



First Trust International Capital Strength ETF • FINT

Annual Management Report of Fund Performance
December 31, 2024

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2024

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.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 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.

The First Trust ETF uses a multi-step quantitative selection process to identify its investible universe of securities, and fundamental analysis to make final portfolio selections. The selection process, described below, is designed to identify issuers that have certain objectives and easily determinable attributes that, in the portfolio advisor's opinion, makes them capital strength issuers.

The first step in the portfolio advisor's selection process is to identify the universe of securities from which the portfolio advisor will select the portfolio. The portfolio advisor begins by selecting securities of issuers that, primarily, are traded on global exchanges or markets, excluding United States and Canadian securities.

Next, the portfolio advisor evaluates issuers based on multiple quantitative metrics, including, but not limited to, market capitalization, cash on hand, return on equity and long-term debt to market value of equity. These factors are designed to identify those issuers which exhibit strong fundamental characteristics at the time of purchase and to eliminate those that do not meet the investment criteria.

After establishing the investment universe, the portfolio advisor examines other factors, including valuation and future growth prospects, to determine securities it may purchase for the First Trust ETF. The portfolio advisor then uses fundamental analysis to select securities that meet the First Trust ETF's investment objectives, trade at attractive valuations and in the opinion of the portfolio advisor, are likely to exceed market expectations of future cash flows.

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 \$11,769,630 or \$26.15 per unit. The First Trust ETF's net asset value as of December 31, 2023, was \$6,279,441 or \$25.12 per unit.

For the year ended December 31, 2024, the First Trust ETF paid total cash distributions of \$0.2900 per unit. In addition, the First Trust ETF declared cash distributions of \$0.0830 per unit for record date of December 31, 2024 with payment date of January 8, 2025.

Investment Performance

For the year ended December 31, 2024, the First Trust ETF returned 5.61% compared to MSCI EAFE Index (the "benchmark") return of 13.24%. Unlike the benchmark, the First Trust ETF's return is net of fees and expenses.

The First Trust ETF underperformed the benchmark for the year. Overall, allocation effect was positive while selection effect was a negative contributor to relative performance. Selections within the Financials and Industrials sectors, an underweight allocation to the Materials sector, and an underweight allocation to the Utilities sector were the largest positive contributors to relative performance. Negative contributions to relative performance came from stock

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selections within the Information Technology, Energy, and Health Care sectors as well as an underweight allocation to the Financials sector.

The top-performing stocks by total return for the year were SAP SE, Sampo Holdings, Inc., and Schneider Electric SE. These stocks returned 75.37%, 38.98%, and 37.53%, respectively. The bottom-performing stocks by total return for the year were JD Sports Fashion Plc, Nestle Corporation, and Samsung Electronics Co., Ltd. These stocks returned -31.02%, -29.04%, and -24.92%, respectively.

The First Trust ETF held 40 equity positions for the year ended December 31, 2024, and made no net change to the number of positions from the beginning of the year. Portfolio changes were made in January 2024 (seven positions added, seven positions eliminated), April 2024 (six positions added, six positions eliminated), August 2024 (four positions added, four positions eliminated), and October (five positions added, five positions eliminated).

The top ten equity holdings of the First Trust ETF as of December 31, 2024 accounted for 28.62% of total NAV and the top ten equity holdings of the First Trust ETF as of December 31, 2023 accounted for 28.46% of total NAV. Information Technology, Industrials, and Consumer Discretionary (in order) were the top three sector weightings at the end of the year, and Information Technology, Consumer Discretionary, and Health Care (in order) were the top three sector weightings at the beginning of the year. Relative to its benchmark over the year, the First Trust ETF was overweight the Communication Services, Consumer Discretionary, Health Care, Industrials, Information Technology, and Real Estate sectors and underweight the Consumer Staples, Energy, Financials, Materials and Utilities sectors. The sector weighting of the First Trust ETF changed somewhat over the reporting year, primarily as the result of our bottom-up, multi-step quantitative and fundamental stock selection strategy.

