

## 2020 Annual Financial Statements

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First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged) • FDE, FDE.A  
First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged) • EUR, EUR.A  
First Trust Senior Loan ETF (CAD-Hedged) • FSL, FSL.A  
First Trust Canadian Capital Strength ETF • FST, FST.A  
First Trust Global Risk Managed Income Index ETF • ETP, ETP.A  
First Trust Tactical Bond Index ETF • FTB  
First Trust Value Line® Dividend Index ETF (CAD-Hedged) • FUD, FUD.A  
First Trust NASDAQ® Clean Edge® Green Energy ETF • QCLN (*formerly, First Trust AlphaDEX™ U.S. Financial Sector Index ETF • FHF*)\*  
First Trust Indxx NextG ETF • NXTG (*formerly, First Trust AlphaDEX™ U.S. Energy Sector Index ETF • FHE*)\*  
First Trust Nasdaq Cybersecurity ETF • CIBR (*formerly, First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF • FHD*)\*  
First Trust Dow Jones Internet ETF • FDN, FDN.F (*formerly, First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF • FHC, FHC.F*)\*  
First Trust AlphaDEX™ U.S. Health Care Sector Index ETF • FHH, FHH.F  
First Trust NYSE Arca Biotechnology ETF • FBT (*formerly, First Trust AlphaDEX™ U.S. Materials Sector Index ETF • FHM*)\*  
First Trust AlphaDEX™ U.S. Industrials Sector Index ETF • FHG, FHG.F  
First Trust AlphaDEX™ U.S. Technology Sector Index ETF • FHQ, FHQ.F  
First Trust Cloud Computing ETF • SKYY (*formerly, First Trust AlphaDEX™ U.S. Utilities Sector Index ETF • FHU*)\*  
First Trust Morningstar Dividend Leaders ETF (CAD-Hedged) • FDL (*formerly, First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged) • FSR*)\*\*  
First Trust Indxx Innovative Transaction and Process ETF • BLCK  
First Trust International Capital Strength ETF • FINT  
First Trust Cboe Vest U.S. Equity Buffer ETF – August • AUGB.F  
First Trust Cboe Vest U.S. Equity Buffer ETF – November • NOV.B.F  
First Trust Cboe Vest U.S. Equity Buffer ETF – February • FEBB.F  
First Trust Cboe Vest U.S. Equity Buffer ETF – May • MAYB.F

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As at December 31, 2020

\*Effective date of name change is February 17, 2021

\*\*Effective date of name change is February 12, 2021

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# MANAGEMENT REPORT

## Management's Responsibility for Financial Reporting

First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)  
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**(collectively referred to as the “First Trust ETFs”)**

The accompanying annual financial statements have been prepared by FT Portfolios Canada Co. the Manager of the First Trust ETFs and approved by the Board of Directors of the Manager. The First Trust ETFs' Manager is responsible for the information and representations contained in these financial statements and other sections of the Annual Reports. The First Trust ETFs' Manager maintains appropriate procedures to ensure that relevant and reliable information is produced. These annual financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The significant accounting policies which management believes are appropriate for the First Trust ETFs are described in Notes 2 and 3 to the financial statements.



Andrew Roggensack  
Director



David G. McGarel  
Director

# Independent Auditor's Report

To the unitholders of:

- First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)
- First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)
- First Trust Value Line® Dividend Index ETF (CAD-Hedged)
- First Trust Senior Loan ETF (CAD-Hedged)
- First Trust Global Risk Managed Income Index ETF
- First Trust NASDAQ® Clean Edge® Green Energy ETF (formerly, First Trust AlphaDEX™ U.S. Financial Sector Index ETF)
- First Trust Indxx NextG ETF (formerly, First Trust AlphaDEX™ U.S. Energy Sector Index ETF)
- First Trust Nasdaq Cybersecurity ETF (formerly, First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF)
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- First Trust Tactical Bond Index ETF
- First Trust Canadian Capital Strength ETF
- First Trust Indxx Innovative Transaction and Process ETF
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- First Trust Cboe Vest U.S. Equity Buffer ETF – August
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- First Trust Cboe Vest U.S. Equity Buffer ETF – May

(each individually, the "ETF")

ETF	Statements of Financial Position as at:	Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows for:
First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged) First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged) First Trust Value Line® Dividend Index ETF (CAD-Hedged) First Trust Senior Loan ETF (CAD-Hedged) First Trust Global Risk Managed Income Index ETF	December 31, 2020 and December 31, 2019	the years ended December 31, 2020 and December 31, 2019

ETF	Statements of Financial Position as at:	Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows for:
First Trust AlphaDEX™ U.S. Financial Sector Index ETF First Trust AlphaDEX™ U.S. Energy Sector Index ETF First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF First Trust AlphaDEX™ U.S. Health Care Sector Index ETF First Trust AlphaDEX™ U.S. Materials Sector Index ETF First Trust AlphaDEX™ U.S. Industrials Sector Index ETF First Trust AlphaDEX™ U.S. Technology Sector Index ETF First Trust AlphaDEX™ U.S. Utilities Sector Index ETF First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged) First Trust Tactical Bond Index ETF First Trust Canadian Capital Strength ETF First Trust Indxx Innovative Transaction and Process ETF First Trust International Capital Strength ETF		
First Trust Cboe Vest U.S. Equity Buffer ETF – August	December 31, 2020 and December 31, 2019	the year ended December 31, 2020 and the period August 30, 2019 to December 31, 2019
First Trust Cboe Vest U.S. Equity Buffer ETF – November	December 31, 2020	the period February 4, 2020 to December 31, 2020
First Trust Cboe Vest U.S. Equity Buffer ETF – February	December 31, 2020	the period February 25, 2020 to December 31, 2020
First Trust Cboe Vest U.S. Equity Buffer ETF – May	December 31, 2020	the period May 21, 2020 to December 31, 2020

## Opinion

We have audited the financial statements of the ETF, which comprise the statements of financial position as at the dates listed above, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years or periods listed above, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ETF as at the dates listed above, and its financial performance and its cash flows for the years or periods listed above in accordance with International Financial Reporting Standards (“IFRS”).

## **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards (“Canadian GAAS”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the ETF in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Other Information**

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ETF’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the ETF or to cease operations, or has no realistic alternative but to do so.

## **Auditor’s Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ETF’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ETF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ETF to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Michael Darroch.

The image shows a handwritten signature in cursive script that reads "Deloitte LLP". The signature is written in black ink and is positioned above the printed text of the firm's name and date.

Chartered Professional Accountants  
Licensed Public Accountants  
March 15, 2021



# First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	5,263,700	4,108,713
Cash	17,685	16,600
Accrued dividend receivable	16,725	17,554
Derivative assets	118,013	74,556
Other assets	2,151	1,888
	5,418,274	4,219,311
<b>Liabilities</b>		
Accrued liabilities	7,414	6,899
Distributions payable to holders of redeemable units	8,265	9,006
Derivative liabilities	6,811	-
	22,490	15,905
<b>Total net assets attributable to holders of redeemable units</b>	<b>5,395,784</b>	<b>4,203,406</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
<b>Common Class</b>	<b>4,629,953</b>	<b>2,536,258</b>
<b>Advisor Class</b>	<b>765,831</b>	<b>1,667,148</b>
<b>Redeemable units outstanding [note 6]</b>		
<b>Common Class</b>	<b>300,600</b>	<b>150,600</b>
<b>Advisor Class</b>	<b>50,000</b>	<b>99,399</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Common Class</b>	<b>15.40</b>	<b>16.84</b>
<b>Advisor Class</b>	<b>15.32</b>	<b>16.77</b>

