a headwind, namely Amazon.com (-27%), as pandemic-era winners have rapidly retreated to their pre-pandemic levels. Our view remains that Amazon will manage current overcapacity levels and resume strong levels of growth and profitability.

For the year, the top performing sectors in the index were Industrials and Materials. The worst performing sectors were Consumer Discretionary and Communication Services. Top contributors to our relative performance were our stock selection in the Information Technology and Health Care sectors. Our stock selection in Communication Services and our absence from the Energy sector were our largest detractors to relative performance. The top performers for the year for the First Trust ETF were B&M, Inditex, and AIA. UK discount retailer B&M had a strong rebound after a reassuring quarterly update and outlook that assuaged investor concerns on their strong value proposition in challenging economic times. Inditex, the dominant fast fashion retailer based in Spain, also posted strong gains as its pricing strategy enables the group to maintain margins and outpace inflation. AIA, a China-focused insurer, also posted gains as re-opening is expected to boost sales.

The bottom performers were Meta Platforms, Dechra Pharmaceuticals, and Amazon.com.

Recent Developments

One of the year's main themes was the rapid increase in central bank tightening due to high and persistent inflation globally. This has resulted in a reduction in equity valuations, albeit from undoubtedly historically high levels. In particular, sectors that had been strong performers the previous few years (e.g., Technology) gave way to those that had not (e.g., Energy) in a relatively uniform fashion. While this backdrop has resulted in some portfolio names declining throughout the year, most of our holdings have continued to report very strong operating results and are well positioned for an economic slowdown with solid balance sheets and superior cash-generating capabilities. While it may be too early to say this tightening cycle is ending, a softer economic environment next year could bring us closer to a more normalized monetary approach in the near future.

With all this said, we remain focused on applying our key criteria to the selection of high-quality businesses that will thrive in various economic environments. Our conviction is that these businesses, taken with a longer-term view, will deliver attractive returns for shareholders via superior core earnings growth and value creation by well-aligned and skilled management.

Related Party Transactions

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

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

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

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Financial Highlights

The following tables show selected key financial information about the First Trust ETF and are intended to help you understand the First Trust ETF's financial performance for the years ended December 31. This information is derived from the First Trust ETF's audited annual financial statements.

Net Asset Value per Unit

FJFG	2022	2021 ^(a)
Net asset value, beginning of period/year ⁽¹⁾	\$22.99	\$20.00 ^(b)
Increase (Decrease) from operations:		
Total revenue	0.20	0.16
Total expenses	(0.27)	(0.24)
Realized gains (losses) for the period/year	0.29	0.09
Unrealized gains (losses) for the period/year	(6.32)	1.69
Total increase (decrease) from operations ⁽²⁾	\$(6.10)	\$1.70
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gains	(0.12)	(0.02)
Return of capital	-	-
Total annual distributions ⁽³⁾	\$(0.12)	\$(0.02)
Net asset value, end of period ⁽⁴⁾	\$19.44	\$22.99

(a) December 31, 2021 does not relate to the full year as the First Trust ETF commenced operations on March 19, 2021.

(b) Seed capital

(1) This information is provided as at December 31, 2022 and for the period from March 19, 2021 (commencement of operations) to December 31, 2021 and is prepared under IFRS.

(2) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the period/year.

(3) Distributions were paid in cash or reinvested in additional units of the First Trust ETF, or both. Non-cash distributions are reinvested in additional units of the First Trust ETF and subsequently consolidated. Neither the number of units held by the unitholder, nor the net asset per unit of the First Trust ETF change as a result of any non-cash distributions.

(4) This table is not intended to be a reconciliation of beginning to ending net asset value per unit.

Ratios and Supplemental Data

FJFG	2022	2021
Net asset value (000's)	\$2,430	\$15,520
Number of units outstanding	125,000	675,000
Management expense ratio ⁽¹⁾	0.98%	0.97%
Management expense ratio before waivers or absorption	0.99%	0.99%
Trading expense ratio ⁽²⁾	0.25%	0.27%
Portfolio turnover rate ⁽³⁾	40.02%	10.66%

(1) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period/year and is expressed as an annualized percentage of daily average net asset value during the period/year.