Portfolio changes were made in January, April, August, and October, though there was no net change to the total number of portfolio positions over the year. In January, two positions, Brenntag SE and JD Sports Fashion Plc, were eliminated for failing to meet the initial screening criteria, while five positions, Carlsberg A/S, Equinor ASA, STMicroelectronics N.V., Thales S.A. and Zurich Insurance Group AG were removed at the portfolio manager's discretion. Seven positions, Andritz AG, BHP Group Limited, GSK plc, Industria de Diseño Textil, S.A., Intermediate Capital Group plc, Renesas Electronics Corporation, and Siemens Aktiengesellschaft were established in place of them. In April, three positions, Mercedes-Benz Group AG, Keyence Corporation, and Straumann Holding AG were eliminated for failing to meet the initial screening criteria, while three positions, BHP Group Limited, Roche Holding AG, and Neste Oyj were removed at the portfolio manager's discretion. Six positions, Adyen N.V., Atlas Copco AB, DBS Group Holdings Ltd, Novartis AG, Sampo Holdings, Inc., and Tenaris S.A. were established in place of them. In August, four positions, Renesas Electronics Corp, Tenaris SA, Diageo PLC, and Yamaha Motor Co Ltd., were removed at the portfolio manager's discretion. Four positions, Computershare Ltd., Roche Holding AG, Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen, and Unilever PLC, were established in place of them. In October, three positions, Glencore PLC, Samsung Electronics Co Ltd., and KDDI Corp were eliminated for failing to meet the initial screening criteria, while two positions, GSK PLC and Nestle SA, were removed at the portfolio manager's discretion. Five positions, Capcom Co Ltd., Publicis Groupe SA, Konecranes Oyj, Recruit Holdings Co Ltd., and Advantest Corp, were established in place of them.

Recent Developments

Global financial conditions have improved in 2024, as the global economy continues to demonstrate resiliency following the COVID-19 pandemic, extreme weather events, and a number of geopolitical conflicts. Disinflation has occurred for many countries, as inflation is approaching central bank targets as a result of tighter monetary policy decisions. According to the International Monetary Fund ("the IMF"), headline inflation rates are projected to reach 3.5% by the end of 2025, below the average of 3.6% between 2000 and 2019. While the global battle against inflation appears to have been won, there are still significant downside risks to the global economy affecting the overall outlook. Continued escalation in regional conflicts, the potential for monetary policy to remain too high for too long, and sovereign debt stress intensifying could hamper growth moving forward. The IMF now expects global growth to remain broadly flat – decelerating from 3.3% in 2023 to 3.1% by 2029. Vigilance will prove key for many central banks and their policy decisions as they remain committed in their efforts to restore price stability and keep inflation under control. The Bank of Japan ("the BOJ") met eight times in 2024, raising their short-term policy rate twice from -0.10%

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to a target of 0.25%. The first rate hike, which occurred in March, marked the first time in 17 years that the BOJ has raised their policy rate. The European Central Bank (“the ECB”) also met eight times in 2024, cutting interest rates by 0.25% at four of their meetings. The deposit facility rate – the rate through which ECB’s Governing Council steers the monetary policy stance - began the year at 4.00% and ended the year at 3.00% as the Governing Council believes that inflation has come under control enough to loosen their policy stance. After holding the Bank Rate - the most important interest rate in the UK - steady through the first four meetings of the year, the Bank of England Monetary Policy Committee (“the MPC”) lowered the Bank Rate by 0.25% in both August and November. The Bank Rate ended the year at 4.75% and the MPC has stated that monetary policy will remain restrictive for sufficiently long until the risks to inflation returning to the 2% target have dissipated further.

