



First Trust Global Risk Managed Income Index ETF
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Annual Management Report of Fund Performance
December 31, 2022

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2022

First Trust Global Risk Managed Income Index 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.

First Trust Global Risk Managed Income Index ETF

Management Report of Fund Performance

For the year ended December 31, 2022

Background

As of February 28, 2022, **First Trust Global Risk Managed Income Index ETF** (the “First Trust ETF”) no longer offered Advisor Class Units (“ETP.A”) and FT Portfolios Canada Co. (the “Manager”) successfully redesignated ETP.A to Common Units (“ETP”) of the First Trust ETF providing unitholders with a lower cost solution going forward.

Investment Objective and Strategy

The fundamental investment objective of the First Trust ETF is to replicate, to the extent possible, the performance of the NASDAQ Global Risk Managed Income IndexSM (the “Index”), net of expenses.

The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the Index in the same proportion as they are reflected in the Index or securities intended to replicate the performance of such Index. The First Trust ETF may also hold cash and cash equivalents or other money market instruments to fund current liabilities.

The Index seeks to provide exposure to a risk managed, globally diversified income portfolio which generates a high yield for the risk taken and consists of liquid, income-bearing ETFs and other exchange traded products across various asset classes.

The Manager may use a sampling methodology in selecting investments for the First Trust ETF. As an alternative or in conjunction with investing in and holding constituent securities, the First Trust ETF may also invest in other securities to obtain exposure to the constituent securities of the applicable Index in a manner that is consistent with the investment objective and investment strategy of the First Trust ETF.

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 total net asset value as of December 31, 2022 was \$18,670,188 or \$16.22 per unit. The First Trust ETF’s total net asset value as of December 31, 2021 was \$26,686,112 or \$19.05 per ETP and \$19.25 per ETP.A. As of February 28, 2022, the First Trust ETF no longer offered ETP.A and the Manager successfully redesignated ETP.A to ETP of the First Trust ETF.

For the year ended December 31, 2022, the First Trust ETF paid total cash distributions per unit of \$0.5300 for ETP and \$0.0750 for ETP.A. In addition, ETP declared cash distributions of \$0.0425 per unit for record date of December 30, 2022 with payment date of January 9, 2023.

Investment Performance

For the year ended December 31, 2022, the First Trust ETF returned -12.21% compared to the Index return of -11.60%. Unlike the Index, the First Trust ETF’s returns are net of fees and expenses.

The return in the first half of 2022 was -10.03% for the First Trust ETF and -9.72% for the Index. Performance was more challenged in the first half of the year, before stabilizing to some degree in the second half of 2022.

The year 2022 proved to be volatile. As a multi-asset strategy, the First Trust ETF maintained exposure to a mix of asset classes, from the safer U.S. Treasuries and Investment Grade fixed income to the more growth-oriented High-Yield fixed income and equities ETFs. The combined asset class exposure to more growth-oriented mandates in High-Yield fixed income and equities ended up to be around 59% of the fund throughout the second half of 2022. These assets experienced more downward pressure in late September when the market panicked about the slowing down economy and a (still) hawkish Fed.

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Index Positions and Sector Performances as of December 31, 2022:

