



First Trust International Capital Strength ETF • FINT

Annual Management Report of Fund Performance
December 31, 2021

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2021

First Trust International Capital Strength 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 International Capital Strength ETF** (the "First Trust ETF") is to provide unitholders with long term capital appreciation by investing primarily in equity securities of developed market companies, excluding the U.S. and Canada, that are traded on global exchanges, with a focus on fundamental strength and growth.

The First Trust ETF seeks to achieve its investment objective by investing primarily in securities of developed market companies, excluding the U.S. and Canada. Securities invested in by the First Trust ETF include common shares of public companies and American Depository Receipts ("ADRs"), Global Depository Receipts ("GDRs") and European Depository Receipts ("EDRs") that are traded on global exchanges or 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 reporting 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, 2021 was \$9,477,497 or \$27.08 per unit. The First Trust ETF's net asset value as of December 31, 2020 was \$6,023,055 or \$24.09 per unit.

There were no cash distributions paid nor declared for the year ended December 31, 2021.

Investment Performance

For the year ended December 31, 2021, the First Trust ETF returned 12.40% compared to MSCI EAFE Index (the "benchmark") return of 10.32%. Unlike the benchmark, the First Trust ETF's return is net of fees and expenses.

The First Trust ETF outperformed the benchmark for year. Overall, allocation effect, stock selection effect, and currency effect were positive contributors to relative performance. Negative contributions to relative performance came from stock selection within the Energy and Utilities sectors as well as an underweight allocation and stock selection in the Financials sector. Positive contribution to relative performance were mainly due to overweight allocations and stock selection in the Consumer Discretionary, Health Care, Information Technology, and Industrials sectors.

The top-performing stocks by total return for the period were ASM International N.V., ASML Holding NV, and Novo Nordisk A/S Class B. These stocks returned +100.76%, +64.70%, and +59.01% respectively, in CAD, including dividends. The bottom-performing stocks by total return for the period were China Gas Holdings Limited, Nestle Corporation, and Nintendo Co., Ltd. These stocks returned -46.88%, -31.30%, and -25.08% respectively, in CAD, including dividends.

The First Trust ETF held 40 equity positions for the 12-month period ended December 31, 2021 and made no net change to the number of positions from the beginning of the period. Portfolio changes were made in April 2021 (4 positions added, 4 positions eliminated), August 2021 (4 positions added, 4 positions eliminated), and December (4 positions added, 5 positions eliminated). The top ten equity holdings of the First Trust ETF at December 31, 2021 accounted for 25.55% of total NAV and the top ten equity holdings of the First Trust ETF at December 31, 2020 accounted for 26.70% of total NAV. Information Technology, Industrials, and Consumer Discretionary (in order) were the top three sector weightings at the end of the period, whereas Industrials, Health Care, and Information Technology (in order) were the top three sector weights at the beginning of the period. Relative to its benchmark over the period, the First Trust ETF was overweight the Consumer Discretionary, Health Care, Industrials and Information Technology sectors and underweight the Communication Services, Consumer Staples, Energy, Financials, Materials, Real Estate and Utilities sectors. The sector weighting of the First Trust ETF changed somewhat over the reporting period, primarily as the result of our bottom-up, multi-step quantitative and fundamental stock selection strategy.

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Portfolio changes were made in April, August, and December of 2021. There was no net change to the total number of portfolio positions over the period. In April, four positions, BHP Group PLC, Thales SA, Obayashi Corp and Legal & General Group PLC were eliminated for failing to meet the initial screening criteria. Four positions, Fortescue Metals Group Ltd, Skanska AB, Deutsche Post AG and Open House Co Ltd were established in place of them. In August, one position, Genmab A/S, was eliminated for failing to meet the initial screening criteria, while three positions, BAE Systems PLC, Techtronic Industries Co Ltd, and Fortescue Metals Group Ltd, were removed at the manager's discretion. Four positions, Thales SA, Adyen NV, STMicroelectronics NV, and ArcelorMittal SA, were established in place of them. In December, one position, China Gas Holdings Ltd., was eliminated for failing to meet the initial screening criteria, another position, while three positions, Adyen NV, Novo Nordisk A/S, and Hong Kong Exchanges & Clearing Ltd., were removed at the manager's discretion. Another position, Jackson Financial Inc., a spin-off of Prudential PLC, was removed from the portfolio. Four positions, Straumann Holding AG, Trend Micro Inc/Japan, Anglo American PLC, and Endesa SA were established in their place.