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	164,945	131,671
<b>Other changes in fair value of investments and derivatives</b>		
Net realized gain (loss) on sale of investments	148,085	135,313
Net realized gain (loss) on derivatives	132,986	(5,117)
Net realized gain (loss) on foreign exchange	684	(875)
Net change in unrealized appreciation (depreciation) of investments	144,404	437,799
Net change in unrealized appreciation (depreciation) of derivatives	36,646	152,998
	627,750	851,789
Foreign exchange gain (loss) on cash	(158)	674
	627,592	852,463
<b>Expenses [note 7]</b>		
Management fees	28,930	26,316
Transaction costs [note 3 and note 9]	19,233	11,919
Service fees	11,864	15,250
HST expense	3,080	3,443
Independent Review Committee fees	971	825
Interest expense	31	8
	64,109	57,761
Expenses waived by the manager	(971)	(825)
	63,138	56,936
<b>Increase (Decrease) in net assets attributable to holders of redeemable units before tax</b>	<b>564,454</b>	<b>795,527</b>
<b>Withholding taxes</b>	<b>18,150</b>	<b>20,866</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>546,304</b>	<b>774,661</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Common Class</b>	<b>569,125</b>	<b>500,374</b>
<b>Advisor Class</b>	<b>(22,821)</b>	<b>274,287</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Common Class</b>	<b>2.29</b>	<b>3.05</b>
<b>Advisor Class</b>	<b>(0.26)</b>	<b>2.77</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$) Common Class	December 31 2019 (\$) Common Class	December 31 2020 (\$) Advisor Class	December 31 2019 (\$) Advisor Class
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	2,536,258	2,891,989	1,667,148	1,431,129
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	569,125	500,374	(22,821)	274,287
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units	1,620,301	780,994	548,313	-
Reinvested distributions	-	-	-	-
Redemption of units	-	(1,554,296)	(1,404,095)	-
	1,620,301	(773,302)	(855,782)	-
<b>Distributions to holders of redeemable units from:</b>				
Net investment income	(76,819)	(63,355)	(16,268)	(29,280)
Capital gains	-	-	-	-
Return of capital	(18,912)	(19,448)	(6,446)	(8,988)
	(95,731)	(82,803)	(22,714)	(38,268)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	2,093,695	(355,731)	(901,317)	236,019
<b>Net assets attributable to holders of redeemable units, end of year</b>	4,629,953	2,536,258	765,831	1,667,148
			<b>December 31 2020 (\$) Total</b>	<b>December 31 2019 (\$) Total</b>
<b>Net assets attributable to holders of redeemable units, beginning of year</b>			4,203,406	4,323,118
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>			546,304	774,661
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units			2,168,614	780,994
Reinvested distributions			-	-
Redemption of units			(1,404,095)	(1,554,296)
			764,519	(773,302)
<b>Distributions to holders of redeemable units from:</b>				
Net investment income			(93,087)	(92,635)
Capital gains			-	-
Return of capital			(25,358)	(28,436)
			(118,445)	(121,071)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>			1,192,378	(119,712)
<b>Net assets attributable to holders of redeemable units, end of year</b>			5,395,784	4,203,406

See accompanying notes which are an integral part of these financial statements.

# First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	546,304	774,661
Adjustments for:		
Net realized (gain) loss on sale of investments	(148,085)	(135,313)
Change in unrealized (appreciation) depreciation of investments and derivatives	(181,050)	(590,797)
Dividends receivable	829	(3,755)
Other assets	(263)	371
Other liabilities	515	231
Purchases of investments	(7,426,534)	(4,681,147)
Proceeds from the sale of investments	6,564,036	5,522,852
	(644,248)	887,103
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	2,168,614	780,994
Amount paid on redemptions of units	(1,404,095)	(1,554,296)
Distributions paid to unitholders	(119,186)	(124,571)
	645,333	(897,873)
<b>Increase (Decrease) in cash for the year</b>	1,085	(10,770)
<b>Cash, beginning of year</b>	16,600	27,370
<b>Cash, end of year</b>	17,685	16,600
Dividends received, net of withholding taxes	147,624	107,050

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to provide unitholders with exposure to the performance of a portfolio of dividend paying equity securities domiciled in the emerging markets and selected from the countries represented in the S&P BMI Emerging Markets Index as well as providing unitholders with monthly distributions.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	5,263,700	–	–	5,263,700
Derivative assets	–	118,013	–	118,013
Derivative liabilities	–	(6,811)	–	(6,811)
<b>Total</b>	<b>5,263,700</b>	<b>111,202</b>	<b>–</b>	<b>5,374,902</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	4,108,713	–	–	4,108,713
Derivative assets	–	74,556	–	74,556
<b>Total</b>	<b>4,108,713</b>	<b>74,556</b>	<b>–</b>	<b>4,183,269</b>

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Common Class	Advisor Class
Outstanding units – January 1, 2019	200,600	99,399
Redeemable units issued	50,000	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(100,000)	–
Outstanding units – December 31, 2019	150,600	99,399
Redeemable units issued	150,000	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	–	(99,399)
Outstanding units –December 31, 2020	300,600	50,000

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Common Class	Advisor Class <sup>1</sup>
0.65%	1.65%

<sup>1</sup>Includes a service fee of 1.00%

First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** - The net capital losses and/or non-capital losses as at December 31, 2020 and 2019, where applicable, are as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2020	2019	2020	2019
813,490	910,940	–	–

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
19,233	11,919

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
28,930	26,316	3,234	2,239

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
MSCI Emerging Markets Index (USD)	309,690	(309,690)	147,826	(147,826)

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	126,970	2.35	1,903	0.05

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$1,270 (December 31, 2019 - \$19). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)  
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**Concentration Risk** - The table below summarizes the First Trust ETF's concentration risk for the years ended December 31, 2020 and 2019:

Country	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Brazil	29.64	28.26
China	14.60	17.15
Taiwan	13.24	2.18
Chile	9.06	7.75
South Africa	7.56	2.62
India	7.43	12.24
Colombia	3.78	3.86
Mexico	3.18	14.28
Indonesia	2.65	0.68
Philippines	2.57	–
Cyprus	2.09	–
Russia	1.75	4.01
Greece	–	4.01
United States	–	0.71
Total	97.55	97.75

First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)  
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SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Brazil—29.64%</b>				
Banco Santander (Brasil) SA, ADR	4,300	34,665	47,291	0.88
Centrais Elétricas Brasileiras SA, ADR	30,844	266,980	274,437	5.08
Cia Brasileira de Distribuicao, ADR	8,432	147,120	153,698	2.85
Companhia de Saneamento Basico do Estado de Sao Paulo, ADR	8,621	106,894	94,264	1.75
Companhia Energetica de Minas Gerais SA, ADR	59,138	186,967	216,797	4.02
Companhia Siderurgica Nacional SA, ADR	41,125	265,396	311,471	5.77
Cosan Ltd., Class 'A'	1,814	45,551	42,555	0.79
Gerdau SA, ADR	33,994	145,800	202,075	3.74
Petroleo Brasileiro SA, ADR	3,271	45,688	46,758	0.87
Vale SA, ADR	9,829	201,721	209,690	3.89
		<b>1,446,782</b>	<b>1,599,036</b>	<b>29.64</b>
<b>Chile—9.06%</b>				
Compania Cervecerias Unidas SA, ADR	7,501	160,324	140,356	2.60
Enel Americas SA, ADR	19,713	219,504	206,262	3.82
Sociedad Quimica y Minera de Chile SA, ADR	2,280	115,312	142,469	2.64
		<b>495,140</b>	<b>489,087</b>	<b>9.06</b>
<b>China—14.60%</b>				
Autohome Inc., ADR	758	84,381	96,119	1.78
China Petroleum and Chemical Corp. (Sinopec), ADR	3,968	255,021	225,269	4.18
JOYY Inc., ADR	2,008	218,420	204,428	3.79
NetEase Inc., ADR	346	30,882	42,179	0.78
PetroChina Co. Ltd., ADR	5,617	256,941	219,644	4.07
		<b>845,645</b>	<b>787,639</b>	<b>14.60</b>
<b>Colombia—3.78%</b>				
Ecopetrol SA, ADR	12,423	202,680	204,149	3.78
		<b>202,680</b>	<b>204,149</b>	<b>3.78</b>
<b>Cyprus—2.09%</b>				
HeadHunter Group PLC, ADR	2,931	96,297	112,859	2.09
		<b>96,297</b>	<b>112,859</b>	<b>2.09</b>
<b>India—7.43%</b>				
Dr. Reddy's Laboratories Ltd., ADR	1,091	70,930	99,003	1.83
Infosys Technologies Ltd., ADR	7,052	92,450	152,152	2.82
Wipro Ltd., ADR	20,842	113,154	149,893	2.78
		<b>276,534</b>	<b>401,048</b>	<b>7.43</b>
<b>Indonesia—2.65%</b>				
PT Telekomunikasi Indonesia Persero TBK, ADR	4,781	143,188	143,137	2.65
		<b>143,188</b>	<b>143,137</b>	<b>2.65</b>
<b>Mexico—3.18%</b>				
America Movil SAB de CV, Class 'L', ADR	4,806	87,903	88,949	1.65
Coca-Cola FEMSA SAB de CV, Series 'L', ADR	691	45,895	40,548	0.75
Fomento Economico Mexicano SAB de CV, ADR	435	43,691	41,955	0.78
		<b>177,489</b>	<b>171,452</b>	<b>3.18</b>
<b>Philippines—2.57%</b>				
PLDT Inc., ADR	3,895	130,681	138,376	2.57
		<b>130,681</b>	<b>138,376</b>	<b>2.57</b>