Symbol	Company Name	BY ASSET CLASS		BY CREDIT RATING			BY GEOGRAPHY				As Of 2022-12-31			
		Equity	Bond	Rate	Credit	HY	Equity	Canada	U.S.	Int'l	Global	Weight	Yield	GM Chg
CPD	iShares S&P/TSX Canadian Preferred Share Index ETF		Y			Y		Y				11.0%	5.59	-10.3%
ZPR	BMO Laddered Preferred Share Index ETF		Y			Y		Y				1.8%	5.96	0.0%
XCB	iShares DEX All Corporate Bond Index ETF		Y		Y			Y				6.7%	3.62	1.8%
XGB	iShares DEX all Government Bond Index ETF		Y	Y				Y				3.7%	2.80	0.4%
CVD	iShares Convertible Bond Index ETF Trust Units		Y			Y		Y				13.1%	5.19	0.6%
XLB	iShares Core Canadian Long Term Bond Index ETF		Y	Y				Y				2.8%	3.94	0.4%
HBB	Horizons CDN Select Universe Bond ETF		Y	Y				Y				1.5%	2.95	0.9%
VSB	Vanguard Canadian Short-Term Bond Index ETF		Y	Y				Y				3.2%	1.63	0.4%
ZFM	BMO Mid Federal Bond Index ETF		Y	Y				Y				1.0%	2.36	0.0%
ZHY	BMO High Yield US Corporate Bond Hedged To CAD ETF		Y		Y				Y			8.6%	6.71	3.2%
ZIC	BMO Mid-Term US IG Corporate Bond Index ETF CAD		Y		Y				Y			7.5%	3.94	3.5%
ZCM	BMO Mid Corporate Bond Index ETF		Y		Y			Y				1.0%	3.81	0.0%
CLF	iShares 1-5 Year Laddered Government Bond Index ETF CAD		Y	Y				Y				4.7%	2.22	0.1%
ZEF	BMO Emerging Markets Bond Hedged to CAD Index ETF		Y			Y			Y			8.3%	4.61	-0.7%
ZUT	BMO Equal Weight Utilities Index ETF	Y					Y					2.4%	4.02	-11.1%
ZRE	BMO Equal Weight REIT's Index ETF	Y					Y					1.7%	5.46	-0.9%
XFN	iShares S&P/TSX Capped Financials Index ETF	Y					Y					2.4%	3.52	1.7%
XEI	iShares Core S&P/TSX Composite High Dividend Index ETF	Y					Y					2.4%	6.66	-0.7%
VDY	Vanguard FTSE Canadian High Dividend Yield Index ETF	Y					Y					4.3%	4.31	0.3%
VGG	Vanguard US Dividend Appreciation Index ETF	Y							Y			3.3%	1.74	12.4%
CGR	iShares Global Real Estate Index ETF	Y								Y		1.0%	1.34	-3.8%
CYH	iShares Global Monthly Dividend Index ETF	Y								Y		7.5%	7.73	3.0%
NQGRMIC	NASDAQ Global Risk Managed Income CAD Index	25%	75%	17%	24%	34%	25%	64%	19%	8%	8%	100%	4.65	-2.1%
XBB	iShare Core Canadian Universe Bond Index ETF		Y	Y	Y			Y				100%	2.95	0.8%

Source: Bloomberg and Nasdaq

Rate: a fixed income product that is dominated by the government bond holdings

Credit: corporate bond focused that are usually for those rated as investment graded

HY: High Yield (junk) bonds, which also include preferred and emerging market bonds.

Index Allocation Changes from June 30, 2022 to December 31, 2022:

NQGRMIC (ETP) Allocation	BY ASSET CLASS		BY CREDIT RATING			BY GEOGRAPHY				
	Equity	Bond	Rate	Credit	HY	Equity	Canada	U.S.	EM	Global
Mid of the Year (Jun. 30, 2022)	29%	71%	24%	17%	30%	29%	71%	13%	9%	7%
End of the Year (Dec. 31, 2022)	25%	75%	17%	24%	34%	25%	64%	19%	8%	9%
Allocation Change	-4%	4%	-7%	7%	4%	-4%	-7%	6%	-1%	2%

Source: Nasdaq

The Index is evaluated by Newfound's proprietary, dynamic and volatility-adjusted momentum model to allocate more weights to index securities with a higher yield-to-risk profile and positive price momentum.

Based on the model, the current Index, as measured by the aggregated portfolio weights at the end of year 2022, holds 75% in fixed income, increased from the 71% in the middle of the year. However, this allocation increase in fixed income assets shouldn't be interpreted as the model's risk-off view for seeking more protection, but rather a more tactical movement to explore the opportunities in the favored yield-to-risk categories. The proof is that the model has cut exposure in both interest rate and equity sector ETFs by -7% and -4% respectively, and added them to Credit (investment grade) and High Yield sectors with average better yield-to-risk scores.

On the single security (ETF) level, the most significant shift is to reduce the exposure in iShares 1-5 Year Laddered Government Bond Index ETF CAD (CLF) from 12.5% to 4.7%, and reallocate to BMO Mid-Term US IG Corporate Bond Index ETF CAD (ZIC) and iShares DEX All Corporate Bond Index ETF (XCB), both are Credit ETFs. The model also reduced roughly half of the exposures in BMO Equal Weight Utilities Index ETF (ZUT) and iShares Core S&P/TSX Composite High Dividend Index ETF (XEI), both are Canadian Equities, and reallocate to High Yield ETFs such as iShares S&P/TSX Canadian Preferred Share Index ETF (CPD) and BMO Laddered Preferred Share Index ETF (ZPR).

