



First Trust NASDAQ® Clean Edge® Green Energy ETF
• QCLN (*formerly, First Trust AlphaDEX™ U.S. Financial
Sector Index ETF • FHF*)*

Annual Management Report of Fund Performance
December 31, 2021

*Effective date of name change is February 17, 2021

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2021

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 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 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, distribution 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 IndexSM.

The NASDAQ® Clean Edge® Green Energy IndexSM 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

In February 2021, the First Trust AlphaDEX™ U.S. Financial Sector Index ETF changed its investment objectives (see Investment Objective and Strategy) and its name to the First Trust ETF. The First Trust ETF provides exposure to its new 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 effective date of change is February 17, 2021.

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, 2021 was \$17,194,761 or \$28.19 per unit. The First Trust ETF’s net asset value as of December 31, 2020 was \$4,699,573 or \$31.33 per unit.

For the year ended December 31, 2021, the First Trust ETF paid total cash distributions per unit of \$0.1190. In addition, the First Trust ETF declared cash distributions per unit of \$0.0237 for record date of December 31, 2021 with payment date of January 10, 2022. The First Trust ETF also made total notional distributions per unit of \$0.3680 for the year ended December 31, 2021. These amounts were reinvested in the First Trust ETF and not paid in cash to unitholders.

Investment Performance

For the year ended December 31, 2021, the First Trust ETF returned -9.92% compared to the S&P 500® Index (the “benchmark”) return of 27.61%. Unlike the benchmark, the First Trust ETF’s return is net of fees and expenses.

The First Trust ETF underperformed the benchmark during the period due to stock selection in Industrials and Information Technology. Prior to the change, the First Trust ETF held primarily Financials which outperformed during the initial period. Strong selection within Financials included several small cap banks which recovered as interest rates rose in the beginning of the year. After the change, the First Trust ETF strongly underperformed due to the poor performance of several Industrials and Information Technology stocks. Mitigating underperformance was strong selection within Materials which outperformed in the benchmark during the latter period.

The First Trust ETF’s only holding, the Underlying Fund, held 60 equity securities as of December 31, 2021. The top ten equity holdings for the Underlying Fund accounted for 56.07% of the portfolio within the Underlying Fund.

The Underlying Fund’s top five stocks by contribution to return were Tesla Inc, Albemarle Corporation, ON Semiconductor Corporation, Acuity Brands, Inc., and XPeng, Inc, ADR Sponsored Class A. The bottom five stocks by contribution to return were NIO Inc. Sponsored ADR Class A, Sunrun Inc., Plug Power Inc., Ballard Power Systems Inc., and FuelCell Energy, Inc.

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Recent Developments

In February 2021, the First Trust AlphaDEX™ U.S. Financial Sector Index ETF changed its investment objectives to seek 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, distribution and installation of clean-energy technologies including, but not limited to, solar photovoltaics, wind power, advanced batteries, fuel cells, and electric vehicles, the NASDAQ® Clean Edge® Green Energy IndexSM. While technologies such as solar powered batteries and electric cars have been present for many years, recent awareness around climate change and improving economics of alternative energy have caused a major upswing in adoption and investment. Electricity currently makes up around 15% of global energy consumption but is expected to grow to perhaps greater than 50% by 2050. Renewables such as wind and solar have achieved lower levelized cost of energy levels than natural gas or coal which will be a major positive driver of cleaner sources of energy around the world. Hydrogen power is another nascent technology that has potential to economically and sustainably power long-haul mobility in trucking, rails, and boats without producing any carbon emissions. Major developments in the U.S. include President Biden's American Jobs plan, of which approximately \$400B has been labeled for wind, solar, EV, and other clean energy investments. Biden also announced an executive order in December 2021 committing the US federal government to procure 100% carbon-free electricity by 2030. Clean energy companies languished in 2021, partly due to the semiconductor shortage which particularly affected hardware focused industries such as wind and solar. As one of the most consensus global trends, clean energy production and investment in the grid that supports it are expected to continue growing at double digit rates for decades to come.

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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For the year ended December 31, 2021

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 past five years. This information is derived from the First Trust ETF's audited annual financial statements.

Net Asset Value per Unit

QCLN	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Net asset value, beginning of year ⁽¹⁾	\$31.33	\$31.03	\$26.54	\$28.14	\$25.87
Increase (Decrease) from operations:					
Total revenue	0.04	0.91	0.95	0.99	0.89
Total expenses	(0.07)	(0.36)	(0.38)	(0.38)	(0.32)
Realized gains (losses) for the year	3.31	(0.31)	0.84	(2.96)	2.94
Unrealized gains (losses) for the year	(4.92)	3.05	4.28	(1.95)	(1.79)
Total increase (decrease) from operations ⁽²⁾	\$(1.64)	\$3.29	\$5.69	\$(4.30)	\$1.72
Distributions:					
From income (excluding dividends)	(0.03)	(0.54)	(0.52)	-	-
From dividends	-	-	-	-	-
From capital gains	(0.37)	-	-	(1.63)	-
Return of capital	-	-	(0.10)	-	(0.24)
Total annual distributions ⁽³⁾	\$(0.40)	\$(0.54)	\$(0.62)	\$(1.63)	\$(0.24)
Net asset value, end of year ^{(4),(5)}	\$28.19	\$31.33	\$31.03	\$26.54	\$28.14

(1) This information is provided as at December 31 of the years shown 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 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.