The benchmark returned 13.24% in 2024 after returning 15.07% in 2023. Nine of the eleven GICS sectors posted positive returns, while Materials and Energy were the only sectors to finish the year with a negative return. The largest positive contributors to total return were the Financials, Industrials, and Consumer Discretionary sectors, which make up approximately 48.67% of the benchmark. By country, Japan, United Kingdom, and Germany (46.11% of the benchmark) were the largest positive contributors, accounting for more than half of the benchmark’s total return. Canada, Denmark, and Portugal were the largest drags on overall performance and were the only countries within the benchmark with a negative return.

We continue to find attractive long-term 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, excluding the United States and Canada.

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

FINT	2024	2023	2022	2021	2020
Net asset value, beginning of year ⁽¹⁾	\$25.12	\$22.76	\$27.08	\$24.09	\$20.71
Increase (Decrease) from operations:					
Total revenue	0.64	0.82	0.90	0.79	0.46
Total expenses	(0.35)	(0.31)	(0.28)	(0.32)	(0.27)
Realized gains (losses) for the year	(0.38)	0.43	(2.86)	2.38	0.81
Unrealized gains (losses) for the year	1.10	1.96	(2.17)	(0.02)	3.76
Total increase (decrease) from operations ⁽²⁾	\$1.01	\$2.90	\$(4.41)	\$2.83	\$4.76
Distributions:					
From income (excluding dividends)	(0.37)	(0.42)	(0.29)	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	(1.14)
Return of capital	-	(0.08)	-	-	(0.06)
Total annual distributions ⁽³⁾	\$(0.37)	\$(0.50)	\$(0.29)	\$ -	\$(1.20)
Net asset value, end of year ⁽⁴⁾	\$26.15	\$25.12	\$22.76	\$27.08	\$24.09

(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

FINT	2024	2023	2022	2021	2020
Net asset value (000's)	\$11,770	\$6,279	\$6,828	\$9,477	\$6,023
Number of units outstanding	450,000	250,000	300,000	350,000	250,000
Management expense ratio ⁽¹⁾	0.74%	0.75%	0.74%	0.74%	0.75%
Management expense ratio before waivers or absorption	0.75%	0.76%	0.76%	0.76%	0.78%
Trading expense ratio ⁽²⁾	0.22%	0.10%	0.15%	0.21%	0.33%
Portfolio turnover rate ⁽³⁾	66.72%	45.00%	61.18%	65.09%	55.67%

(1) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year 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.

(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 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 0.70% 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.