Recent Developments

According to the World Bank, global growth is estimated to have risen by 5.5% in 2021. The global recovery has surged as a result of vaccine rollouts, though COVID-19 variants and pandemic outbreaks continue to prevent a full return to normalcy. These outbreaks have caused major disruptions to critical supply chains and have led to inflationary environments in many countries. According to the International Monetary Fund (the "IMF"), "monetary policy will need to walk a fine line between tackling inflation and financial risks and supporting the economic recovery." Many of the central banks remained accommodative in 2021 but are expected to make policy adjustments in the near future to adapt to the current economic conditions. The Bank of Japan has maintained a short-term interest rate of -0.10% throughout 2021 and plans on maintaining this rate for the foreseeable future. The Bank of Japan plans on completing its additional purchases of commercial paper and corporate bonds with an upper limit of 20 trillion yen (\$175 billion USD) until the end of March 2022. In October, the European Central Bank (the "ECB") announced the continuation of its Pandemic Emergency Purchase Plan (PEPP), a €1.8 trillion (\$2.13 trillion USD) financial stimulus package, until at least the end of March 2022. At the most recent meeting, the Bank of England Monetary Policy Committee ("MPC") voted to increase the Bank Rate from 0.10% to 0.25% as they continue to recover from the effects of COVID-19. The MPC also voted unanimously to maintain the total UK asset purchases at £895 billion (\$1.24 trillion USD).

The benchmark ended 2021 up 10.79%. The benchmark has benefitted from positive contributions from every sector except for the Communication Services and Utilities sectors. The largest positive contributors to total return were the Financials, Industrials and Information Technology sectors, which make up approximately 42% of the benchmark. By country, British, French, Swiss and Dutch equities accounted for the bulk of the benchmark's positive contribution to return for year. Hong Kong and New Zealand equities were the largest negative contributors to return, though they only make up about 3.5% of the benchmark. British equities (14.38% of the benchmark) were the largest positive contributors to return while Hong Kong equities (3.16% of the benchmark) were the largest negative contributors to return. The global economic recovery has continued through the second half of 2021, but supply chain constraints and global vaccinations have hindered a full recovery. According to the World Health Organization ("WHO"), 98 countries still have not vaccinated 40% of their population. While the vaccines have been proven effective at mitigating the health risks of COVID-19, unequal access and vaccine hesitancy have left a large percentage of the global population unvaccinated heading into 2022.

We continue to find attractive candidates from within our selection universe of "international capital strength" companies. The First Trust ETF is positioned to provide exposure to the world's most developed nations ex the United States and Canada.

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

Net Asset Value per Unit

FINT	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018 ^(a)
Net asset value, beginning of period/year ⁽¹⁾	\$24.09	\$20.71	\$16.79	\$20.00 ^(b)
Increase (Decrease) from operations:				
Total revenue	0.79	0.46	0.68	0.29
Total expenses	(0.32)	(0.27)	(0.26)	(0.16)
Realized gains (losses) for the period/year	2.38	0.81	(1.74)	(0.14)
Unrealized gains (losses) for the period/year	(0.02)	3.76	4.95	(3.77)
Total increase (decrease) from operations ⁽²⁾	\$2.83	\$4.76	\$3.63	\$(3.78)
Distributions:				
From income (excluding dividends)	-	-	(0.19)	-
From dividends	-	-	-	-
From capital gains	-	(1.14)	-	-
Return of capital	-	(0.06)	(0.06)	-
Total annual distributions ⁽³⁾	\$ -	\$(1.20)	\$(0.25)	-
Net asset value, end of period/year ⁽⁴⁾	\$27.08	\$24.09	\$20.71	\$16.79

(a) December 31, 2018 does not relate to the full year as the First Trust ETF commenced operations on May 17, 2018.

(b) Seed capital

(1) This information is provided as at December 31 of the period/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 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

FINT	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Net asset value (000's)	\$9,477	\$6,023	\$2,071	\$1,679
Number of units outstanding	350,000	250,000	100,000	100,000
Management expense ratio ⁽¹⁾	0.74%	0.75%	0.77%	0.75%
Management expense ratio before waivers or absorption	0.76%	0.78%	0.79%	0.76%
Trading expense ratio ⁽²⁾	0.21%	0.33%	0.30%	0.44%
Portfolio turnover rate ⁽³⁾	65.09%	55.67%	101.25%	8.99%

(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 0.70% 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.