Recent Developments

Investors are welcoming the good news of softening inflation. The current U.S. CPI number fell to 6.5% from the mid-year high of 9.1%, a significant reduction of 2.6%. The core U.S. CPI number, after removing the more cyclical food

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and energy prices, also fell from 6.6% to 5.7%, a reduction of 0.9%. The U.S. ISM Manufacturing PMI index also fell to under 50, indicating the deteriorating trend in manufacturing and service sectors. Although it might not be good news for the U.S. economy, historically speaking, it is warmly welcomed by investors this time, because it helps put continuous pressure on commodity prices and raise the expectation that the U.S. Federal Reserve will pause their interest rate hiking program as early as the end of 2023. Indeed, the U.S. Federal Reserve also acknowledges these developments, and believes they are positioned in the right direction in the fight to stabilize prices from inflation. Several U.S. Federal Reserve policy makers have even expressed support for a possible slowdown of interest rate hikes in the coming FOMC meetings, but, we have to be cautiously optimistic because we believe that the U.S. Federal Reserve's strategy is to maintain a level of higher nominal interest rates, such as north of 5%, for quite some time and to continue putting downward pressure on inflation. The plateau of the high policy rates may suggest that the price-to-earnings multiplier adjustment that equity markets have experienced during the last year would likely not be overturned in the short-term. And the low readings in U.S. PMI may suggest that companies need to seriously adjust their earning guidance downwards which is just beginning to happen. Overall, the current stock rally we have observed over the last few months of the year may be short lived.

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

Net Asset Value per Unit

ETP	Dec. 31, 2022 ^(a)	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Net asset value, beginning of year ⁽¹⁾	\$19.05	\$18.24	\$19.11	\$17.90	\$19.42
Increase (Decrease) from operations:					
Total revenue	0.61	0.61	0.68	0.79	0.67
Total expenses	(0.12)	(0.09)	(0.10)	(0.09)	(0.10)
Realized gains (losses) for the year	(0.18)	0.20	(1.08)	(0.11)	(0.45)
Unrealized gains (losses) for the year	(2.64)	0.64	0.14	1.34	(0.79)
Total increase (decrease) from operations ⁽²⁾	\$(2.33)	\$1.36	\$(0.36)	\$1.93	\$(0.67)
Distributions:					
From income (excluding dividends)	(0.33)	(0.35)	(0.42)	(0.49)	(0.43)
From dividends	(0.18)	(0.18)	(0.17)	(0.16)	(0.19)
From capital gains	-	(0.02)	-	-	-
Return of capital	(0.02)	-	(0.10)	(0.07)	(0.15)
Total annual distributions ⁽³⁾	\$(0.53)	\$(0.55)	\$(0.69)	\$(0.72)	\$(0.77)
Net asset value, end of year ⁽⁴⁾	\$16.22	\$19.05	\$18.24	\$19.11	\$17.90

(a) As of February 28, 2022, the First Trust ETF no longer offered ETP.A and the Manager successfully redesignated ETP.A to ETP of the First Trust ETF.

(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.

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Ratios and Supplemental Data

ETP	Dec. 31, 2022 ^(a)	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Net asset value (000's)	\$18,670	\$25,458	\$22,552	\$26,486	\$24,818
Number of units outstanding	1,150,811	1,336,214	1,236,214	1,386,214	1,386,214
Management expense ratio ⁽¹⁾	1.01%	0.93%	0.94%	0.91%	0.98%
Management expense ratio before waivers or absorption	1.21%	1.14%	1.15%	1.12%	1.18%
Trading expense ratio ⁽²⁾	0.14%	0.07%	0.12%	0.08%	0.10%
Portfolio turnover rate ⁽³⁾	106.67%	36.93%	108.97%	75.07%	86.44%

(a) As of February 28, 2022, the First Trust ETF no longer offered ETP.A and the Manager successfully redesignated ETP.A to ETP of the First Trust ETF.

(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 any 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 any 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.

Management Fees

The First Trust ETF will pay the Manager a management fee of 0.60% 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 currently pays the Manager a management fee equal to 0.41%.