(2) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period/year.

(3) The First Trust ETF's portfolio turnover rate indicates how actively the First Trust ETF's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the First Trust ETF buying and selling all of the securities in its portfolio once in the course of the period/year. The higher a First Trust ETF's portfolio turnover rate in a period/year, the greater the trading cost payable by the First Trust ETF in the period/year, and the greater the chance of an investor receiving taxable capital gains in the period/year. There is not necessarily a relationship between high turnover rate and the performance of a First Trust ETF.

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Management Fees

The First Trust ETF will pay the Manager a management fee of 0.85% based on the average daily NAV of the First Trust ETF. The management fee, plus applicable taxes including HST, will be accrued daily and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

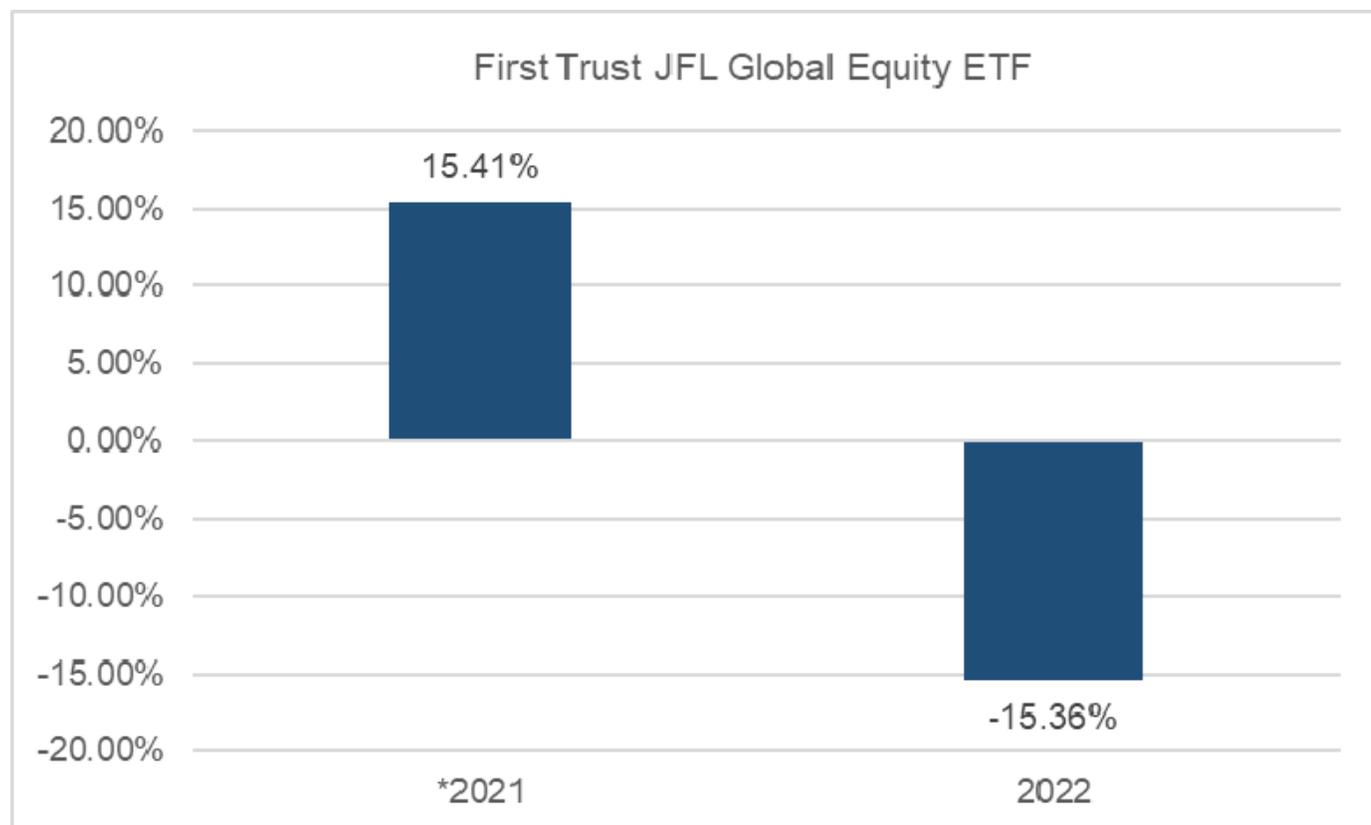
Past Performance

General

The past performance information shown assumes that all distributions made by the First Trust ETF in the period/year 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 year ended December 31, 2022 and for the period from commencement of operations to December 31, 2021 and illustrates how the investment fund's performance has changed from year to year. The chart also shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



*First Trust ETF Commencement: March 19, 2021

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Annual Compound Returns

The table below shows the First Trust ETF's annual compound total return since inception and for the year ended December 31, 2022. 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 JFL Global Equity ETF	-15.36%	-	-	-	-1.30%
MSCI ACWI Index	-12.43%	-	-	-	0.50%

