



First Trust JFL Global Equity ETF • FJFG

Annual Management Report of Fund Performance
December 31, 2025

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2025

First Trust JFL Global Equity 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.

First Trust JFL Global Equity ETF

Management Report of Fund Performance

For the year ended December 31, 2025

Investment Objective and Strategy

The fundamental investment objective of **First Trust JFL Global Equity ETF** (the “First Trust ETF”) is to provide unitholders with capital appreciation by investing primarily in equity securities of large multinational companies that have demonstrated global leadership in their industry. The Sub-Advisor will primarily target international companies that benefit from exposure to economies typically growing at a rate higher than the global gross domestic product (GDP). Emphasis will be on non-cyclical companies that have a competitive advantage in their industry. The First Trust ETF will not invest more than 20% of its net assets in securities of issuers located in emerging 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 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, 2025, was \$5,221,768 or \$29.84 per unit. The First Trust ETF’s net asset value as of December 31, 2024, was \$4,966,148 or \$28.38 per unit.

For the year ended December 31, 2025, the First Trust ETF paid total cash distributions of \$0.1000 per unit. In addition, the First Trust ETF made a notional distribution per unit of \$0.7400 for the year ended December 31, 2025. This amount was reinvested in the First Trust ETF and not paid in cash to unitholders.

Investment Performance

For the year ended December 31, 2025, the First Trust ETF returned 5.48% compared to MSCI ACWI Index Net Total Return Index CAD (the “benchmark”) total return of 16.60%. Unlike the benchmark, the First Trust ETF’s return is net of fees and expenses.

During the first quarter, the First Trust ETF underperformed the benchmark. Stock selection was a drag in Financials, Industrials (+2.5%), and Communication Services, while the portfolio’s sector underweight in Information Technology and Consumer Discretionary contributed positively, along with the overweight positioning in Financials and Health Care (+5.4%).

Top individual contributors included Nestlé (+22%), which reported better-than-expected sales growth and early progress in strategic cost-savings initiatives, improving investor sentiment after a challenging 2024. Air Liquide (+17%) also performed well after raising its medium-term margin targets alongside strong second-half results. In Health Care, Abbott Labs (+18%) rallied as investors recognized its strong growth and below-peer valuation.

Detractors were primarily in Information Technology and Communication Services, with Alphabet (-18%), Cadence Design (-15%), and Accenture (-11%) experiencing significant declines. Information Technology’s underperformance was mainly driven by increasing risk-aversion, concerns over high valuations, and broad market rotation.

The First Trust ETF underperformed the benchmark during the second quarter. Global equities rebounded strongly in the second quarter of 2025, with the MSCI World Index rising 5.7%, recovering from a weak start to the year. The portfolio participated in this recovery but underperformed the benchmark, mainly due to the underperformance in stock selection. The Health Care (-9.0%), Industrials (+9.1%), and Consumer Staples (-1.8%) sectors were the main detractors, while strong returns in the Information Technology (+16.8%) sector provided a meaningful offset. The portfolio’s lack of exposure to the Energy sector was a modest benefit, as energy stocks lagged during the quarter.

Several holdings contributed strongly to the quarter. Broadcom (+56%), a recent addition to the portfolio, posted a strong rally driven by robust demand for its AI and semiconductor solutions, along with positive investor response to its earnings and guidance. Taiwan Semiconductor (+30%) delivered strong returns, driven by heightened demand for advanced semiconductor chips, particularly those used in artificial intelligence and high-performance computing.

First Trust JFL Global Equity ETF Management Report of Fund Performance For the year ended December 31, 2025

Diploma (+27%), a UK-based industrial distributor, was driven by robust earnings and positive forward guidance, reflecting strong demand in its core markets. Interactive Brokers (+27%), was supported by solid trading volumes and continued growth in client accounts.

