



**First Trust Indxx Innovative Transaction and Process
ETF • BLCK**

Annual Management Report of Fund Performance
December 31, 2024

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2024

First Trust Indxx Innovative Transaction and Process 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.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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Investment Objective and Strategy

The fundamental investment objective of **First Trust Indxx Innovative Transaction and Process ETF** (the “First Trust ETF”) is to replicate, to the extent possible, the performance of an innovative transaction and process index. Currently, the First Trust ETF seeks to replicate, to the extent possible, the performance of the Indxx Blockchain Index (the “Index”), provided by Indxx, LLC, net of expenses. The First Trust ETF obtains exposure to the Index by holding shares of a U.S.-listed index ETF, the First Trust Indxx Innovative Transaction & Process ETF (the “Underlying Fund”), which replicates or substantially replicates the performance of the Index. The Index includes securities of companies that are either actively using, investing in, developing or have products that are poised to benefit from blockchain technology and/or the potential for increased efficiency that it provides to various business processes. The Index seeks to include only companies that have devoted material resources to the use of blockchain technologies.

The Index seeks to track the performance of exchange-listed common shares (or corresponding ADRs or GDRs) of companies in various industries with their primary listing in developed or emerging market countries that are actively using, investing in, developing or have products that are poised to benefit from blockchain technology and/or the potential for increased efficiency that it provides to various business processes. The Index seeks to include only companies that have devoted material resources to the use of blockchain technologies. However, the Index may contain securities of issuers whose primary business operations are not blockchain related or do not include blockchain related activities.

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 reporting year 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, 2024, was \$2,187,336 or \$33.65 per unit. The First Trust ETF’s net asset value as of December 31, 2023, was \$2,045,335 or \$27.27 per unit.

For the year ended December 31, 2024, the First Trust ETF paid total cash distributions of \$0.6410.

Investment Performance

For the year ended December 31, 2024, the First Trust ETF returned 25.39% compared to the S&P 500® Index (the “benchmark”) total return of 36.36%. 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 102 equity securities as of December 31, 2024. The top ten equity holdings for the Underlying Fund accounted for 15.97% of the portfolio within the Underlying Fund.

The Underlying Fund underperformed the benchmark during the year primarily due to poor stock selection. Stock selection within the Information Technology and Communication Services was a significant drag on overall performance. An underweight allocation to Health Care stocks and stock selection within the Consumer Staples sector helped to mitigate the underperformance.

The Underlying Fund’s top five stocks by contribution to return were NVIDIA Corporation, Taiwan Semiconductor Manufacturing Company Limited, China CITIC Bank Corporation Limited, SAP SE, and Oracle Corporation. The Underlying Fund’s bottom five stocks by contribution to return were Intel Corporation, Samsung Electronics Co., Ltd., Baidu, Inc., Infineon Technologies AG, and The Boeing Company.

The First Trust’s ETF’s exposure to the U.S. dollar contributed positively to its absolute performance during the year, as the U.S. dollar appreciated 8.96% against the Canadian dollar from December 29, 2023, to December 31, 2024.

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Recent Developments

Since early 2018, the First Trust ETF has given investors exposure to companies involved in the blockchain ecosystem, primarily in the Financials and Information Technology sectors. The First Trust ETF lagged the broader market in 2024 as performance was driven by a handful of mega-cap technology stocks. The Magnificent Seven (Apple Inc., Microsoft Corp., Amazon.com, Inc., Alphabet Inc., Meta Platforms, Inc., Nvidia Corp., and Tesla, Inc.) stocks contributed over half of the broader market's total return as the narrow market reached unprecedented levels of concentration throughout the year. As for cryptocurrencies, one of the major use cases for blockchain technology, 2024 was a banner year. The first half of 2024 was highlighted by the U.S. Securities and Exchange Commission's (the "SEC") approval to launch 11 ETFs tied to the spot price of Bitcoin, as well as Bitcoin's supply reduction known as "the halving" which reduced the rate at which new coins are created and lowered the available amount of new supply. This catapulted the price of Bitcoin as it ended the year with a roughly 123% gain. In July, the SEC approved the listing and trading of 8 ETFs tied to the spot price of Ethereum in another step forward for the cryptocurrency asset industry. Similar to Bitcoin, Ethereum prices finished the year strong and gained roughly 46%, outperforming all major benchmarks. Outside of cryptocurrency, the implementation of blockchain technology is still in the early phases for many organizations. According to Gartner Research, currently the top blockchain-based solutions delivering business value are supply chain tracking and secure data exchange. Blockchain-based solutions are being deployed to track the exchange of payments, goods, and information and to handle sensitive data and information. As blockchain technologies continue to advance, the opportunities for decentralized applications will spread across new emerging use cases and industries.