MSCI ACWI Index - MSCI's flagship global equity index, is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 27 emerging markets. It covers more than 2,900 constituents across 11 sectors and approximately 85% of the free float-adjusted market capitalization in each market. The index is built using MSCI's Global Investable Market Index (GIMI) methodology, which is designed to take into account variations reflecting conditions across regions, marketcap sizes, sectors, style segments and combinations.

Summary of Investment Portfolio

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's top 25 holdings as at December 31, 2022. This summary of portfolio holdings may change due to ongoing portfolio transactions of the First Trust ETF. Daily and quarterly updates are available at www.firsttrust.ca.

Top 25 Holdings	% of ETF Total Net Asset Value
Microsoft Corp.	4.17%
Amazon.com Inc.	3.70%
Interactive Brokers Group Inc., Class 'A'	3.46%
Alphabet Inc., Class 'A'	3.44%
UnitedHealth Group Inc.	3.40%
Boston Scientific Corp.	3.30%
Mastercard Inc., Class 'A'	3.19%
Tencent Holdings Ltd.	2.86%
Fiserv Inc.	2.60%
AIA Group Ltd.	2.48%
HDFC Bank Ltd., ADR	2.45%
Nestlé SA, Registered	2.45%
Kinaxis Inc.	2.40%
Keyence Corp.	2.40%
Monster Beverage Corp.	2.38%
Copart Inc.	2.37%
Danaher Corp.	2.37%
Becton	2.29%
Bank OZK	2.26%
London Stock Exchange Group PLC	2.21%
Abbott Laboratories	2.17%
Diageo PLC	2.15%
Booking Holdings Inc.	2.14%
Sherwin-Williams Co. (The)	2.14%
IQVIA Holdings Inc.	2.12%
Total	66.90%

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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, 2022.

Sector Weightings	% of ETF Total Net Asset Value
Health Care	22.92%
Information Technology	19.45%
Financials	17.39%
Consumer Discretionary	12.29%
Consumer Staples	8.55%
Communication Services	7.12%
Industrials	5.78%
Materials	3.60%
Cash and Cash Equivalents	3.00%
Other Assets, Less Liabilities	-0.10%
Total	100.00%

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's portfolio excluding cash, by country, as at December 31, 2022.

Country Weightings	% of ETF Total Net Asset Value
United States	54.04%
United Kingdom	10.24%
Switzerland	5.75%
France	4.73%
China	4.05%
Japan	4.02%
Canada	3.65%
Hong Kong	2.48%
India	2.45%
Spain	1.67%
Taiwan	1.52%
Netherlands	1.26%
Sweden	1.24%
Total	97.10%

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