Health Care was a notable weak spot, with UnitedHealth (-43%) and Becton Dickinson (-28%) among the key individual detractors from performance. UnitedHealth declined after reporting higher-than-expected medical costs and providing cautious guidance for the remainder of the year. We believe UnitedHealth expanded too aggressively in recent years, and a combination of higher-than-expected health insurance claims and a more restrictive regulatory environment, caused the company to significantly lower its profit guidance for the year. However, given the rapid reporting and settlement of claims, the company's ability to reprice policies annually, and an industry-wide focus on restoring profitability, we believe UnitedHealth is well-positioned for a relatively quick recovery. Additionally, we view the numerous media allegations of widespread misconduct as unlikely to be proven true, considering the extensive oversight UnitedHealth has long faced from regulators such as the Centers for Medicare and Medicaid Services and the Department of Justice.

Becton Dickinson declined on disappointing earnings and slowing device demand. We believe the stock has been oversold to unjustifiably low valuation levels based on short-term growth fluctuations. In the near term, several potential catalysts could support a rebound: a natural easing of recent headwinds (such as pharmaceutical destocking and contract renegotiations in China), the sale of the Life Sciences division followed by a stock buyback, a possible CFO change (which would likely be well-received by investors), and, if performance fails to improve, the possibility of a proxy battle with an activist investor already involved in the stock. Over the long term, we view Becton Dickinson's assets as high quality and capable of delivering at least 4% revenue growth—an attractive proposition at 12x earnings, especially compared to the broader market at 22x. With greater organic and inorganic investment in R&D, we believe Becton Dickinson could achieve top-line growth of 5% or more, offering compelling value.

During the third quarter, the First Trust ETF posted gains but underperformed the benchmark. This relative underperformance can be attributed to several factors. First, index gains were concentrated in a small group of large technology stocks, which boosted overall returns but limited participation for portfolios not fully indexed to these names. Second, the market has favoured cyclical sectors – specifically Financials, Industrials, and Communication Services, while the portfolio's positioning has remained balanced across sectors. Third, a few longstanding holdings in Information Technology, Financials, and Materials underperformed expectations, weighing on cumulative results.

Stock selection in Communication Services was notably strong, partially offsetting sector headwinds. From a stock-specific basis, Q3 top contributors included Alphabet, which rallied on AI-driven advertising and cloud growth; Interactive Brokers, supported by record trading volumes; ASML and TSMC, which benefitted from sustained semiconductor demand; and IQVIA, which saw gains from its analytics and clinical solutions.

Q3's detractors included Fiserv, London Stock Exchange, Sika, and Accenture, all of which faced a mix of company-specific headwinds though each remains fundamentally well positioned in their respective industries for the longer term. In each case, we believe these pullbacks reflect short-term market and sector dynamics rather than structural changes to the businesses.

The portfolio underperformed the benchmark during the fourth quarter. For the full year, it posted gains but also underperformed the benchmark. The main headwind was our underweight in large-cap technology stocks, which dominated index returns. In addition, stock-specific weakness in Fiserv, weighed on results, detracting from relative performance. While the portfolio continued to lag in Q4, the improvement in market breadth helped reduce the extent of underperformance.

Contributors to performance were diversified across sectors and regions, even though overall index returns were highly concentrated. Consumer discretionary was a standout, with Inditex and LVMH delivering strong gains as luxury and fast fashion demand recovered. Consumer staples (+0.0%) remained weak globally, but our long-standing position in Nestlé still added positively over 2025. Early portfolio decisions, such as exiting Diageo, also helped limit downside in one of the weakest sectors. In Q4, Alphabet, LVMH, and Monster Beverage were notable winners:

First Trust JFL Global Equity ETF Management Report of Fund Performance For the year ended December 31, 2025

Alphabet rallied as concerns about its AI positioning eased and its Gemini model gained traction; LVMH benefitted from renewed strength in high-end spending; and Monster continued its consistent compounding, supported by resilient demand and strong pricing power.