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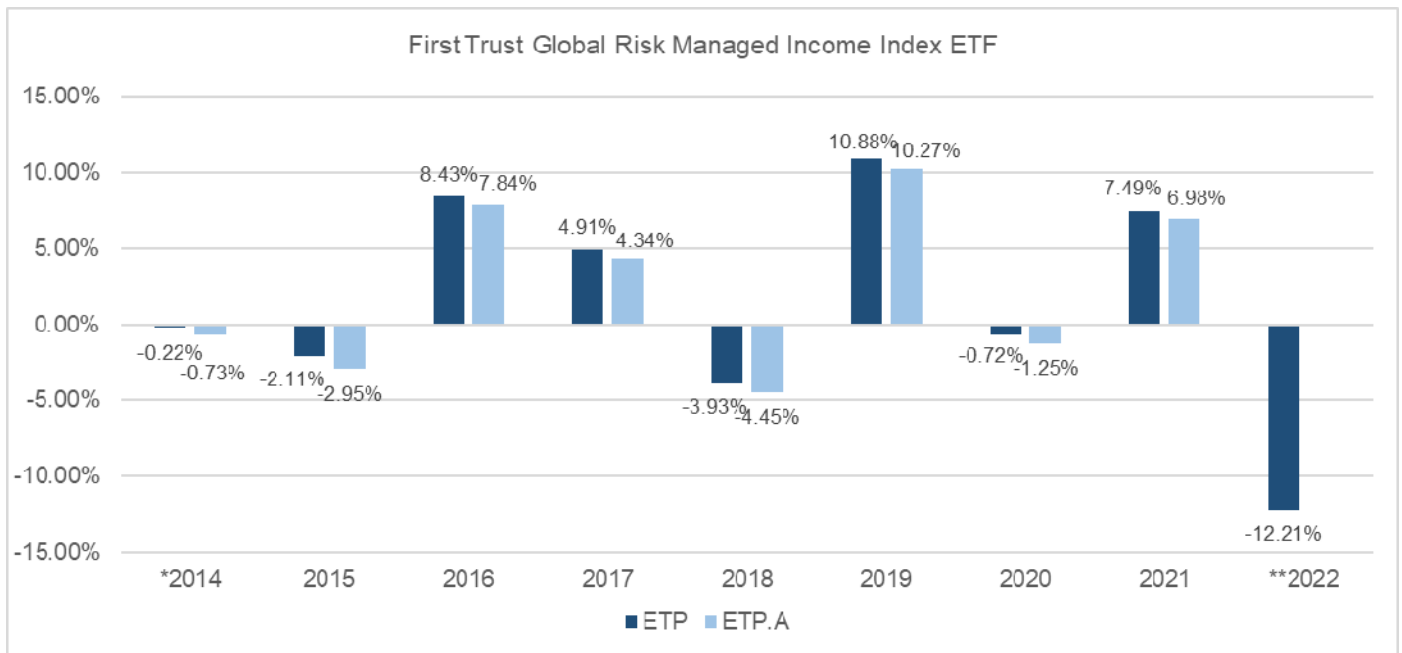
Past Performance

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: July 23, 2014

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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, 2022. The annual compound return is compared to the returns of the reference index; 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 index.

Returns	1-year	3-year	5-year	10-year	Since Inception
First Trust Global Risk Managed Income Index ETF	-12.21%	-2.15%	-0.04%	-	1.23%
NASDAQ Global Risk Managed Income Index SM	-11.60%	-1.55%	0.54%	-	1.81%

NASDAQ Global Risk Managed Income IndexSM is a rules-based, quantitatively enabled index which is designed to provide risk managed, globally diversified exposure to income generating asset classes to produce a high yield for the risk taken. The index consists of liquid, income-bearing exchange-traded funds ("ETFs") and other exchange traded products across various asset classes to gain the diversified, risk managed exposure.

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, 2022. 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
iShares Convertible Bond Index ETF (CAD - Hedged)	13.09%
iShares S&P/TSX Canadian Preferred Share Index ETF	10.95%
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	8.59%
BMO Emerging Markets Bond Hedged to CAD Index ETF	8.32%
iShares Global Monthly Dividend Index ETF (CAD-Hedged)	7.47%
BMO Mid-Term US IG Corporate Bond Index ETF	7.46%
iShares Canadian Corporate Bond Index ETF	6.70%
iShares 1-5 Year Laddered Government Bond Index ETF	4.72%
Vanguard FTSE Canadian High Dividend Yield Index ETF	4.30%
iShares Canadian Government Bond Index ETF	3.70%
Vanguard U.S. Dividend Appreciation Index ETF	3.26%
Vanguard Canadian Short-Term Bond Index ETF	3.21%
iShares Core Canadian Long Term Bond Index ETF	2.83%
BMO Equal Weight Utilities Index ETF	2.44%
iShares Core S&P / TSX Composite High Dividend Index ETF	2.43%
iShares S&P/TSX Capped Financials Index ETF	2.39%
BMO Laddered Preferred Share Index ETF	1.78%
BMO Equal Weight REITs Index ETF	1.71%
Horizons Cdn Select Universe Bond ETF	1.48%
iShares Global Real Estate Index ETF	1.01%
BMO Mid Corporate Bond Index ETF	0.99%
BMO Mid Federal Bond Index ETF	0.99%
Cash and Cash Equivalents	0.04%
Other Assets, Less Liabilities	0.14%
Total	100.00%

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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, 2022.

Sector Weightings	% of ETF Total Net Asset Value
Exchange-Traded Funds	99.82%
Cash and Cash Equivalents	0.04%
Other Assets, Less Liabilities	0.14%
Total	100.00%

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