



First Trust International Capital Strength ETF • FINT

Annual Management Report of Fund Performance
December 31, 2019

(Page intentionally left blank)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2019

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.

First Trust International Capital Strength ETF

Management Report of Fund Performance

For the year ended December 31, 2019

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

There were no changes to the First Trust ETF over the reporting period that materially affected the overall level of risk associated with the First Trust ETF. Investors should refer to the most recent prospectus as it contains detailed discussion of risk relating to the investment of the First Trust ETF.

Results of Operations

General

The First Trust ETF's net asset value as of December 31, 2019 was \$2,070,908 or \$20.71 per unit. The First Trust ETF's net asset value as of December 31, 2018 was \$1,678,827 or \$16.79 per unit.

The First Trust ETF did not pay cash distributions for the year ended December 31, 2019. However, the First Trust ETF declared cash distributions per unit of \$0.2500 for record date of December 31, 2019 with payment date of January 8, 2020.

Investment Performance

For the year ended December 31, 2019, the First Trust ETF returned 24.84% compared to MSCI EAFE Index (the "benchmark") return of 15.85%. Unlike the benchmark, the First Trust ETF's return is net of fees and expenses.

The First Trust ETF outperformed the benchmark for the period. Overall, allocation effect and stock selection effect were both positive contributors to relative performance while currency effect slightly diminished relative returns. Negative contributions to relative performance came from stock selection within the Utilities sector. Positive contribution to relative performance included an underweight allocation and stock selection in the Financials, Energy, Communication Services, Materials, and Industrials sectors versus the benchmark. Positive contribution to relative performance also came from an overweight allocation and stock selection in the Consumer Discretionary, Information Technology, and Health Care sectors.

The top-performing stocks by total return for the period were Tokyo Electron Ltd., ASML Holding NV, and LVMH Moet Hennessy Louis Vuitton SE. These stocks returned +89.34%, +82.05%, and +52.11% respectively, in CAD, including dividends. The bottom-performing stocks by contribution for the period were Thales SA, Koito Manufacturing Co., Ltd., and Wirecard AG. These stocks returned -13.52%, -12.37%, and -11.01% respectively, in CAD, including dividends.

The First Trust ETF held 41 equity positions for the year ended December 31, 2019 and made no net change to the number of positions from the beginning of the period. Portfolio changes were made in January 2019 (5 positions added, 5 positions eliminated), April 2019 (5 positions added, 5 positions eliminated), and September (5 positions added, 5 positions eliminated). The top ten equity holdings of the First Trust ETF at December 31, 2019 accounted for 27.07% of total NAV and the top ten equity holdings of the First Trust ETF at December 31, 2018 accounted for 29.36% of total NAV. Consumer Discretionary, Information Technology, and Health Care (in order) were the top three sector weightings at the end of the period, whereas Health Care, Consumer Discretionary, and Information Technology 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 Information Technology, Consumer Discretionary, and Health Care sectors and underweight the Financials, Real Estate, Communication Services, Materials, Energy, and Utilities

First Trust International Capital Strength ETF

Management Report of Fund Performance

For the year ended December 31, 2019

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. For the year ended December 31, 2019, portfolio changes were made in January, April, and September of 2019. There was no net change to the total number of portfolio positions over the period. In January, three positions, Arkema SA, Siemens AG, and AIA Group Ltd, were eliminated for failing to meet the initial screening criteria. Two positions, British American Tobacco PLC, and Sino Biopharmaceutical Ltd, were removed at the portfolio manager's discretion. Positions in Kering SA, Henkel AG, Nestle Oyj, Novartis AG, and Safran SA were established to replace them. In April, three positions, Bayer AG, Yamaha Motor Co Ltd, and Safran SA, were eliminated for failing to meet the initial screening criteria. Two positions, Continental AG and Wirecard AG, were removed at the portfolio manager's discretion. Five positions, Barratt Developments PLC, Moncler SpA, Nestle SA, Techtronic Industries Co Ltd, and Logitech International SA, were established to replace them. In September, three positions, Telenor ASA, Fresenius Medical Care AG & Co KGaA, and ABB Ltd were eliminated for failing to meet the initial screening criteria. Two positions, SK Hynix Inc and BASF SE, were removed at the portfolio manager's discretion. Five positions, British American Tobacco PLC, AstraZeneca PLC, Legrand SA, Trend Micro Inc/Japan, and BHP Group PLC were established in place of them.