AI was a central theme during the year, and the market increasingly drew a sharp line between perceived “AI winners” and “AI losers.” Within this context, ASML, TSMC, and Broadcom were among the portfolio’s top contributors in 2025, sitting at the core of the semiconductor and networking stacks required to power AI workloads. However, the portfolio also holds several companies that the market incorrectly categorizes as “AI losers”, such as Accenture and LSEG, because their revenues depend on regulated, mission-critical information or high-touch advisory work where accuracy, compliance and human judgment remain essential.

Detractors were more concentrated. Fiserv was a significant drag in Q4 and for the full year after new leadership lowered the company’s growth outlook and signaled heavy reinvestment – a strategic shift away from its steadier banking-software roots toward the more competitive payments markets. After more than two decades in the portfolio, we exited the position as the risk/return profile no longer justified ownership. Copart was another detractor this year, pressured as used-car prices and salvage volumes normalized from unusually strong post-pandemic levels. Oracle was a Q4 detractor after concerns grew about the pace and durability of its AI-driven growth, particularly given its high-profile exposure to OpenAI. Nevertheless, we believe the market is overly focused on short-term uncertainty: Oracle’s cloud infrastructure business continues to gain share, and with much of the AI optimism now priced out, the medium-term risk/reward remains attractive. UnitedHealth also weighed on full-year performance, as prior underpricing of its insurance products met a tougher regulatory and competitive backdrop. Nonetheless, the company continues to exhibit strong long-term fundamentals.

Recent Developments

Strong economic growth combined with slowing job creation suggests an acceleration in productivity, a trend likely to persist over the medium term. This dynamic should support higher profitability in emerging sectors and technology-driven industries, while requiring parts of the labor force to transition into new roles and sectors.

Slower job growth will remain a key consideration for the Federal Reserve. However, because this adjustment appears structural rather than cyclical, traditional rate cuts may have limited impact. With a new Fed chair expected in April, current market expectations point to roughly 50 basis points of cuts next year, less than most other major central banks, amid speculation that policy decisions could be shaped by both political and economic factors.

Equity markets delivered extraordinary performance in 2025, with returns well above their long-term trend. Current valuations remain elevated relative to historical norms, introducing a meaningful risk of correction should pricing revert toward those benchmarks. Leadership has been concentrated in cyclical sectors, while defensive segments have underperformed, a dynamic consistent with late-cycle behavior.

Despite these valuation considerations, underlying economic activity continues to exhibit resilience, and monetary policy remains broadly accommodative. Against this backdrop, we maintain a disciplined approach to portfolio construction, emphasizing valuation sensitivity and prudent risk management across allocations.

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.

First Trust JFL Global Equity ETF Management Report of Fund Performance For the year ended December 31, 2025

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 four years ended December 31, and for the period from commencement of operations to December 31, 2021. This information is derived from the First Trust ETF's unaudited interim and audited annual financial statements.

Net Asset Value per Unit

FJFG	2025	2024	2023	2022	2021 ^(a)
Net asset value, beginning of period/year ⁽¹⁾	\$28.38	\$23.88	\$19.44	\$22.99	\$20.00 ^(b)
Increase (Decrease) from operations:					
Total revenue	0.39	0.35	0.30	0.20	0.16
Total expenses	(0.33)	(0.30)	(0.26)	(0.27)	(0.24)
Realized gains (losses) for the period/year	0.71	0.91	0.33	0.29	0.09
Unrealized gains (losses) for the period/year	0.78	3.61	4.12	(6.32)	1.69
Total increase (decrease) from operations ⁽²⁾	\$ 1.55	\$4.57	\$4.49	\$(6.10)	\$1.70
Distributions:					
From income (excluding dividends)	(0.06)	(0.03)	(0.04)	-	-
From dividends	(0.01)	(0.01)	(0.01)	-	-
From capital gains	(0.74)	(0.78)	(0.24)	(0.12)	(0.02)
Return of capital	(0.02)	-	-	-	-
Total annual distributions ⁽³⁾	\$(0.83)	\$(0.82)	\$(0.29)	\$(0.12)	\$(0.02)
Net asset value, end of period/year ⁽⁴⁾	\$29.84	\$28.38	\$23.88	\$19.44	\$22.99

(a) December 31, 2021 does not relate to the full year as the First Trust ETF commenced operations on March 19, 2021.