**First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)**  
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<b>Russia—1.75%</b>				
Mobile TeleSystems PJSC, ADR	8,292	99,902	94,466	1.75
		<b>99,902</b>	<b>94,466</b>	<b>1.75</b>
<b>South Africa—7.56%</b>				
AngloGold Ashanti Ltd., ADR	3,302	107,283	95,075	1.76
Gold Fields Ltd., ADR	3,594	34,261	42,408	0.79
Sibanye Stillwater Ltd., ADR	13,380	248,267	270,629	5.01
		<b>389,811</b>	<b>408,112</b>	<b>7.56</b>
<b>Taiwan—13.24%</b>				
ASE Industrial Holding Co. Ltd., ADR	26,901	158,511	199,975	3.71
Chunghwa Telecom Co. Ltd., ADR	822	41,294	40,409	0.75
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	1,475	97,733	204,726	3.79
United Microelectronics Corp., ADR	25,090	94,170	269,229	4.99
		<b>391,708</b>	<b>714,339</b>	<b>13.24</b>
<b>Total investments</b>		<b>4,695,857</b>	<b>5,263,700</b>	<b>97.55</b>
Transaction costs		(3,625)		
Unrealized appreciation on derivatives - see Schedule 1			118,013	2.19
Unrealized depreciation on derivatives - see Schedule 1			(6,811)	(0.13)
Other assets, less liabilities			20,882	0.39
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>		<b>4,692,232</b>	<b>5,395,784</b>	<b>100.00</b>

Schedule 1

Counterparty	Credit				Appreciation				(\$)
	Rating of Counterparty*	Settlement Date	Currency	Amount	Currency	Amount	Forward Rate	Current Rate	
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	4,359,704	CAD	5,665,000	0.770	0.786	115,765
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	265,351	CAD	340,000	0.780	0.786	2,248
									<b>118,013</b>
Bank of New York Mellon (The), New York	A-1+	2021-01-15	CAD	740,000	USD	576,023	1.285	1.273	(6,811)
									<b>(6,811)</b>

\* Commercial paper rating per Standard and Poor's Commercial Paper Guide



# First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)

## STATEMENTS OF FINANCIAL POSITION

As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	5,732,967	11,421,684
Cash	15,672	74,721
Accrued dividend receivable	117,177	114,020
Derivative assets	898	110,102
Other assets	1,412	2,936
	5,868,126	11,723,463
<b>Liabilities</b>		
Accrued liabilities	4,596	11,421
Payable for portfolio securities purchased	11,980	-
Distributions payable to holders of redeemable units	8,870	58,860
Derivative liabilities	24,952	-
	50,398	70,281
<b>Total net assets attributable to holders of redeemable units</b>	<b>5,817,728</b>	<b>11,653,182</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
Common Class	5,316,546	9,882,947
Advisor Class	501,182	1,770,235
<b>Redeemable units outstanding [note 6]</b>		
Common Class	274,022	424,022
Advisor Class	25,979	75,979
<b>Net assets attributable to holders of redeemable units per unit</b>		
Common Class	19.40	23.31
Advisor Class	19.29	23.30

## STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	319,035	648,268
<b>Other changes in fair value of investments and derivatives</b>		
Net realized gain (loss) on sale of investments	(1,901,660)	(324,069)
Net realized gain (loss) on derivatives	(284,904)	211,489
Net realized gain (loss) on foreign exchange	5,388	(6,486)
Net change in unrealized appreciation (depreciation) of investments	(11,161)	1,496,994
Net change in unrealized appreciation (depreciation) of derivatives	(134,156)	572,535
	(2,007,458)	2,598,731
Foreign exchange gain (loss) on cash	(1,409)	(2,390)
	(2,008,867)	2,596,341
<b>Expenses [note 7]</b>		
Management fees	44,845	82,432
Transaction costs [note 3 and note 9]	20,818	16,514
Service fees	10,029	16,734
HST expense	5,645	9,936
Independent Review Committee fees	1,716	2,788
Interest expense	69	12
	83,122	128,416
Expenses waived by manager	(1,716)	(2,788)
	81,406	125,628
<b>Increase (Decrease) in net assets attributable to holders of redeemable units before tax</b>	<b>(2,090,273)</b>	<b>2,470,713</b>
<b>Withholding taxes</b>	<b>39,949</b>	<b>84,757</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>(2,130,222)</b>	<b>2,385,956</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
Common Class	(1,845,595)	2,109,972
Advisor Class	(284,627)	275,984
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
Common Class	(5.41)	3.85
Advisor Class	(5.39)	3.64

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$) Common Class	December 31 2019 (\$) Common Class	December 31 2020 (\$) Advisor Class	December 31 2019 (\$) Advisor Class
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	9,882,947	13,702,299	1,770,235	1,548,385
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	(1,845,595)	2,109,972	(284,627)	275,984
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units	-	-	-	-
Reinvested distributions	-	-	-	-
Redemption of units	(2,497,302)	(5,460,510)	(953,787)	-
	(2,497,302)	(5,460,510)	(953,787)	-
<b>Distributions to holders of redeemable units from:</b>				
Net investment income	(194,512)	(468,814)	(17,148)	(52,769)
Capital gains	-	-	-	-
Return of capital	(28,992)	-	(13,491)	(1,365)
	(223,504)	(468,814)	(30,639)	(54,134)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	(4,566,401)	(3,819,352)	(1,269,053)	221,850
<b>Net assets attributable to holders of redeemable units, end of year</b>	5,316,546	9,882,947	501,182	1,770,235
			<b>December 31 2020 (\$) Total</b>	<b>December 31 2019 (\$) Total</b>
<b>Net assets attributable to holders of redeemable units, beginning of year</b>			11,653,182	15,250,684
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>			(2,130,222)	2,385,956
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units			-	-
Reinvested distributions			-	-
Redemption of units			(3,451,089)	(5,460,510)
			(3,451,089)	(5,460,510)
<b>Distributions to holders of redeemable units from:</b>				
Net investment income			(211,660)	(521,583)
Capital gains			-	-
Return of capital			(42,483)	(1,365)
			(254,143)	(522,948)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>			(5,835,454)	(3,597,502)
<b>Net assets attributable to holders of redeemable units, end of year</b>			5,817,728	11,653,182

See accompanying notes which are an integral part of these financial statements.

# First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	(2,130,222)	2,385,956
Adjustments for:		
Net realized (gain) loss on sale of investments	1,901,660	324,069
Change in unrealized (appreciation) depreciation of investments and derivatives	145,317	(2,069,529)
Dividends receivable	(3,157)	59,686
Other assets	1,524	1,228
Other liabilities	(6,825)	(2,162)
Purchases of investments	(6,233,863)	(9,801,858)
Proceeds from the sale of investments	10,021,739	15,086,465
	3,696,173	5,983,855
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	-	-
Amount paid on redemptions of units	(3,451,089)	(5,460,510)
Distributions paid to unitholders	(304,133)	(572,789)
	(3,755,222)	(6,033,299)
<b>Increase (Decrease) in cash for the year</b>	(59,049)	(49,444)
<b>Cash, beginning of year</b>	74,721	124,165
<b>Cash, end of year</b>	15,672	74,721
Dividends received, net of withholding taxes	275,929	623,197

See accompanying notes which are an integral part of these financial statements

First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to replicate, to the extent possible, the performance of the AlphaDEX™ European Dividend Index (the “Index”), net of expenses. The Index results from applying the AlphaDEX™ methodology to a universe of ADRs of European companies that are listed on the NYSE, NYSE Market and NASDAQ exchanges. The investment strategy of the First Trust ETF is to invest in and hold a proportionate share of the constituent securities of the Index, or other securities, to seek to replicate the performance of the Index. The First Trust ETF may also hold cash and cash equivalents or other money market instruments to fund current liabilities. The First Trust ETF will generally seek to hedge substantially all of its U.S. dollar, British pounds sterling, euros and Swiss francs currency exposure associated with its portfolio investments back to the Canadian dollar.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	5,732,967	–	–	5,732,967
Derivative assets	–	898	–	898
Derivative liabilities	–	(24,952)	–	(24,952)
<b>Total</b>	<b>5,732,967</b>	<b>(24,054)</b>	<b>–</b>	<b>5,708,913</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	11,421,684	–	–	11,421,684
Derivative assets	–	110,102	–	110,102
<b>Total</b>	<b>11,421,684</b>	<b>110,102</b>	<b>–</b>	<b>11,531,786</b>

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Common Class	Advisor Class
Outstanding units - January 1, 2019	674,022	75,979
Redeemable units issued	–	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(250,000)	–
<b>Outstanding units – December 31, 2019</b>	<b>424,022</b>	<b>75,979</b>
Redeemable units issued	–	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(150,000)	(50,000)
<b>Outstanding units – December 31, 2020</b>	<b>274,022</b>	<b>25,979</b>

First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Common Class	Advisor Class <sup>1</sup>
0.60%	1.60%