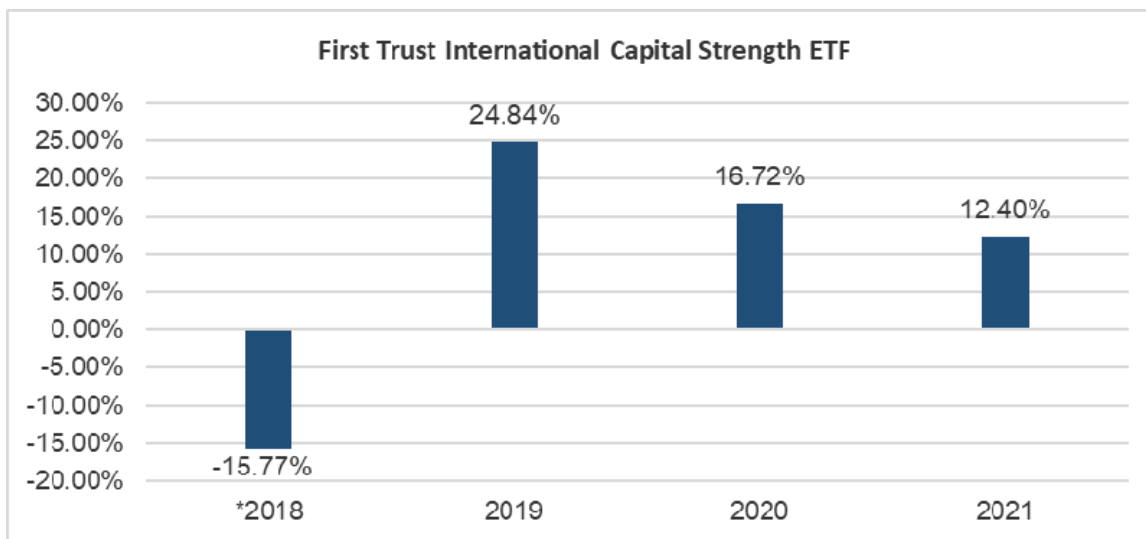
Past Performance

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 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: May 17, 2018

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, 2021. 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 period performance of the First Trust ETF relative to the benchmark.

	1-year	3-year	Since Inception
First Trust International Capital Strength ETF	12.40%	17.87%	9.27%
MSCI EAFE Index	10.32%	10.62%	5.94%

MSCI EAFE Index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The Index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

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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, 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.

Top 25 Holdings	% of ETF Total Net Asset Value
Sony Group Corp.	2.60%
JD Sports Fashion PLC	2.60%
Sandvik AB	2.57%
Skanska AB, Series 'B'	2.56%
Deutsche Post AG, Registered	2.55%
Xinyi Glass Holdings Co. Ltd.	2.55%
ASM International NV	2.54%
Volvo AB, Series 'B'	2.54%
Kering	2.52%
Telefonaktiebolaget LM Ericsson, Series 'B'	2.52%
SAP SE	2.51%
Barratt Developments PLC	2.51%
Persimmon PLC	2.51%
LVMH Moet Hennessy Louis Vuitton SE	2.50%
Novartis AG, Registered	2.50%
STMicroelectronics NV	2.50%
Anglo American PLC	2.50%
AstraZeneca PLC	2.50%
Ferguson PLC	2.50%
Prudential PLC	2.50%
Rio Tinto PLC	2.50%
Nintendo Co. Ltd.	2.49%
ASML Holding NV	2.49%
Unilever PLC	2.49%
Sanofi SA	2.48%
Total	63.03%

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
Information Technology	24.51%
Consumer Discretionary	17.79%
Health Care	17.33%
Industrials	15.19%
Materials	7.39%
Consumer Staples	4.97%
Financials	4.95%
Utilities	2.47%
Energy	2.44%
Communication Services	2.42%
Cash and Cash Equivalents	0.39%
Other Assets, Less Liabilities	0.15%
Total	100.00%

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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, 2021.

Country Weightings	% of ETF Total Net Asset Value
United Kingdom	22.61%
Japan	17.01%
Switzerland	14.84%
Sweden	10.19%
France	9.98%
Germany	5.06%
Netherlands	5.03%
Hong Kong	2.55%
Spain	2.47%
Australia	2.47%
Finland	2.44%
South Korea	2.42%
Luxembourg	2.39%
Total	99.46%

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