(b) Seed capital

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

FJFG	2025	2024	2023	2022	2021
Net asset value (000's)	\$5,222	\$4,966	\$2,985	\$2,430	\$15,520
Number of units outstanding	175,000	175,000	125,000	125,000	675,000
Management expense ratio ⁽¹⁾	0.94%	0.95%	0.94%	0.98%	0.97%
Management expense ratio before waivers or absorption	0.95%	0.96%	0.96%	0.99%	0.99%
Trading expense ratio ⁽²⁾	0.04%	0.06%	0.05%	0.25%	0.27%
Portfolio turnover rate ⁽³⁾	22.60%	11.99%	20.83%	40.02%	10.66%

(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.

First Trust JFL Global Equity ETF

Management Report of Fund Performance

For the year ended December 31, 2025

Management Fees

The First Trust ETF will pay the Manager a management fee of 0.85% 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.

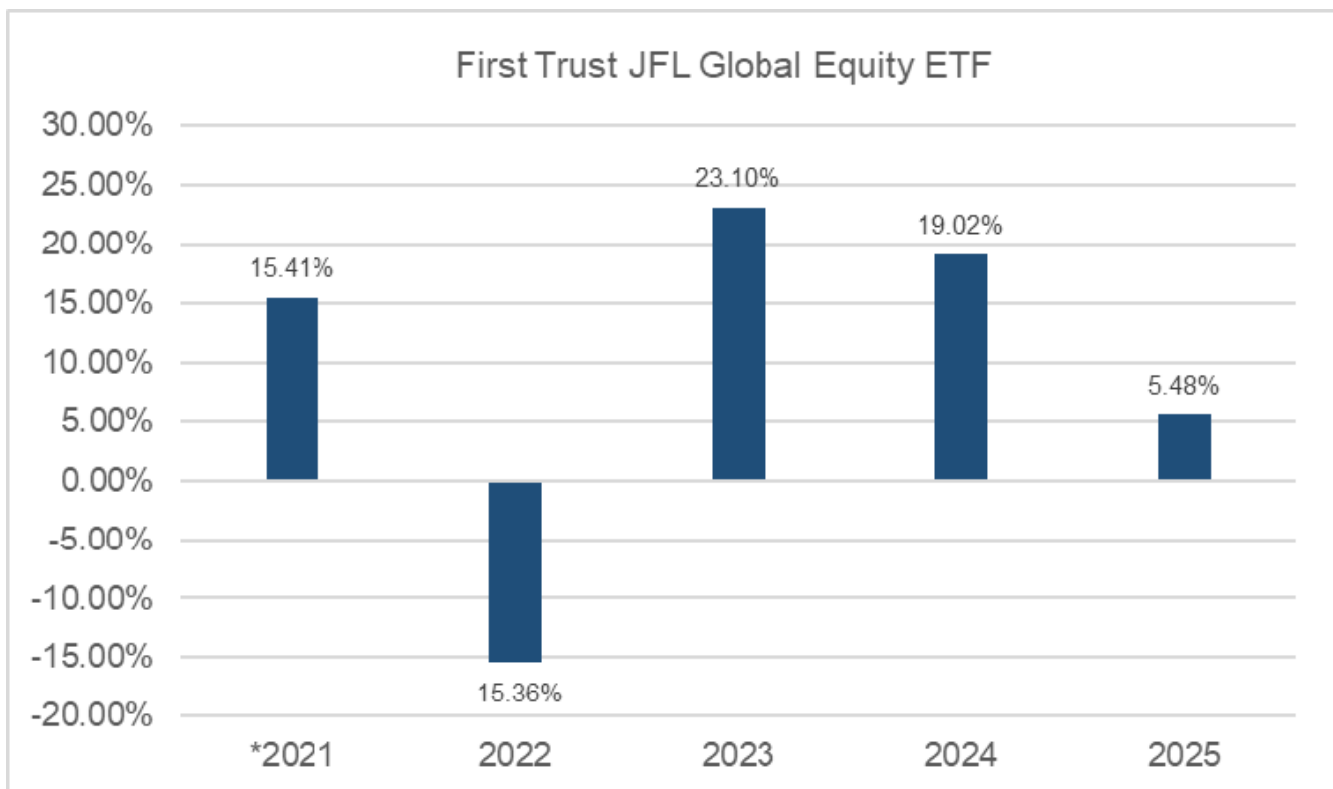
Past Performance

General

The past performance information shown assumes that all distributions made by the First Trust ETF in the period/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, 2021 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 19, 2021

First Trust JFL Global Equity ETF

Management Report of Fund Performance

For the year ended December 31, 2025

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 JFL Global Equity ETF	5.48%	15.61%	-	-	8.98%
MSCI ACWI Index	16.60%	21.12%	-	-	12.97%

MSCI ACWI Index - MSCI's flagship global equity index, is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 27 emerging markets. It covers more than 2,900 constituents across 11 sectors and approximately 85% of the free float-adjusted market capitalization in each market. The index is built using MSCI's Global Investable Market Index (GIMI) methodology, which is designed to take into account variations reflecting conditions across regions, marketcap sizes, sectors, style segments and combinations. Returns are shown in Net Total Return and in CAD.

