



First Trust Cloud Computing ETF • SKYY

Annual Management Report of Fund Performance
December 31, 2025

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2025

First Trust Cloud Computing 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 web site 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 Cloud Computing ETF** (the “First Trust ETF”) is to replicate, to the extent possible, the performance of an index of U.S. companies involved in the cloud computing industry, initially the ISE CTA Cloud Computing™ Index.

The ISE CTA Cloud Computing™ Index is a modified equal weighted index designed to track the performance of companies involved in the cloud computing industry. To be included in the index, a security must be classified as a Cloud Computing company by the Consumer Technology Association.

Risk

The First Trust ETF provides exposure to its index by investing all or substantially all of its assets in an underlying U.S. index fund known as First Trust Cloud Computing ETF (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, 2025, was \$3,447,052 or \$31.34 per unit. The First Trust ETF's net asset value as of December 31, 2024, was \$8,729,407 or \$30.10 per unit.

There were no cash distributions paid nor declared for the year ended December 31, 2025 by the First Trust ETF.

Investment Performance

For the year ended December 31, 2025, the First Trust ETF returned 4.10% compared to the S&P 500® Index (the “benchmark”) return of 12.35%. 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 64 equity securities as of December 31, 2025. The top ten equity holdings for the Underlying Fund accounted for 35.23% of the portfolio within the Underlying Fund.

The Underlying Fund underperformed the benchmark during the year due to stock selection, primarily within the Information Technology and Industrials sectors. However, an overweight position in the Information Technology sector helped produce a positive allocation effect that partly offset the underperformance.

The Underlying Fund's top five stocks by contribution to return were MongoDB, Inc., Alphabet Inc., Cloudflare, Inc., AppLovin Corporation, and Oracle Corporation. The Underlying Fund's bottom five stocks by contribution to return were CoreWeave, Inc., HubSpot, Inc., Wix.com Ltd., Five9, Inc., and Atlassian Corporation.

The First Trust's ETF's exposure to the U.S. dollar detracted from its absolute performance during the year, as the U.S. dollar depreciated 4.65% against the Canadian dollar from December 31, 2024, to December 31, 2025.

Recent Developments

2025 was an exceptional year for the major cloud providers (Azure, AWS, and GCP) as all three saw accelerating growth amidst large backlogs and capacity constraints. The industry is experiencing incredible benefits from the mass investment in artificial intelligence and the merits of cloud computing have never been so apparent. Beyond the AI catalyst, cloud companies continue to benefit from multi-cloud initiatives, cloud-native applications, and new initiatives such as quantum computing. Despite the major cloud providers posting solid results, broader cloud-exposed software showed highly differentiated price performance as the market tried to gauge how vulnerable SaaS businesses were to being adversely affected by AI. Some companies struggled to prove their value proposition (such as ADBE, CRM, and WIX), while others were able to prove that AI only bolstered their offerings (such as APP, NET, and MDB). Cloud, as a

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whole, remains a clear beneficiary of the AI investment and its place in the modern tech stack is unquestionable, but as we look to 2026, companies will need to continue justifying their value in the AI era.

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

SKYY	2025	2024	2023	2022	2021 ^(a)
Net asset value, beginning of year ⁽¹⁾	\$30.10	\$20.46	\$13.76	\$23.55	\$25.13
Increase (Decrease) from operations:					
Total revenue	–	–	–	0.03	0.31
Total expenses	(0.05)	(0.04)	(0.03)	(0.03)	(0.10)
Realized gains (losses) for the year	(2.29)	0.40	(0.28)	(2.00)	(0.26)
Unrealized gains (losses) for the year	(2.08)	7.53	7.03	(8.50)	(0.08)
Total increase (decrease) from operations ⁽²⁾	\$(4.42)	\$7.89	\$6.72	\$(10.50)	\$(0.03)
Distributions:					
From income (excluding dividends)	–	–	–	–	(0.28)
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	(0.22)	–
Total annual distributions ⁽³⁾	\$ –	\$ –	\$ –	\$(0.22)	\$(0.28)
Net asset value, end of year ⁽⁴⁾	\$31.34	\$30.10	\$20.46	\$13.76	\$23.55

(a) For the years prior to February 17, 2021, represent returns for the First Trust ETF based on the First Trust ETF's investment objective prior to the change in investment objective which occurred on February 17, 2021.