Recent Developments

Global economic growth slowed in 2019. The International Monetary Fund (the "IMF") projected global GDP growth of 3% in 2019, the lowest level since the late 2000s. The IMF stated, "subdued growth is a consequence of rising trade barriers; elevated uncertainty surrounding trade and geopolitics; idiosyncratic factors causing macroeconomic strain in several emerging market economies; and structural factors, such as low productivity growth and aging demographics in advanced economies." In September, the European Central Bank (the "ECB") president Mario Draghi announced the ECB will restart quantitative easing to jump start the Eurozone economy. This was Draghi's last act at the helm of the ECB before turning the reigns over to Christine Lagarde. Germany suffered a second straight year of declining industrial orders. According to Financial Times, "Germany's export-focused economy has been knocked by the US-China trade war, uncertainty over Brexit and a sharp decline in the car industry, which is grappling with new emissions rules and a shift to electric vehicles. Exports from the country's automotive sector, which employs 3m people directly and indirectly, fell by 13 per cent last year." Strong consumer and government spending have been able to buttress the struggling manufacturing sector in the Eurozone. In Japan, the United States-China trade dispute continues to hurt manufacturers caught in the crossfire. The Japanese non-manufacturing sector was strong in the first half before falling off in the second half. The drop off in the second half of the year was due to the aftermath of Typhoon Hagibis and the increase in the consumption tax in October impacting economic activity. The IMF projects the global economy to pick up in 2020. According to the IMF's October World Economic Outlook, the global economy is projected to grow 3.4% in 2020 with ongoing downside risks of trade uncertainty and slowing global activity.

The MSCI EAFE Index was up 15.85% for the year. This comes after the MSCI EAFE Index finished down 8.91% from the inception of the First Trust ETF in May of 2018 through the end of 2018. Positive contribution in the MSCI EAFE Index came across all sectors. Contribution to return was led by performance in Industrials, Health Care, and Financials sectors. By country, Japanese, British, Swiss, and French equities contributed nearly two-thirds to the returns of the MSCI EAFE Index in 2019. We remain positive on developed markets. Strong non-manufacturing data and accommodative monetary policy from central banks will continue to aid growth in 2020. Trade and recession fears receded late in 2019 as China and the U.S. agreed to a "phase one" trade deal, which should aid global economic activity. According to data and projections from Credit Suisse, industrial production in the Eurozone bottomed in 2018 and the U.S. bottomed in late 2019. From a valuation perspective, on a price to earnings basis, developed equity markets ex U.S. trade at a discount relative to United States equities. These factors make a compelling case for investing in developed markets outside of the United States in 2020.

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.

First Trust International Capital Strength ETF
Management Report of Fund Performance
For the year ended December 31, 2019

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 International Capital Strength ETF

Management Report of Fund Performance

For the year ended December 31, 2019

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

Net Asset Value per Unit

FINT	December 31, 2019	December 31, 2018 ^(a)
Net asset value, beginning of period/year ⁽¹⁾	\$16.79	\$20.00 ^(b)
Increase (Decrease) from operations:		
Total revenue	0.68	0.29
Total expenses	(0.26)	(0.16)
Realized gains (losses) for the period/year	(1.74)	(0.14)
Unrealized gains (losses) for the period/year	4.95	(3.77)
Total increase (decrease) from operations ⁽²⁾	\$3.63	\$(3.78)
Distributions:		
From income (excluding dividends)	(0.19)	-
From dividends	-	-
From capital gains	-	-
Return of capital	(0.06)	-
Total annual distributions ⁽³⁾	(0.25)	-
Net asset value, end of period/year ⁽⁴⁾	\$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) Initial offering price

(1) This information is provided as at December 31 of the period/year 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	December 31, 2019	December 31, 2018
Net asset value (000's)	\$2,071	\$1,679
Number of units outstanding	100,000	100,000
Management expense ratio ⁽¹⁾	0.77%	0.75%
Management expense ratio before waivers or absorption	0.79%	0.76%
Trading expense ratio ⁽²⁾	0.30%	0.44%
Portfolio turnover rate ⁽³⁾	101.25%	8.99%
Net asset value per unit	\$20.71	\$16.79

(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 International Capital Strength ETF Management Report of Fund Performance For the year ended December 31, 2019

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.