<sup>1</sup>Includes a service fee of 1.00%

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** - The net capital losses and/or non-capital losses as at December 31, 2020 and 2019, where applicable, are as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2020	2019	2020	2019
1,692,895	440,199	–	–

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
20,818	16,514

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
44,845	82,432	2,966	5,898

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
MSCI Europe Index (Local Currency)	344,628	(344,628)	619,900	(619,900)

First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)  
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For the year ended December 31, 2020

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	5,838,613	100.36	11,538,032	99.01
Swiss Francs	(1,173,814)	(20.18)	(981,243)	(8.42)
British Pound Sterling	(1,405,836)	(24.17)	(3,377,807)	(28.99)
Euro	(2,683,319)	(46.12)	(5,875,809)	(50.42)
Total	575,644	9.89	1,303,173	11.18

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$5,756 (December 31, 2019 - \$13,032). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**Concentration Risk** - The table below summarizes the First Trust ETF's concentration risk for years ended December 31, 2020 and 2019:

Country	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
United Kingdom	23.50	28.90
Switzerland	20.71	8.39
Netherlands	17.12	16.29
France	10.18	5.65
Spain	8.93	9.10
Germany	4.92	4.18
Sweden	4.17	1.51
Ireland	2.31	4.67
Belgium	2.24	–
Russia	2.21	3.34
Norway	1.14	3.33
Denmark	1.11	1.60
Luxembourg	–	7.85
Italy	–	3.20
Total	98.54	98.01

First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Belgium—2.24%</b>				
Anheuser-Busch InBev NV, ADR	1,462	131,050	130,101	2.24
		<b>131,050</b>	<b>130,101</b>	<b>2.24</b>
<b>Denmark—1.11%</b>				
Novo Nordisk AS, ADR	726	56,646	64,550	1.11
		<b>56,646</b>	<b>64,550</b>	<b>1.11</b>
<b>France—10.18%</b>				
Orange SA, ADR	23,305	422,915	351,826	6.05
Sanofi SA, ADR	3,884	259,816	240,226	4.13
		<b>682,731</b>	<b>592,052</b>	<b>10.18</b>
<b>Germany—4.92%</b>				
Fresenius Medical Care AG & Co. KGaA, ADR	4,153	220,892	219,701	3.77
SAP SE, ADR	402	68,205	66,721	1.15
		<b>289,097</b>	<b>286,422</b>	<b>4.92</b>
<b>Ireland—2.31%</b>				
CRH PLC, ADR	2,484	109,272	134,633	2.31
		<b>109,272</b>	<b>134,633</b>	<b>2.31</b>
<b>Netherlands—17.12%</b>				
AEGON NV	48,210	232,606	242,398	4.17
ASML Holding NV, Registered	445	154,069	276,265	4.75
Royal Dutch Shell PLC, Class 'A', ADR	2,881	184,463	128,866	2.21
STMicroelectronics NV, ADR	7,376	282,148	348,516	5.99
		<b>853,286</b>	<b>996,045</b>	<b>17.12</b>
<b>Norway—1.14%</b>				
Equinor ASA, ADR	3,178	67,231	66,423	1.14
		<b>67,231</b>	<b>66,423</b>	<b>1.14</b>
<b>Russia—2.21%</b>				
Mobile TeleSystems PJSC, ADR	11,297	133,379	128,701	2.21
		<b>133,379</b>	<b>128,701</b>	<b>2.21</b>
<b>Spain—8.93%</b>				
Banco Bilbao Vizcaya Argentaria SA, ADR	38,315	248,120	240,929	4.14
Grifols SA, ADR	2,631	77,243	61,756	1.06
Telefónica SA, ADR	42,115	302,348	216,577	3.73
		<b>627,711</b>	<b>519,262</b>	<b>8.93</b>
<b>Sweden—4.17%</b>				
Telefonaktiebolaget LM Ericsson, Class 'B', ADR	15,930	203,874	242,314	4.17
		<b>203,874</b>	<b>242,314</b>	<b>4.17</b>
<b>Switzerland—20.71%</b>				
ABB Ltd., ADR	6,662	229,521	237,103	4.07
Credit Suisse Group AG, ADR	15,636	218,767	254,759	4.38
Logitech International SA, Registered	3,239	181,551	400,707	6.89
Novartis AG, ADR	537	62,072	64,547	1.11
UBS Group AG	13,789	230,219	248,010	4.26
		<b>922,130</b>	<b>1,205,126</b>	<b>20.71</b>

First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

<b>United Kingdom—23.50%</b>				
British American Tobacco PLC, ADR	8,283	432,985	395,273	6.80
GlaxoSmithKline PLC, ADR	2,650	147,994	124,133	2.13
National Grid PLC, ADR	1,720	129,619	129,240	2.22
Rio Tinto PLC, ADR	3,001	220,403	287,339	4.94
Unilever PLC, ADR	798	59,245	61,312	1.05
Vodafone Group PLC, ADR	17,640	416,822	370,041	6.36
	<b>1,407,068</b>	<b>1,367,338</b>		<b>23.50</b>

<b>Total investments</b>	<b>5,483,475</b>	<b>5,732,967</b>		<b>98.54</b>
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Transaction costs		(6,421)		
Unrealized appreciation on derivatives - see Schedule 1			898	0.01
Unrealized depreciation on derivatives - see Schedule 1			(24,952)	(0.42)
Other assets, less liabilities			108,815	1.87
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>	<b>5,477,054</b>	<b>5,817,728</b>		<b>100.00</b>

Schedule 1

Counterparty	Credit Rating of Counterparty*	Settlement Date	Currency Sell	Amount Sold	Currency Buy	Amount Bought	Forward Rate	Current Rate	Appreciation
									(Depreciation) \$
Bank of New York Mellon (The), New York	A-1+	2021-01-15	CAD	190,000	EUR	122,735	1.548	1.555	898
									<b>898</b>
Bank of New York Mellon (The), New York	A-1+	2021-01-15	CHF	687,458	CAD	982,000	0.700	0.695	(6,718)
Bank of New York Mellon (The), New York	A-1+	2021-01-15	CHF	128,698	CAD	185,000	0.696	0.695	(96)
Bank of New York Mellon (The), New York	A-1+	2021-01-15	EUR	1,848,343	CAD	2,860,000	0.646	0.643	(14,838)
Bank of New York Mellon (The), New York	A-1+	2021-01-15	GBP	807,867	CAD	1,403,000	0.576	0.574	(3,300)
									<b>(24,952)</b>

\* Commercial paper rating per Standard and Poor's Commercial Paper Guide



# First Trust Senior Loan ETF (CAD-Hedged)

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	41,420,345	58,946,149
Cash	2,152,873	4,168,290
Accrued interest receivable	96,621	209,297
Receivable for portfolio securities sold	648,995	360,526
Derivative assets	914,019	1,155,596
Other assets	9,843	17,086
	45,242,696	64,856,944
<b>Liabilities</b>		
Accrued liabilities	47,889	65,584
Payable for portfolio securities purchased	198,233	1,237,991
Distributions payable to holders of redeemable units	135,335	278,037
	381,457	1,581,612
<b>Total net assets attributable to holders of redeemable units</b>	<b>44,861,239</b>	<b>63,275,332</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
Common Class	37,431,477	54,624,759
Advisor Class	7,429,762	8,650,573
<b>Redeemable units outstanding [note 6]</b>		
Common Class	2,084,316	2,934,316
Advisor Class	413,948	463,948
<b>Net assets attributable to holders of redeemable units per unit</b>		
Common Class	17.96	18.62
Advisor Class	17.95	18.65

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Interest income for distribution purposes	2,171,440	3,783,207
<b>Other changes in fair value of investments and derivatives</b>		
Net realized gain (loss) on sale of investments	(660,220)	70,245
Net realized gain (loss) on derivatives	(218,009)	72,683
Net realized gain (loss) on foreign exchange	194,802	105,824
Net change in unrealized appreciation (depreciation) of investments	(1,286,466)	(326,262)
Net change in unrealized appreciation (depreciation) of derivatives	(241,576)	2,897,142
	(40,029)	6,602,839
Foreign exchange gain (loss) on cash	(264,375)	(364,209)
	(304,404)	6,238,630
<b>Expenses [note 7]</b>		
Management fees	423,064	591,012
HST expense	43,584	57,269
Service fees	37,100	11,616
Independent Review Committee fees	11,296	14,112
Transaction costs [note 3 and note 9]	2,843	-
	517,887	674,009
Expenses waived by the manager	(11,296)	(14,112)
	506,591	659,897
<b>Increase (decrease) in net assets attributable to holders of redeemable units before tax</b>	<b>(810,995)</b>	<b>5,578,733</b>
<b>Withholding taxes</b>	<b>2,756</b>	<b>-</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>(813,751)</b>	<b>5,578,733</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
Common Class	(999,257)	5,306,506
Advisor Class	185,506	272,227
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
Common Class	(0.43)	1.46
Advisor Class	0.44	2.16