(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

SKYY	2025	2024	2023	2022	2021 ^(a)
Net asset value (000's)	\$3,447	\$8,729	\$2,659	\$2,064	\$4,475
Number of units outstanding	110,000	290,000	130,000	150,000	190,000
Management expense ratio ⁽¹⁾	0.77%	0.77%	0.77%	0.76%	0.77%
Management expense ratio before waivers or absorption	0.78%	0.78%	0.78%	0.78%	0.78%
Trading expense ratio ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.02%
Portfolio turnover rate ⁽³⁾	12.99%	46.01%	0.00%	51.44%	82.22%

(a) For the years prior to February 17, 2021, represent returns for the First Trust ETF based on the First Trust ETF's investment objective prior to the change in investment objective which occurred on February 17, 2021.

(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.

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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.

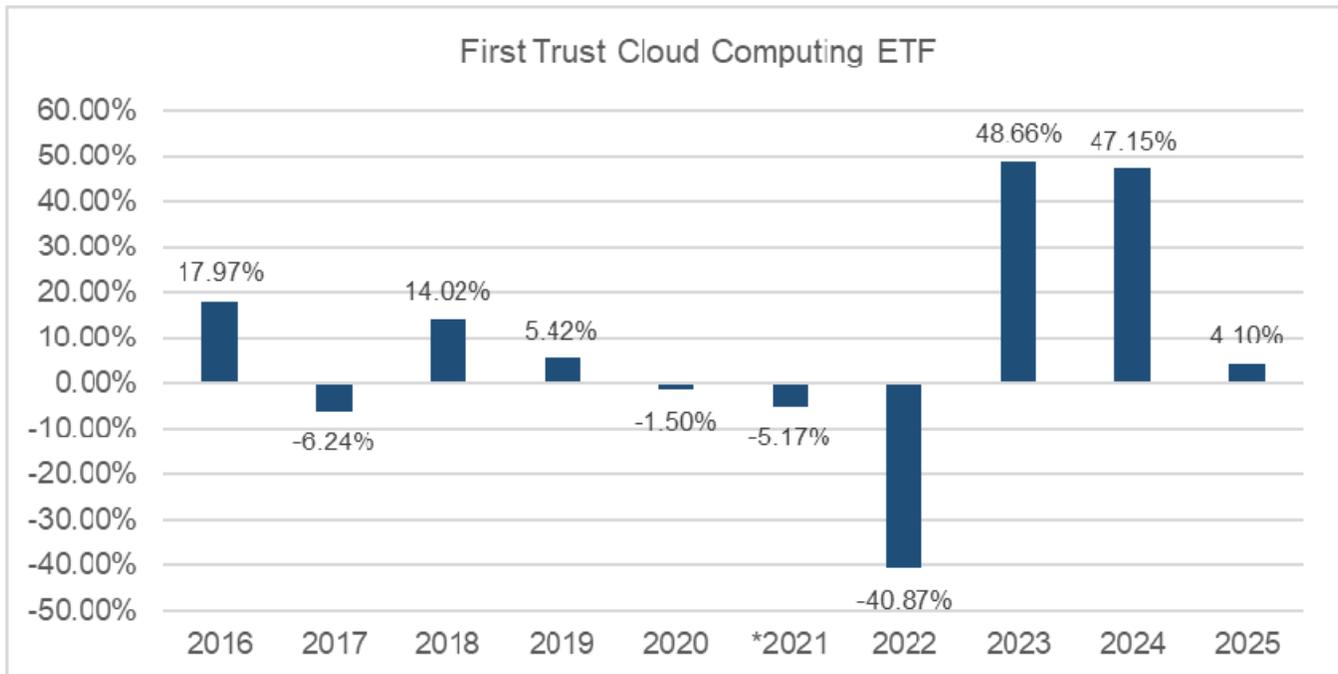
Past Performance

General

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



**For the years prior to February 17, 2021, represent returns for the First Trust ETF based on the First Trust ETF's investment objective prior to the change in investment objective which occurred on February 17, 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 years ended December 31, 2025. 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 Cloud Computing ETF	4.10%	31.56%	5.01%	5.28%	5.44%
S&P 500® Index	12.35%	23.48%	16.11%	14.67%	15.87%

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, 2025. 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 Cloud Computing ETF	99.99%
Cash and Cash Equivalents	0.02%
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, 2025.

Breakdown	% of ETF Total Net Asset Value
Exchange-Traded Fund	99.99%
Cash and Cash Equivalents	0.02%
Other Assets, Less Liabilities	-0.01%
Total	100.00%

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