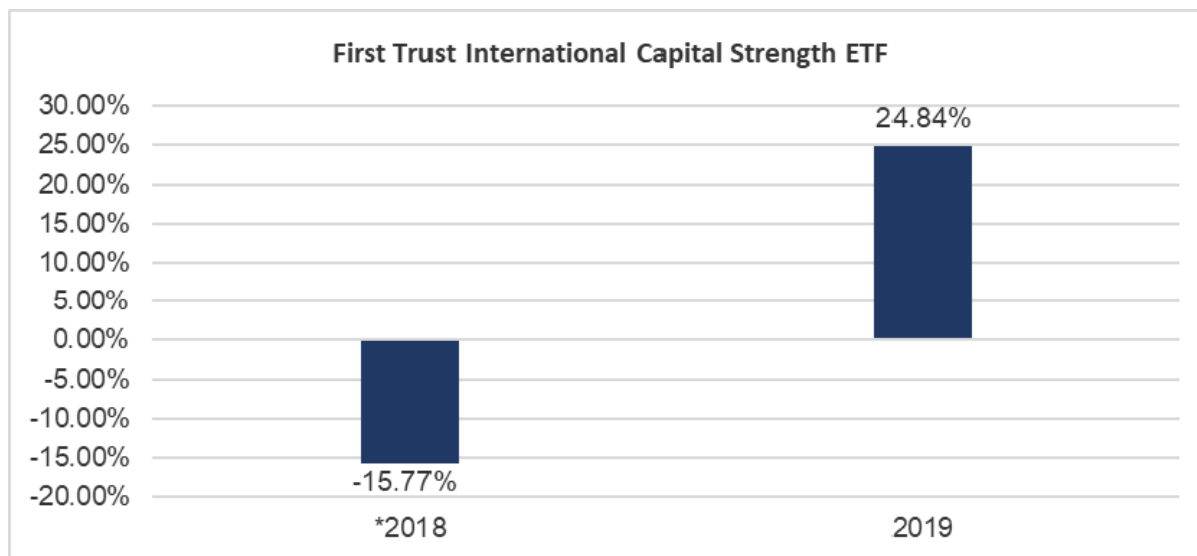
Past Performance

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 year ended December 31, 2019 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 year ended December 31, 2019. 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	Since Inception
First Trust International Capital Strength ETF	24.84%	3.14%
MSCI EAFE Index	15.85%	3.36%

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.

**First Trust International Capital Strength ETF
Management Report of Fund Performance
For the year ended December 31, 2019**

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, 2019. This summary of portfolio holdings may change due to ongoing portfolio transactions of the First Trust ETF. A quarterly update is available at www.firsttrust.ca.

Top 25 Holdings	% of ETF Total Net Asset Value
Kering	2.84%
Legal & General Group PLC	2.81%
Tokyo Electron Ltd.	2.76%
Astellas Pharma Inc.	2.75%
CSL Ltd.	2.68%
Barratt Developments PLC	2.68%
Samsung Electronics Co. Ltd.	2.67%
ASML Holding NV	2.63%
KDDI Corp.	2.63%
AstraZeneca PLC	2.62%
Ferguson PLC	2.62%
Moncler SPA	2.61%
Roche Holding AG Genusscheine	2.61%
British American Tobacco PLC	2.60%
Novo Nordisk AS, Series 'B'	2.59%
Trend Micro Inc.	2.59%
Sandvik AB	2.57%
Techtronic Industries Co. Ltd.	2.56%
LVMH Moët Hennessy-Louis Vuitton SA	2.54%
SAP AG	2.50%
Logitech International SA, Registered	2.49%
Infineon Technologies AG	2.46%
Legrand SA	2.46%
Neste Oil OYJ	2.46%
Adidas AG	2.43%
Total	65.16%

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, 2019.

Sector Weightings	% of ETF Total Net Asset Value
Consumer Discretionary	22.77%
Information Technology	18.10%
Health Care	18.00%
Industrials	11.88%
Consumer Staples	11.50%
Financials	5.47%
Materials	4.71%
Communication Services	2.63%
Energy	2.46%
Utilities	2.11%
Cash and Cash Equivalents	0.47%
Other Assets, Less Liabilities	(0.10)%
Total	100.00%

First Trust International Capital Strength ETF Management Report of Fund Performance For the year ended December 31, 2019

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, 2019.

Country Weightings	% of ETF Total Net Asset Value
United Kingdom	25.13%
Japan	17.77%
France	9.78%
Switzerland	9.75%
Germany	9.63%
Australia	4.96%
Hong Kong	4.67%
South Korea	2.67%
Netherlands	2.63%
Italy	2.61%
Denmark	2.59%
Sweden	2.57%
Finland	2.46%
Macau	2.41%
Total	99.63%

(Page intentionally left blank)

FT Portfolios Canada Co.

40 King Street West, Suite 5102
Scotia Plaza, Box 312
Toronto, Ontario M5H 3Y2

www.firsttrust.ca