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust Senior Loan ETF (CAD-Hedged)

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$) Common Class	December 31 2019 (\$) Common Class	December 31 2020 (\$) Advisor Class	December 31 2019 (\$) Advisor Class
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	54,624,759	85,087,174	8,650,573	1,092,591
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	(999,257)	5,306,506	185,506	272,227
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units	936,001	6,319,869	1,507,796	7,392,661
Reinvested distributions	-	-	-	-
Redemption of units	(15,344,960)	(38,943,599)	(2,623,934)	-
	(14,408,959)	(32,623,730)	(1,116,138)	7,392,661
<b>Distributions to holders of redeemable units from:</b>				
Net investment income	(1,442,502)	(3,145,191)	(211,336)	(105,635)
Capital gains	-	-	-	-
Return of capital	(342,564)	-	(78,843)	(1,271)
	(1,785,066)	(3,145,191)	(290,179)	(106,906)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	(17,193,282)	(30,462,415)	(1,220,811)	7,557,982
<b>Net assets attributable to holders of redeemable units, end of year</b>	37,431,477	54,624,759	7,429,762	8,650,573
			<b>December 31 2020 (\$) Total</b>	<b>December 31 2019 (\$) Total</b>
<b>Net assets attributable to holders of redeemable units, beginning of year</b>			63,275,332	86,179,765
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>			(813,751)	5,578,733
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units			2,443,797	13,712,530
Reinvested distributions			-	-
Redemption of units			(17,968,894)	(38,943,599)
			(15,525,097)	(25,231,069)
<b>Distributions to holders of redeemable units from:</b>				
Net investment income			(1,653,838)	(3,250,826)
Capital gains			-	-
Return of capital			(421,407)	(1,271)
			(2,075,245)	(3,252,097)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>			(18,414,093)	(22,904,433)
<b>Net assets attributable to holders of redeemable units, end of year</b>			44,861,239	63,275,332

See accompanying notes which are an integral part of these financial statements.

# First Trust Senior Loan ETF (CAD-Hedged)

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	(813,751)	5,578,733
Adjustments for:		
Net realized (gain) loss on sale of investments	660,220	(70,245)
Change in unrealized (appreciation) depreciation of investments and derivatives	1,528,042	(2,570,880)
Interest receivable	112,676	87,582
Other assets	7,243	3,691
Other liabilities	(17,695)	(13,999)
Purchases of investments	(62,265,281)	(57,157,883)
Proceeds from the sale of investments	76,516,173	82,495,333
	15,727,627	28,352,332
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	2,443,797	13,712,530
Amount paid on redemptions of units	(17,968,894)	(38,943,599)
Distributions paid to unitholders	(2,217,947)	(3,673,761)
	(17,743,044)	(28,904,830)
<b>Increase (Decrease) in cash for the year</b>	(2,015,417)	(552,498)
<b>Cash, beginning of year</b>	4,168,290	4,720,788
<b>Cash, end of year</b>	2,152,873	4,168,290
Interest received	2,281,360	3,870,789

See accompanying notes which are an integral part of these financial statements.

First Trust Senior Loan ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to provide unitholders with a high level of current income by investing primarily in a diversified portfolio of senior floating rate loans and debt securities, with capital appreciation as a secondary objective. The First Trust ETF invests primarily in senior loans, which are generally rated below investment grade debt. Settlement periods for senior secured loans may be longer than for other types of debt securities, such as corporate bonds. The First Trust ETF is not a substitute for holding cash or money market securities.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Bonds and Senior Loans	–	34,855,063	–	34,855,063
Equities	6,239,247	326,035	–	6,565,282
Derivative assets	–	914,019	–	914,019
<b>Total</b>	<b>6,239,247</b>	<b>36,095,117</b>	<b>–</b>	<b>42,334,364</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Bonds and Senior Loans	–	58,919,791	–	58,919,791
Equities	–	–	26,358	26,358
Derivative assets	–	1,155,596	–	1,155,596
<b>Total</b>	<b>–</b>	<b>60,075,387</b>	<b>26,358</b>	<b>60,101,745</b>

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019. All fair value measurements above are recurring. The reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented below.

	As at December 31, 2020	As at December 31, 2019
Beginning Balance	26,358	47,259
Purchases	–	–
Sales	(7,629)	–
Net Transfers	–	–
Realized Gains (Losses)	(41,836)	–
Change in Unrealized Appreciation (Depreciation)	23,107	(20,901)
<b>Ending Balance</b>	<b>–</b>	<b>26,358</b>

There were no Level 3 investments as at December 31, 2020. Equity positions are classified as Level 1 when the security is actively traded, and a reliable price is observable. If equities do not trade frequently and observable prices are not available, fair value is determined using observable market data (e.g. transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

First Trust Senior Loan ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Common Class	Advisor Class
Outstanding units - January 1, 2019	4,690,010	59,990
Redeemable units issued	344,306	403,958
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(2,100,000)	–
Outstanding units December 31, 2019	2,934,316	463,948
Redeemable units issued	50,000	100,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(900,000)	(150,000)
Outstanding units December 31, 2020	2,084,316	413,948

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Common Class	Advisor Class <sup>1</sup>
0.85%	1.35%

<sup>1</sup>Includes a service fee of 0.50%

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** - The net capital losses and/or non-capital losses as at December 31, 2020 and 2019, where applicable, are as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2020	2019	2020	2019
8,353,992	10,869,375	–	–

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
2,843	N/A

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
423,064	591,012	32,172	45,788

First Trust Senior Loan ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Interest rate risk** - The table below summarizes the First Trust ETF's exposure to Senior Loans and High Yield bonds as at December 31, 2020 and 2019:

	As at December 31, 2020				
	Less than 1 year (\$)	1-3 years (\$)	3-5 years (\$)	>5 years (\$)	Total (\$)
High Yield Bonds and Senior Loans	–	3,180,078	24,192,802	7,482,183	34,855,063
Total	–	3,180,078	24,192,802	7,482,183	34,855,063
	As at December 31, 2019				
	Less than 1 year (\$)	1-3 years (\$)	3-5 years (\$)	>5 years (\$)	Total (\$)
High Yield Bonds and Senior Loans	–	6,016,451	30,696,010	22,207,330	58,919,791
Total	–	6,016,451	30,696,010	22,207,330	58,919,791

At December 31, 2020, the weighted average duration of the First Trust ETF was 0.30 years (December 31, 2019 – 0.37 years). If interest rates increased or decreased by 1% at December 31, 2020, with all other variables remaining constant, net assets would have decreased or increased by approximately \$348,551 (December 31, 2019 – \$589,198). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

**Credit risk** – Below are the First Trust ETF's breakdown by credit rating as at December 31, 2020 and 2019:

Debt Securities by S&P Rating	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
BBB+	–	–
BBB	–	–
BBB-	1.95	3.40
BB+	0.07	1.66
BB	6.24	8.05
BB-	7.90	12.61
B+	19.33	19.81
B	24.38	28.34
B-	8.62	14.04
CCC+	0.64	4.42
CCC	5.79	0.69
CCC-	1.38	0.08
CC	0.31	–
C	–	–
D	1.09	0.01
NR	14.63	0.04

First Trust Senior Loan ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	366,633	0.82	489,246	0.77

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$3,666 (December 31, 2019 - \$4,892). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**Concentration Risk** - The table below summarizes the First Trust ETF's concentration risk for the years ended December 31, 2020 and 2019:

Sector	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Health Care	28.50	31.28
Financials	22.57	13.52
Consumer Discretionary	16.74	15.68
Information Technology	11.61	11.70
Communication Services	6.71	9.14
Industrials	3.29	6.49
Energy	1.80	1.40
Materials	0.95	2.38
Consumer Staples	0.16	1.37
Real Estate	–	0.19
Total	92.33	93.16

The table below summarizes the First Trust ETF's breakdown by geographic exposure as at December 31, 2020 and 2019:

Country	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
United States	85.08	87.30
Canada	3.30	4.81
Ireland	1.09	0.61
France	1.01	
United Kingdom	0.84	–
Luxembourg	0.60	0.44
Germany	0.41	
Total	92.33	93.16