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, 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.

Top 25 Holdings	% of ETF Total Net Asset Value
Microsoft Corp.	5.61%
Alphabet Inc., Class 'A'	4.82%
Amazon.com Inc.	4.49%
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	3.63%
Tencent Holdings Ltd.	3.38%
Mastercard Inc., Class 'A'	2.63%
Boston Scientific Corp.	2.58%
SAP SE	2.45%
AIA Group Ltd.	2.35%
Brookfield Corp., Class 'A'	2.29%
Interactive Brokers Group Inc., Class 'A'	2.29%
Broadcom Inc.	2.18%
HDFC Bank Ltd., ADR	2.08%
Meta Platforms Inc., Class 'A'	2.03%
UnitedHealth Group Inc.	2.03%
Apple Inc.	2.02%
Abbott Laboratories	1.96%
Ametek Inc.	1.94%
Haleon PLC	1.92%
Monster Beverage Corp.	1.91%
Keyence Corp.	1.90%
LVMH Moët Hennessy Louis Vuitton SE	1.89%
Nestlé SA, Registered	1.89%
Danaher Corp.	1.81%
PepsiCo Inc.	1.70%
Total	63.78%

**First Trust JFL Global Equity ETF
Management Report of Fund Performance
For the year ended December 31, 2025**

Portfolio Breakdown

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's portfolio, by sector, as at December 31, 2025.

Sector Weightings	% of ETF Total Net Asset Value
Information Technology	26.99%
Financials	16.38%
Health Care	13.90%
Industrials	12.68%
Consumer Discretionary	9.72%
Consumer Staples	7.43%
Communication Services	6.85%
Materials	2.82%
Utilities	1.14%
Cash and Cash Equivalents	2.10%
Other Assets, Less Liabilities	-0.01%
Total	100.00%

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, 2025.

Country Weightings	% of ETF Total Net Asset Value
United States	52.67%
United Kingdom	7.65%
France	6.17%
China	4.36%
Canada	3.85%
Taiwan	3.63%
Japan	3.29%
Switzerland	2.80%
Germany	2.45%
Hong Kong	2.35%
India	2.08%
Ireland	1.69%
Spain	1.66%
Sweden	1.64%
Netherlands	1.62%
Total	97.91%

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