(5) Effective February 17, 2021, the First Trust ETF is fully invested in the Underlying Fund (See Risk).

Ratios and Supplemental Data

QCLN	Dec. 31, 2021 ⁽⁴⁾	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Net asset value (000's)	\$17,195	\$4,700	\$6,206	\$6,636	\$4,220
Number of units outstanding	610,000	150,000	200,000	250,000	150,000
Management expense ratio ⁽¹⁾	0.77%	0.79%	0.78%	0.77%	0.77%
Management expense ratio before waivers or absorption	0.78%	0.81%	0.80%	0.79%	0.79%
Trading expense ratio ⁽²⁾	0.02%	0.10%	0.05%	0.03%	0.04%
Portfolio turnover rate ⁽³⁾	81.09%	210.55%	89.65%	398.71%	265.02%

(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 any 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 any 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.

(4) Effective February 17, 2021, the First Trust ETF is fully invested in the Underlying Fund (See Risk).

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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 will bear the Underlying Fund's management fee of 0.40% per annum on average daily net assets on the First Trust ETF's portfolio assets invested in the Underlying Fund. Accordingly, the management fee cost to unitholders of their investment will be 0.55% per annum of NAV of the First Trust ETF plus applicable taxes.

Past Performance

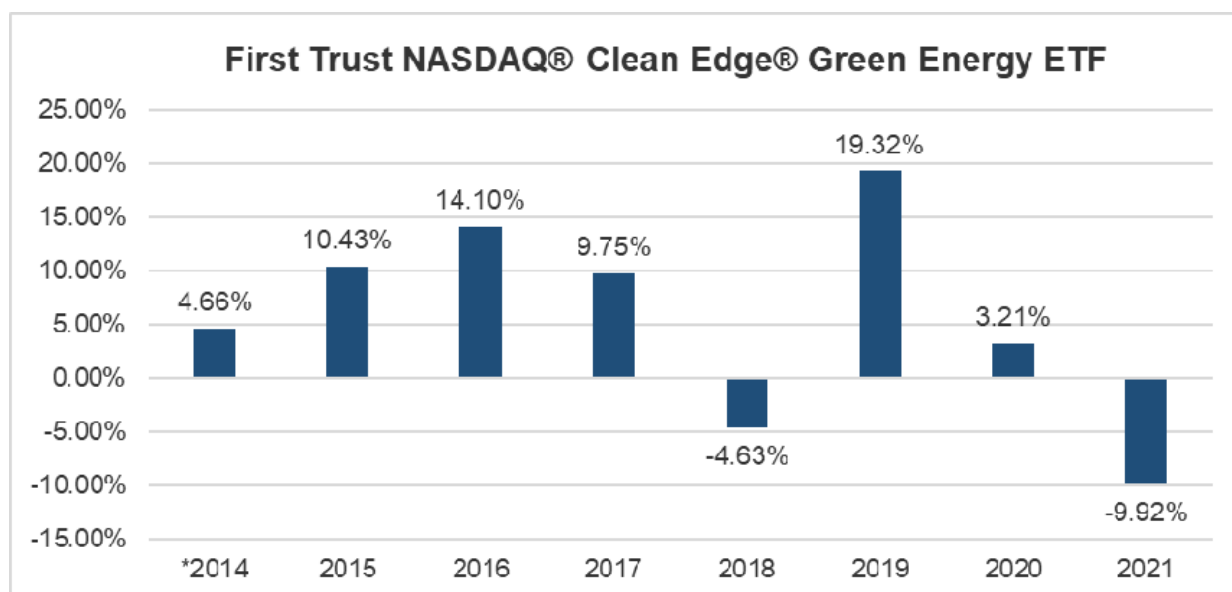
General

The past performance information shown assumes that all distributions made by the First Trust ETF in the period/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.

Effective February 17, 2021, the First Trust ETF is fully invested in the Underlying Fund (See Risk).

Year by Year Returns

The bar chart below shows the First Trust ETF's performance for the years ended December 31, and for the period from commencement of operations to December 31, 2014 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: October 30, 2014

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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 years ended December 31, 2020. 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.

	1-year	3-year	5-year	Since Inception
First Trust NASDAQ® Clean Edge® Green Energy ETF	-9.92%	3.52%	3.03%	6.12%
S&P 500® Index	27.61%	22.83%	17.06%	17.26%

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, 2021. 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.

Holdings	% of ETF Total Net Asset Value
First Trust NASDAQ® Clean Edge® Green Energy Index Fund	99.98%
Cash and Cash Equivalents	0.12%
Other Assets, Less Liabilities	-0.10%
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, 2021.

Sector Weightings	% of ETF Total Net Asset Value
Exchange-Traded Fund	99.98%
Cash and Cash Equivalents	0.12%
Other Assets, Less Liabilities	-0.10%
Total	100.00%

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