



First Trust NASDAQ® Clean Edge® Green Energy ETF
• QCLN

Annual Management Report of Fund Performance
December 31, 2023

(Page intentionally left blank)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2023

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.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.

First Trust NASDAQ® Clean Edge® Green Energy ETF

Management Report of Fund Performance

For the year ended December 31, 2023

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

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 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, 2023 was \$9,530,594 or \$18.33 per unit. The First Trust ETF’s net asset value as of December 31, 2022 was \$11,533,926 or \$20.97 per unit.

For the year ended December 31, 2023, the First Trust ETF paid total cash distributions of \$0.0750 per unit. In addition, the First Trust ETF declared cash distributions of \$0.0100 per unit for record date of December 29, 2023 with payment date of January 8, 2024.

Investment Performance

For the year ended December 31, 2023, the First Trust ETF returned -12.24% compared to the S&P 500® Index (the “benchmark”) return of 22.90%. 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 63 equity securities as of December 31, 2023. The top ten equity holdings for the Underlying Fund accounted for 56.61% of the portfolio within the Underlying Fund.

The Underlying Fund underperformed the benchmark during the year mostly due to stock selection within the Information Technology and Industrials sectors. Within Information Technology, large overweight allocations to Enphase Energy, Inc. and SolarEdge Technologies, Inc. contributed significantly to the underperformance. An underweight position in the Health Care sector, which performed poorly, and an overweight allocation to Information Technology countered the underperformance.

The Underlying Fund’s top five stocks by contribution to return were Tesla, Inc., ON Semiconductor Corporation, Universal Display Corporation, Rivian Automotive, Inc., and Acuity Brands, Inc. The Underlying Fund’s bottom five stocks by contribution to return were Enphase Energy, Inc., SolarEdge Technologies, Inc., Albemarle Corporation, Plug Power Inc., and Lucid Group, Inc.

The First Trust’s ETF’s exposure to the U.S. dollar contributed negatively to its absolute performance during the year as the U.S. dollar depreciated 2.39% against the Canadian dollar from December 31, 2022, to December 31, 2023.

First Trust NASDAQ® Clean Edge® Green Energy ETF

Management Report of Fund Performance

For the year ended December 31, 2023

Recent Developments

The clean energy industry underperformed broader markets in 2023. Based on the Bloomberg Intelligence Global Solar Basket, Solar share prices declined about 30% in 2023 while the Bloomberg World Index increased about 20%. Amid the pullback, median Enterprise Value-to-EBITDA* multiples for Solar companies declined to 10x compared to the world index's multiple of 11x. Clean energy's underperformance has been concentrated among firms directly involved with renewable energy generation, distribution, and storage. Electric Vehicle manufacturers on the other hand have experienced strength among market leaders such as Tesla and Rivian. Clean energy stocks are a part of the "long duration" group of equities which are negatively affected by rising rates. While rate movements have stabilized compared to 2022, clean energy companies continue to underperform other long duration equities and ESG groups. The underperformance and high outflows of other clean energy focused funds suggest the clean energy segment has fallen out of favor with investors, particularly in the solar and wind industries. The poor sentiment toward clean energy is particularly difficult to justify, in our opinion, as there has been a global push by various governments to accelerate investment in the space namely through the Inflation Reduction Act and RePowerEU proposal. Anticipating a shift in sentiment remains difficult but tailwinds appear to exist for the renewable energy space. Valuations remain low compared to history, renewables are still forecasted to be the fastest growing energy source in the world, and normalization of COVID-19 headwinds such as supply chain disruptions continue to roll off. Key risks in the clean energy space include delayed investment due to high financing costs, margin compression due to lack of pricing power, and continued inflationary pressures on suppliers.

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.

*Enterprise Value (EV)-to-EBITDA is a multiple calculated by dividing a company's Enterprise Value by its Earnings before Interest, Taxes, Depreciation, and Amortization. A company's Enterprise Value is calculated by adding a firm's market capitalization, net debt (debt minus cash and cash equivalents), preferred equity, and minority interest. A firm's Enterprise Value provides a more comprehensive analysis of operations as it accounts for the firm's total value, including debt, rather than only equity value. Investors primarily use EV-to-EBITDA multiples to determine if a company is over or undervalued, if a firm's multiple is less than its peers or history it may indicate the company is undervalued, conversely, a multiple greater than history or peers may indicate overvaluation.