# First Trust Senior Loan ETF (CAD-Hedged)

## Notes to Financial Statements - Specific Information

### For the year ended December 31, 2020

#### SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

				Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>EQUITIES</b>							
<b>Exchange Traded Funds—13.91%</b>							
Invesco Senior Loan ETF				220,000	6,229,953	6,239,247	13.91
					<b>6,229,953</b>	<b>6,239,247</b>	<b>13.91</b>
<b>UNITED STATES EQUITIES</b>							
<b>Health Care—0.73%</b>							
Akorn Operating Co. LLC				19,331	293,046	326,035	0.73
					<b>293,046</b>	<b>326,035</b>	<b>0.73</b>
	Par Value USD	Coupon Rate/Yield	Maturity Date	Average Cost (\$)	Fair Value (\$)	% of Total	
<b>High Yield Bonds - 7.07%</b>							
AMC Entertainment Holdings Inc., Callable	247,000	10.500%	15-Apr-25	209,777	223,818	0.50	
Brinker International Inc., Callable	50,000	5.000%	01-Oct-24	70,156	66,582	0.15	
Caesars Entertainment Inc., Callable	110,000	6.250%	01-Jul-25	150,205	149,296	0.33	
Cumulus Media New Holdings Inc., Callable	337,000	6.750%	01-Jul-26	451,479	439,355	0.98	
Dell International LLC / EMC Corp., Callable	300,000	7.125%	15-Jun-24	426,509	396,429	0.88	
Diamond Sports Group LLC / Diamond Sports Finance Co., Callable	48,000	5.375%	15-Aug-26	52,547	49,758	0.11	
Global Medical Response Inc., Callable	265,000	6.500%	01-Oct-25	353,881	352,919	0.79	
MEDNAX Inc., Callable	180,000	5.250%	01-Dec-23	239,771	232,055	0.52	
MGM Resorts International	50,000	7.750%	15-Mar-22	73,771	67,901	0.15	
Peabody Securities Finance Corp., Callable	606,000	6.000%	31-Mar-22	796,121	564,552	1.26	
Peabody Securities Finance Corp., Callable	76,000	6.375%	31-Mar-25	37,104	53,449	0.12	
Ritchie Bros. Auctioneers Inc., Callable	25,000	5.375%	15-Jan-25	34,421	32,813	0.07	
Six Flags Entertainment Corp., Callable	84,000	4.875%	31-Jul-24	114,358	107,191	0.24	
Tenet Healthcare Corp., Callable	175,000	4.625%	01-Sep-24	231,700	230,206	0.51	
TRI Pointe Holdings Inc.	147,000	5.875%	15-Jun-24	204,306	204,822	0.46	
					<b>3,446,106</b>	<b>3,171,146</b>	<b>7.07</b>
<b>Senior Loans - 70.62%</b>							
Air Methods Corp.	782,646	4.500%	21-Apr-24	1,005,703	956,879	2.13	
Akorn Inc.	227,067	8.500%	01-Oct-25	300,183	288,456	0.64	
Alliant Holdings Intermediate LLC	480,939	3.400%	09-May-25	617,143	601,984	1.34	
Alliant Holdings Intermediate LLC	55,452	3.390%	10-May-25	73,969	69,323	0.15	
Altice France SA	60,139	2.900%	31-Jul-25	78,323	74,822	0.17	
Altice France SA	300,000	4.237%	14-Aug-26	388,236	379,644	0.85	
AmWINS Group Inc.	1,018,353	3.750%	25-Jan-24	1,326,674	1,293,604	2.87	
Applied Systems Inc.	182,885	8.000%	19-Sep-25	222,836	233,667	0.52	
AssuredPartners Inc.	119,645	3.650%	15-Feb-27	160,399	149,868	0.33	
Asurion LLC	90,463	3.150%	03-Nov-23	118,373	113,952	0.26	
Asurion LLC	162,139	6.650%	31-Jul-25	209,574	207,677	0.46	
AthenaHealth Inc.	504,793	4.630%	11-Feb-26	659,296	640,784	1.42	
Atkins Nutritional Holdings Inc.	56,231	4.750%	07-Jul-24	73,937	71,689	0.16	
Bausch Health Americas Inc.	946,857	3.150%	17-May-25	1,222,538	1,199,988	2.68	
BellRing Brands LLC	32,860	6.000%	21-Oct-24	42,821	41,953	0.09	
Boxer Parent Co. Inc.	141,480	4.395%	02-Oct-25	184,075	179,138	0.40	
Bright Bidco BV	649,369	4.500%	30-Jun-24	739,480	470,979	1.06	
BroadStreet Partners Inc.	268,838	3.400%	31-Jan-27	354,869	335,859	0.75	
Change Healthcare Holdings LLC	983,637	3.500%	01-Mar-24	1,281,417	1,245,185	2.78	
CHG Healthcare Services Inc.	560,079	4.000%	07-Jun-23	719,102	707,692	1.58	
CityCenter Holdings LLC	494,885	3.000%	18-Apr-24	651,711	620,099	1.38	
Clarivate Analytics PLC (Camelot)	84,681	4.000%	31-Oct-26	112,104	107,689	0.24	
CommScope Inc.	133,559	3.400%	06-Apr-26	177,240	168,520	0.38	
Cross Financial Corp.	73,678	5.500%	15-Sep-27	96,389	93,785	0.21	
Crown Finance US Inc.	713,476	2.769%	05-Feb-25	939,006	612,878	1.37	
CSC Holdings LLC	109,991	2.410%	17-Jul-25	142,443	137,707	0.31	
CSC Holdings LLC	846,738	2.660%	15-Apr-27	1,099,880	1,066,582	2.38	



**First Trust Senior Loan ETF (CAD-Hedged)**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

Dell International LLC	494,937	2.750%	16-Sep-25	645,646	630,081	1.40
Endo International PLC	956,482	5.000%	06-Apr-24	1,263,366	1,196,199	2.67
Envision Healthcare Corp.	896,619	3.900%	10-Oct-25	1,141,843	948,573	2.11
Epicor Software Corp.	244,316	5.250%	30-Jul-27	325,087	312,480	0.70
Gentiva Health Services Inc.	90,020	3.440%	02-Jul-25	117,629	113,799	0.25
Global Medical Response Inc.	63,067	5.250%	14-Mar-24	77,516	79,389	0.18
Golden Nugget LLC	451,614	3.250%	04-Oct-23	597,666	553,750	1.24
Graham Packaging Company, L.P.	332,848	4.500%	04-Aug-27	440,844	424,690	0.95
Hostess Brands LLC	479,240	3.000%	03-Aug-25	632,206	606,212	1.35
HUB International Ltd.	935,182	2.960%	25-Apr-25	1,218,781	1,167,706	2.60
HUB International Ltd.	52,028	5.000%	25-Apr-25	68,353	66,330	0.15
Hyland Software Inc.	515,091	4.250%	01-Jul-24	678,973	656,388	1.46
iHeartCommunications Inc.	551,615	3.150%	29-Apr-26	728,407	689,863	1.54
IRB Holding Corp.	338,383	3.750%	05-Feb-25	430,903	426,565	0.96
LogMeIn, Inc. (Logan)	214,364	4.900%	31-Aug-27	277,120	271,671	0.61
Mallinckrodt International Finance SA	279,427	5.500%	24-Sep-24	335,109	334,033	0.74
Mallinckrodt International Finance SA	129,284	5.750%	24-Feb-25	162,976	154,350	0.34
Marcel Bidco LLC	215,272	3.400%	15-Mar-26	280,325	267,512	0.60
McAfee LLC	506,855	3.390%	30-Sep-24	709,462	644,692	1.44
MH Sub I LLC	74,209	4.750%	15-Sep-24	98,033	94,083	0.21
Micro Focus International (MA Financeco LLC)	48,060	2.900%	21-Jun-24	57,294	60,259	0.13
Micro Focus International (MA Financeco LLC)	110,883	5.250%	05-Jun-25	148,853	142,085	0.32
Midwest Physician Administrative Services LLC	440,397	3.500%	15-Aug-24	552,875	555,211	1.24
MPH Acquisition Holdings LLC	657,929	3.750%	07-Jun-23	882,695	832,770	1.85
Packaging Coordinators Midco Inc.	168,317	4.500%	25-Sep-27	224,323	214,251	0.48
Packers Holdings LLC	580,112	4.000%	16-Nov-24	745,814	734,733	1.64
PAREXEL International Corp.	443,397	2.900%	27-Sep-24	556,171	554,082	1.23
PG&E Corp.	146,594	5.500%	23-Jun-25	196,536	188,512	0.42
Playtika Holding Corp.	262,382	7.000%	10-Dec-24	347,370	335,620	0.74
Project Alpha Intermediate Holding Inc.	104,060	4.500%	26-Apr-24	135,480	131,078	0.29
Project Alpha Intermediate Holding Inc.	86,722	4.480%	26-Apr-24	114,732	109,836	0.24
Pug LLC	53,097	3.645%	12-Feb-27	69,917	64,321	0.14
Riverbed Technology Inc.	111,476	7.000%	30-Dec-25	142,288	140,479	0.31
Scientific Games International Inc.	216,510	2.900%	14-Aug-24	283,675	268,775	0.60
Seattle SpinCo Inc.	324,667	2.900%	21-Jun-24	358,638	407,069	0.90
Select Medical Corp.	292,808	2.530%	06-Mar-25	385,804	368,988	0.82
SolarWinds Holdings Inc.	643,546	2.900%	05-Feb-24	842,871	780,939	1.74
Solera LLC	85,124	2.895%	03-Mar-23	113,358	107,406	0.24
Stars Group Holdings BV	192,943	3.750%	10-Jul-25	253,605	246,348	0.55
Surf Holdings LLC	300,636	3.730%	05-Mar-27	392,549	378,852	0.84
Tempo Acquisition LLC	454,917	2.900%	19-Apr-24	603,049	573,997	1.28
TransDigm Inc.	284,855	2.400%	22-Aug-24	377,139	355,076	0.79
TransDigm Inc.	99,250	2.400%	30-May-25	132,598	123,651	0.28
Twin River Worldwide Holdings Inc.	80,580	2.900%	15-May-26	107,650	99,835	0.22
US Renal Care Inc.	300,503	5.150%	30-Jun-26	388,449	380,119	0.85
Verscend Holding Corp.	688,085	4.650%	27-Aug-25	909,560	874,111	1.95
Vertical U.S. Newco Inc.	144,662	4.250%	31-Jul-27	194,182	184,764	0.42
VS Buyer LLC	96,788	3.400%	28-Feb-27	127,843	122,431	0.27
Zayo Group Holdings Inc.	506,232	3.150%	09-Mar-27	671,009	639,550	1.43
				<b>33,544,293</b>	<b>31,683,917</b>	<b>70.62</b>
<b>Total investments</b>				<b>43,513,398</b>	<b>41,420,345</b>	<b>92.33</b>
Transaction costs				(1,992)		
Unrealized appreciation on derivatives - see Schedule 1					914,019	2.04
Other assets, less liabilities					2,526,875	5.63
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>				<b>43,511,406</b>	<b>44,861,239</b>	<b>100.00</b>