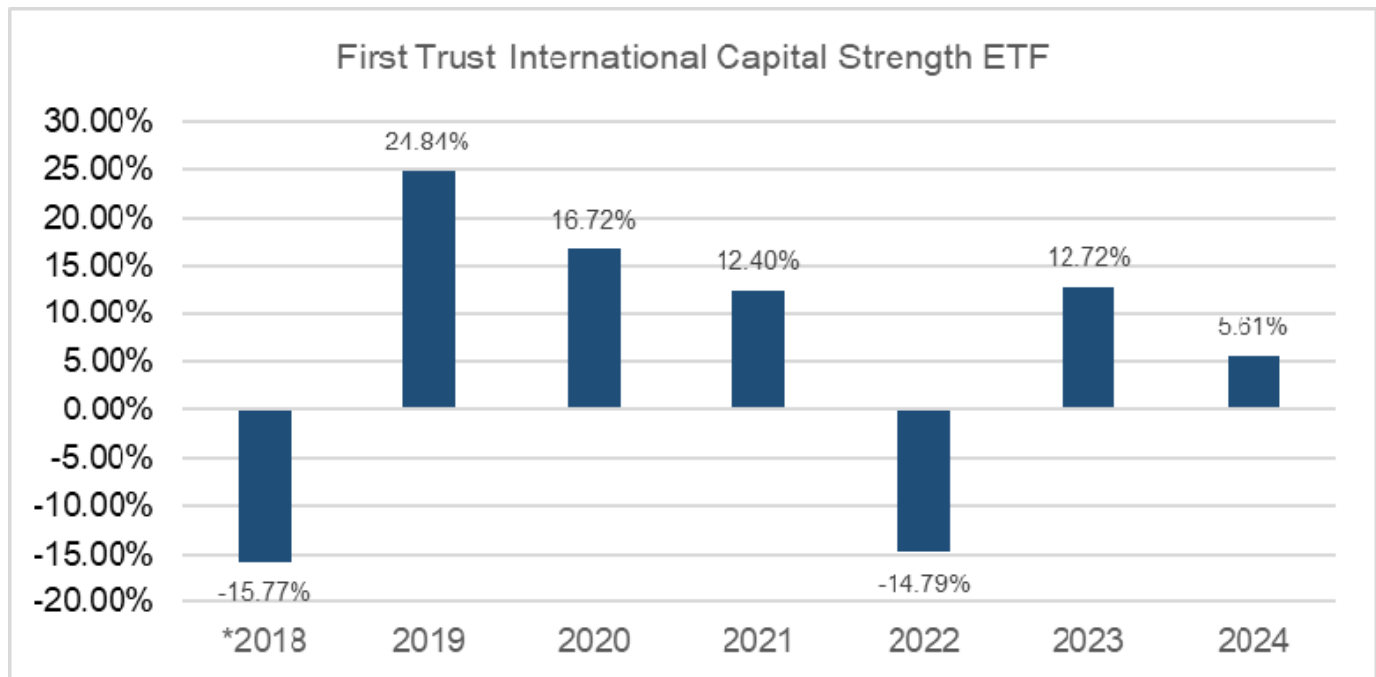
Past Performance

General

The past performance information shown assumes that all distributions made by the First Trust ETF in the period/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: May 17, 2018

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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 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 International Capital Strength ETF	5.61%	0.47%	5.88%	-	5.20%
MSCI EAFE Index	13.24%	6.14%	6.92%	-	6.03%

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.

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, 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.

Top 25 Holdings	% of ETF Total Net Asset Value
SOMPO Holdings Inc.	3.10%
Sony Group Corp.	3.10%
Computershare Ltd.	3.07%
Recruit Holdings Co. Ltd.	3.03%
Nintendo Co. Ltd.	2.88%
Capcom Co. Ltd.	2.80%
DBS Group Holdings Ltd.	2.78%
SAP SE	2.63%
Tokyo Electron Ltd.	2.63%
ASML Holding NV	2.60%
Daito Trust Construction Co. Ltd.	2.59%
Infineon Technologies AG	2.58%
Advantest Corp.	2.57%
Publicis Groupe	2.53%
Kia Corp.	2.52%
LVMH Moët Hennessy Louis Vuitton SE	2.50%
Siemens AG, Registered	2.50%
Muenchener Rueckversicherungs-Gesellschaft AG, Registered	2.49%
Deutsche Boerse AG	2.47%
Adyen NV	2.47%
ABB Ltd., Registered	2.45%
Schneider Electric SE	2.41%
Chugai Pharmaceutical Co. Ltd.	2.39%
Volvo AB, Series 'B'	2.39%
CSL Ltd.	2.37%
Total	65.85%

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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.

Sector Weightings	% of ETF Total Net Asset Value
Information Technology	24.08%
Industrials	16.40%
Consumer Discretionary	16.07%
Health Care	15.88%
Financials	12.57%
Communication Services	5.55%
Consumer Staples	4.69%
Materials	2.29%
Energy	2.21%
Cash and Cash Equivalents	0.24%
Other Assets, Less Liabilities	0.02%
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, 2024.

Country Weightings	% of ETF Total Net Asset Value
Japan	25.09%
United Kingdom	13.86%
Germany	12.67%
France	11.97%
Switzerland	6.94%
Australia	5.44%
Netherlands	5.07%
Sweden	4.74%
Singapore	2.78%
South Korea	2.52%
Finland	2.32%
Spain	2.26%
Austria	2.13%
Denmark	1.95%
Total	99.74%

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