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

Net Asset Value per Unit

BLCK	2024	2023	2022	2021	2020
Net asset value, beginning of year ⁽¹⁾	\$27.27	\$23.23	\$27.85	\$24.17	\$20.91
Increase (Decrease) from operations:					
Total revenue	0.75	0.67	0.58	0.53	0.24
Total expenses	(0.16)	(0.14)	(0.16)	(0.09)	(0.07)
Realized gains (losses) for the year	1.34	0.67	0.58	0.02	0.24
Unrealized gains (losses) for the year	4.96	3.35	(5.21)	3.52	2.53
Total increase (decrease) from operations ⁽²⁾	\$6.89	\$4.55	\$(4.21)	\$3.98	\$2.94
Distributions:					
From income (excluding dividends)	(0.34)	(0.45)	(0.74)	(0.36)	(0.01)
From dividends	-	-	-	-	-
From capital gains	-	-	-	(0.01)	-
Return of capital	(0.15)	-	-	-	(0.05)
Total annual distributions ⁽³⁾	\$(0.49)	\$(0.45)	\$(0.74)	\$(0.37)	\$(0.06)
Net asset value, end of year ⁽⁴⁾	\$33.65	\$27.27	\$23.23	\$27.85	\$24.17

(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

BLCK	2024	2023	2022	2021	2020
Net asset value (000's)	\$2,187	\$2,045	\$1,975	\$2,924	\$2,054
Number of units outstanding	65,000	75,000	85,000	105,000	85,000
Management expense ratio ⁽¹⁾	0.81%	0.81%	0.81%	0.81%	0.81%
Management expense ratio before waivers or absorption	0.83%	0.83%	0.83%	0.83%	0.84%
Trading expense ratio ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽³⁾	0.89%	0.79%	0.32%	0.23%	0.62%

(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 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 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 0.15% 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.

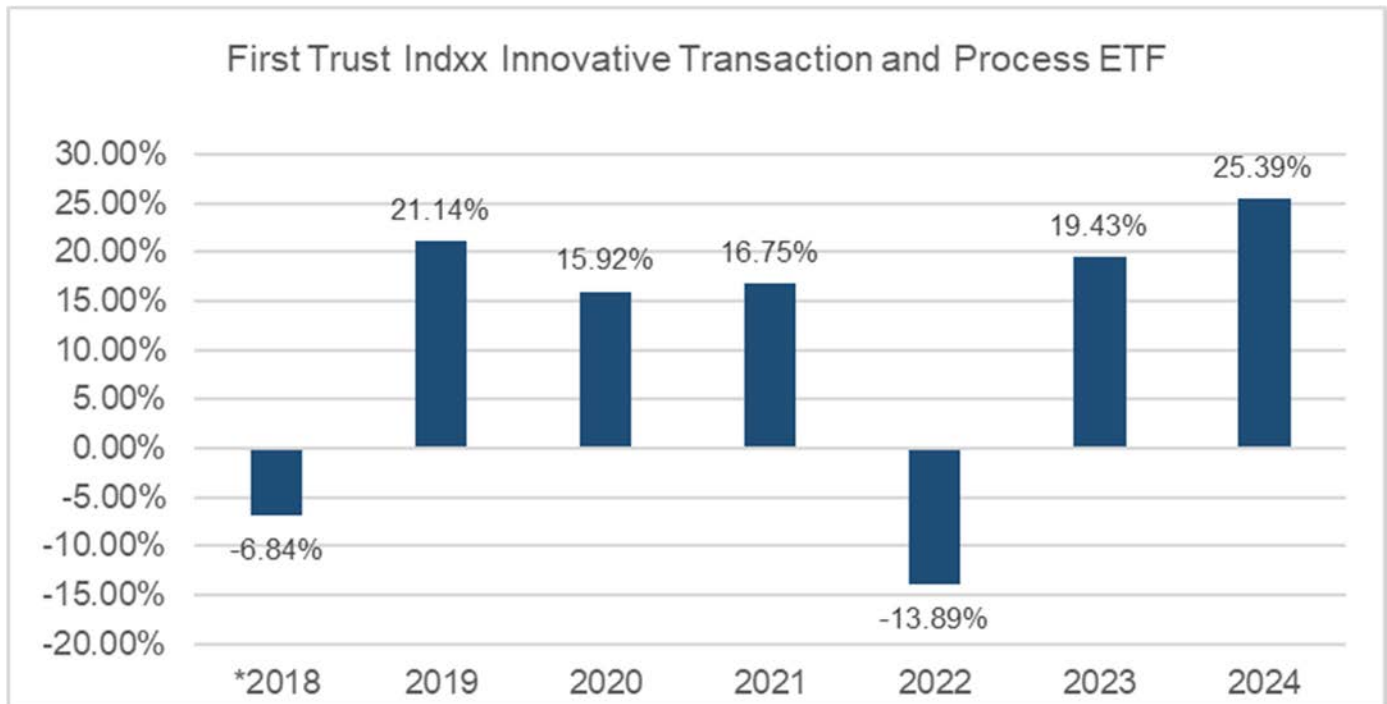
Past Performance

General

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

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, 2018 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 23, 2018*

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Annual Compound Returns

The table below shows the First Trust ETF's annual compound total return since inception, for the year ended December 31, 2024. 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 Indxx Innovative Transaction and Process ETF	25.39%	8.85%	11.78%	-	10.52%
S&P 500® Index	36.36%	13.76%	16.92%	-	16.24%

The S&P 500® or Standard & Poor's 500 Index is widely regarded as the best gauge of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% 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, 2024. 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 Indxx Innovative Transaction & Process ETF	99.52%
Cash and Cash Equivalents	0.49%
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, 2024.

Breakdown	% of ETF Total Net Asset Value
Exchange-Traded Fund	99.52%
Cash and Cash Equivalents	0.49%
Other Assets, Less Liabilities	-0.01%
Total	100.00%

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FT Portfolios Canada Co.

40 King Street West, Suite 5102
Scotia Plaza, Box 312
Toronto, Ontario M5H 3Y2

www.firsttrust.ca