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First Trust Senior Loan ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

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Schedule 1

Counterparty	Credit				Appreciation				
	Rating of Counterparty*	Settlement Date	Currency	Amount	Currency	Amount	Forward Rate	Current Rate	(Depreciation)
			Sell	Sold	Buy	Bought			\$
CIBC World Markets Inc, Toronto	A-1	2021-01-15	USD	34,200,491	CAD	44,446,000	0.769	0.786	914,019
									<b>914,019</b>

\* Commercial paper rating per Standard and Poor's Commercial Paper Guide

# First Trust Canadian Capital Strength ETF

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	43,340,685	60,300,148
Cash	328,055	311,624
Accrued dividend receivable	70,738	84,087
Other assets	40,099	46,120
	43,779,577	60,741,979
<b>Liabilities</b>		
Accrued liabilities	94,070	114,316
Distributions payable to holders of redeemable units	134,219	203,719
	228,289	318,035
<b>Total net assets attributable to holders of redeemable units</b>	<b>43,551,288</b>	<b>60,423,944</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units per class</b>		
<b>Advisor Class</b>	24,848,754	27,809,801
<b>Common Class</b>	18,702,534	32,614,143
<b>Redeemable units outstanding [note 6]</b>		
<b>Advisor Class</b>	860,726	960,726
<b>Common Class</b>	542,993	942,993
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Advisor Class</b>	28.87	28.95
<b>Common Class</b>	34.44	34.59

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	1,085,240	1,652,382
<b>Other changes in fair value of investments</b>		
Net realized gain (loss) on investments	(1,191,096)	4,741,571
Change in unrealized appreciation (depreciation) of foreign exchange	(338)	764
Change in unrealized appreciation (depreciation) of investments	(865,522)	4,856,716
	(971,716)	11,251,433
Foreign exchange gain (loss) on cash	(340)	(1,334)
	(972,056)	11,250,099
<b>Expenses [note 7]</b>		
Management fees	266,784	401,821
Service fees	238,479	283,919
HST expense	50,084	67,673
Transaction costs [note 3 and note 9]	11,871	11,833
Independent Review Committee fees	10,051	13,638
Interest expense	-	20
	577,269	778,904
Expenses waived by manager	(10,051)	(13,638)
	567,218	765,266
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>(1,539,274)</b>	<b>10,484,833</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Advisor Class</b>	(2,415)	4,032,491
<b>Common Class</b>	(1,536,859)	6,452,342
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Advisor Class</b>	-	4.03
<b>Common Class</b>	(2.39)	5.67

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust Canadian Capital Strength ETF

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$) Advisor Class	December 31 2019 (\$) Advisor Class	December 31 2020 (\$) Common Class	December 31 2019 (\$) Common Class
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	27,809,801	26,802,768	32,614,143	42,045,843
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	(2,415)	4,032,491	(1,536,859)	6,452,342
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from redeemable units issued	-	1,282,306	4,577,969	4,929,223
Reinvested distributions	-	-	-	-
Redemption of redeemable units	(2,766,522)	(4,067,136)	(16,565,203)	(20,113,390)
	(2,766,522)	(2,784,830)	(11,987,234)	(15,184,167)
<b>Distributions to holders of redeemable units from:</b>				
Net investment income	(90,804)	(176,525)	(299,338)	(513,428)
Capital gains	-	-	-	-
Return of capital	(101,306)	(64,103)	(88,178)	(186,447)
	(192,110)	(240,628)	(387,516)	(699,875)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	(2,961,047)	1,007,033	(13,911,609)	(9,431,700)
<b>Net assets attributable to holders of redeemable units, end of year</b>	24,848,754	27,809,801	18,702,534	32,614,143
			<b>December 31 2020 (\$) Total</b>	<b>December 31 2019 (\$) Total</b>
<b>Net assets attributable to holders of redeemable units, beginning of year</b>			60,423,944	68,848,611
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>			(1,539,274)	10,484,833
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from redeemable units issued			4,577,969	6,211,529
Reinvested distributions			-	-
Redemption of redeemable units			(19,331,725)	(24,180,526)
			(14,753,756)	(17,968,997)
<b>Distributions to holders of redeemable units from:</b>				
Net investment income			(390,142)	(689,953)
Capital gains			-	-
Return of capital			(189,484)	(250,550)
			(579,626)	(940,503)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>			(16,872,656)	(8,424,667)
<b>Net assets attributable to holders of redeemable units, end of year</b>			43,551,288	60,423,944

See accompanying notes which are an integral part of these financial statements.

# First Trust Canadian Capital Strength ETF

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	(1,539,274)	10,484,833
Adjustments for:		
Net realized (gain) loss on investments	1,191,096	(4,741,571)
Change in unrealized (appreciation) depreciation of investments	865,522	(4,856,716)
Dividends receivable	13,349	46,860
Other assets	6,021	372
Other liabilities	(20,246)	(5,777)
Purchases of investments	(26,647,702)	(29,899,869)
Proceeds from the sale of investments	41,550,547	47,865,224
	15,419,313	18,893,356
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	4,577,969	6,211,529
Amount paid on redemptions of units	(19,331,725)	(24,180,526)
Distributions paid to unitholders	(649,126)	(913,209)
	(15,402,882)	(18,882,206)
<b>Increase (Decrease) in cash for the year</b>	16,431	11,150
<b>Cash, beginning of year</b>	311,624	300,474
<b>Cash, end of year</b>	328,055	311,624
Dividends received, net of withholding taxes	1,098,589	1,699,242

See accompanying notes which are an integral part of these financial statements.

**First Trust Canadian Capital Strength ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** - The First Trust ETF seeks to provide unitholders with long term capital appreciation by investing primarily in securities traded on a Canadian exchange or market.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	43,340,685	–	–	43,340,685
Total	43,340,685	–	–	43,340,685

  

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	60,300,148	–	–	60,300,148
Total	60,300,148	–	–	60,300,148

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Common Class	Advisor Class
Outstanding units - January 1, 2019	1,392,993	1,060,726
Redeemable units issued	150,000	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(600,000)	(150,000)
Outstanding units – December 31, 2019	942,993	960,726
Redeemable units issued	150,000	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(550,000)	(100,000)
Outstanding units – December 31, 2020	542,993	860,726

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Common Class	Advisor Class <sup>1</sup>
0.60%	1.60%

<sup>1</sup>Includes a service fee of 1.00%

First Trust Canadian Capital Strength ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** - The net capital losses and/or non-capital losses as at December 31, 2020 and 2019, where applicable, are as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2020	2019	2020	2019
23,029,011	22,747,482	-	-

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
11,871	11,833

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
266,784	401,821	21,622	31,097

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019 with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
S&P/TSX Composite® Index	1,990,294	(1,990,294)	3,344,465	(3,344,465)