First Trust NASDAQ® Clean Edge® Green Energy ETF

Management Report of Fund Performance

For the year ended December 31, 2023

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	2023	2022	2021 ^(a)	2020	2019
Net asset value, beginning of year ⁽¹⁾	\$20.97	\$28.19	\$31.33	\$31.03	\$26.54
Increase (Decrease) from operations:					
Total revenue	0.14	0.07	0.04	0.91	0.95
Total expenses	(0.07)	(0.05)	(0.07)	(0.36)	(0.38)
Realized gains (losses) for the year	(2.34)	(1.36)	3.31	(0.31)	0.84
Unrealized gains (losses) for the year	(0.28)	(5.46)	(4.92)	3.05	4.28
Total increase (decrease) from operations ⁽²⁾	\$(2.55)	\$(6.80)	\$(1.64)	\$3.29	\$5.69
Distributions:					
From income (excluding dividends)	(0.09)	-	(0.03)	(0.54)	(0.52)
From dividends	-	-	-	-	-
From capital gains	-	-	(0.37)	-	-
Return of capital	-	-	-	-	(0.10)
Total annual distributions ⁽³⁾	\$(0.09)	\$-	\$(0.40)	\$(0.54)	\$(0.62)
Net asset value, end of year ⁽⁴⁾	\$18.33	\$20.97	\$28.19	\$31.33	\$31.03

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

(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.

Ratios and Supplemental Data

QCLN	2023	2022	2021 ^(a)	2020	2019
Net asset value (000's)	\$9,531	\$11,534	\$17,195	\$4,700	\$6,206
Number of units outstanding	520,000	550,000	610,000	150,000	200,000
Management expense ratio ⁽¹⁾	0.74%	0.74%	0.77%	0.79%	0.78%
Management expense ratio before waivers or absorption	0.76%	0.76%	0.78%	0.81%	0.80%
Trading expense ratio ⁽²⁾	0.00%	0.00%	0.02%	0.10%	0.05%
Portfolio turnover rate ⁽³⁾	20.68%	39.96%	81.09%	210.55%	89.65%

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

(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, 2023

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.

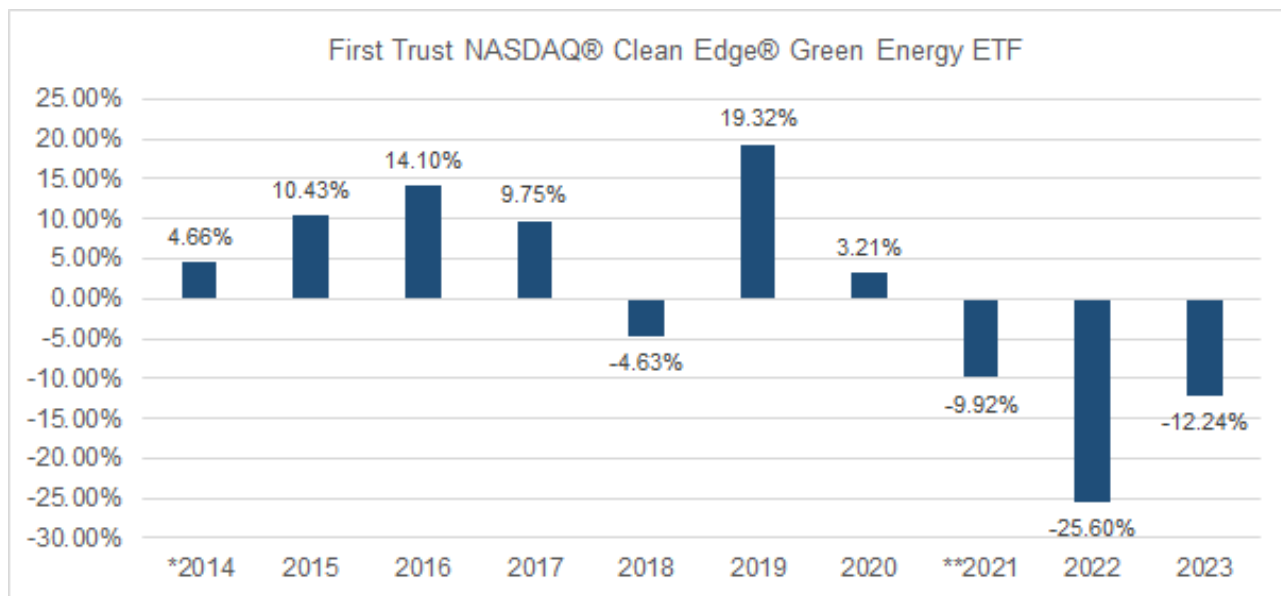
Past Performance

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.

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

**Effective February 17, 2021, the First Trust ETF is fully invested in the Underlying Fund.

First Trust NASDAQ® Clean Edge® Green Energy ETF

Management Report of Fund Performance

For the year ended December 31, 2023

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, 2023. 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	-12.24%	-16.22%	-6.25%	-	0.00%
S&P 500® Index	22.90%	11.27%	14.88%	-	14.21%

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, 2023. 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	99.89%
Cash and Cash Equivalents	0.18%
Other Assets, Less Liabilities	-0.07%
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, 2023.

Breakdown	% of ETF Total Net Asset Value
Exchange-Traded Fund	99.89%
Cash and Cash Equivalents	0.18%
Other Assets, Less Liabilities	-0.07%
Total	100.00%

(Page intentionally left blank)

(Page intentionally left blank)

(Page intentionally left blank)

FT Portfolios Canada Co.

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

www.firsttrust.ca