**Concentration Risk** - The table below summarizes the concentration risk as at December 31, 2020 and 2019:

Sector	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Financials	28.38	32.15
Information Technology	20.24	11.66
Materials	15.84	12.36
Industrials	15.76	16.22
Consumer Staples	10.96	11.27
Consumer Discretionary	4.55	3.91
Communication Services	3.79	3.83
Energy	-	8.40
Total	99.52	99.80

First Trust Canadian Capital Strength ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Communicaton Services—3.79%</b>				
BCE Inc.	30,337	1,671,394	1,651,243	3.79
		<b>1,671,394</b>	<b>1,651,243</b>	<b>3.79</b>
<b>Consumer Discretionary—4.55%</b>				
Magna International Inc.	21,966	1,244,157	1,979,356	4.55
		<b>1,244,157</b>	<b>1,979,356</b>	<b>4.55</b>
<b>Consumer Staples—10.96%</b>				
Alimentation Couche-Tard Inc., Class 'B'	39,817	1,157,598	1,727,261	3.97
Canada Goose Holdings Inc.	37,733	1,858,689	1,427,817	3.28
Metro Inc., Class 'A'	28,464	1,365,308	1,616,755	3.71
		<b>4,381,595</b>	<b>4,771,833</b>	<b>10.96</b>
<b>Financials—28.38%</b>				
Bank of Nova Scotia	27,215	1,821,885	1,872,392	4.30
Canadian Imperial Bank of Commerce	15,755	1,733,400	1,712,884	3.93
Intact Financial Corp.	11,660	1,445,685	1,757,395	4.04
Manulife Financial Corp.	80,662	1,718,364	1,826,994	4.20
Royal Bank of Canada	16,540	1,418,683	1,729,919	3.97
Sun Life Financial Inc.	29,158	1,397,874	1,650,343	3.79
Toronto-Dominion Bank (The)	25,150	1,537,941	1,808,788	4.15
		<b>11,073,832</b>	<b>12,358,715</b>	<b>28.38</b>
<b>Industrials—15.76%</b>				
Canadian National Railway Co.	12,081	1,199,969	1,690,615	3.88
Canadian Pacific Railway Ltd.	3,925	860,854	1,733,005	3.98
TFI International Inc.	25,773	1,727,203	1,688,905	3.88
Toromont Industries Ltd.	19,649	1,363,901	1,752,691	4.02
		<b>5,151,927</b>	<b>6,865,216</b>	<b>15.76</b>
<b>Information Technology—20.24%</b>				
CGI Inc.	18,539	1,219,583	1,872,254	4.30
Constellation Software Inc.	1,085	1,161,727	1,793,418	4.12
Enghouse Systems Ltd.	26,212	1,271,538	1,615,970	3.71
Kinaxis Inc.	9,668	1,224,000	1,743,527	4.00
Open Text Corp.	30,775	1,270,981	1,780,026	4.09
Topicus.Com Inc.	1,947	9,370	9,369	0.02
		<b>6,157,199</b>	<b>8,814,564</b>	<b>20.24</b>
<b>Materials—15.84%</b>				
B2Gold Corp.	231,718	1,722,623	1,652,149	3.79
Barrick Gold Corp.	54,114	1,557,999	1,569,306	3.60
CCL Industries Inc., Class 'B'	29,303	1,591,913	1,693,420	3.89
West Fraser Timber Co. Ltd.	24,271	1,717,867	1,984,883	4.56
		<b>6,590,402</b>	<b>6,899,758</b>	<b>15.84</b>
<b>Total investments</b>		<b>36,270,506</b>	<b>43,340,685</b>	<b>99.52</b>
Transaction costs		<b>(8,834)</b>		
Other assets, less liabilities			<b>210,603</b>	<b>0.48</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>		<b>36,261,672</b>	<b>43,551,288</b>	<b>100.00</b>



# First Trust Global Risk Managed Income Index ETF

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	23,630,035	28,514,533
Cash	61,596	106,909
Accrued dividend receivable	77,989	118,783
Other assets	37,204	37,785
	23,806,824	28,778,010
<b>Liabilities</b>		
Accrued liabilities	9,947	12,978
Distributions payable to holders of redeemable units	70,863	88,863
	80,810	101,841
<b>Total net assets attributable to holders of redeemable units</b>	<b>23,726,014</b>	<b>28,676,169</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
<b>Common Class</b>	22,551,898	26,486,344
<b>Advisor Class</b>	1,174,116	2,189,825
<b>Redeemable units outstanding [note 6]</b>		
<b>Common Class</b>	1,236,214	1,386,214
<b>Advisor Class</b>	63,800	113,800
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Common Class</b>	18.24	19.11
<b>Advisor Class</b>	18.40	19.24

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	940,132	1,171,618
<b>Other changes in fair value of investments</b>		
Net realized gain (loss) on sale of investments	(1,535,009)	(165,089)
Net change in unrealized appreciation (depreciation) of investments	147,835	1,983,141
	(447,042)	2,989,670
<b>Expenses [note 7]</b>		
Management fees	147,873	166,945
Transaction costs [note 3 and note 9]	25,855	17,370
Service fees	7,333	10,290
HST expense	8,495	9,865
Independent Review Committee fees	5,564	5,689
	195,120	210,159
Expenses waived by manager	(52,335)	(58,575)
	142,785	151,584
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>(589,827)</b>	<b>2,838,086</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Common Class</b>	(470,981)	2,634,306
<b>Advisor Class</b>	(118,846)	203,780
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Common Class</b>	(0.36)	1.93
<b>Advisor Class</b>	(1.45)	1.87

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust Global Risk Managed Income Index ETF

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$) Common Class	December 31 2019 (\$) Common Class	December 31 2020 (\$) Advisor Class	December 31 2019 (\$) Advisor Class
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	26,486,344	24,818,491	2,189,825	2,049,767
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	(470,981)	2,634,306	(118,846)	203,780
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units	3,626,366	1,885,702	-	950,601
Reinvested distributions	-	-	-	-
Redemption of units	(6,190,093)	(1,866,081)	(850,497)	(948,543)
	(2,563,727)	19,621	(850,497)	2,058
<b>Distributions to holders of redeemable units from:</b>				
Net investment income	(774,374)	(888,407)	(41,134)	(59,489)
Capital gains	-	-	-	-
Return of capital	(125,364)	(97,667)	(5,232)	(6,291)
	(899,738)	(986,074)	(46,366)	(65,780)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	(3,934,446)	1,667,853	(1,015,709)	140,058
<b>Net assets attributable to holders of redeemable units, end of year</b>	22,551,898	26,486,344	1,174,116	2,189,825
			<b>December 31 2020 (\$) Total</b>	<b>December 31 2019 (\$) Total</b>
<b>Net assets attributable to holders of redeemable units, beginning of year</b>			28,676,169	26,868,258
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>			(589,827)	2,838,086
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units			3,626,366	2,836,303
Reinvested distributions			-	-
Redemption of units			(7,040,590)	(2,814,624)
			(3,414,224)	21,679
<b>Distributions to holders of redeemable units from:</b>				
Net investment income			(815,508)	(947,896)
Capital gains			-	-
Return of capital			(130,596)	(103,958)
			(946,104)	(1,051,854)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>			(4,950,155)	1,807,911
<b>Net assets attributable to holders of redeemable units, end of year</b>			23,726,014	28,676,169

See accompanying notes which are an integral part of these financial statements.

# First Trust Global Risk Managed Income Index ETF

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	(589,827)	2,838,086
Adjustments for:		
Net realized (gain) loss on sale of investments	1,535,009	165,089
Change in unrealized (appreciation) depreciation of investments	(147,835)	(1,983,141)
Dividends receivable	40,794	2,463
Other assets	581	2,216
Other liabilities	(3,031)	(590)
Purchases of investments	(26,846,640)	(20,747,253)
Proceeds from the sale of investments	30,343,964	20,789,530
	4,333,015	1,066,400
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	3,626,366	2,836,303
Amount paid on redemptions of units	(7,040,590)	(2,814,624)
Distributions paid to unitholders	(964,104)	(1,051,854)
	(4,378,328)	(1,030,175)
<b>Increase (Decrease) in cash for the year</b>	(45,313)	36,225
<b>Cash, beginning of year</b>	106,909	70,684
<b>Cash, end of year</b>	61,596	106,909
Dividends received, net of withholding taxes	980,926	1,174,081

See accompanying notes which are an integral part of these financial statements

**First Trust Global Risk Managed Income Index ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to replicate, to the extent possible, the performance of the NASDAQ Global Risk Managed Income Index<sup>SM</sup>, 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 the Index.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	23,630,035	–	–	23,630,035
<b>Total</b>	<b>23,630,035</b>	<b>–</b>	<b>–</b>	<b>23,630,035</b>

  

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	28,514,533	–	–	28,514,533
<b>Total</b>	<b>28,514,533</b>	<b>–</b>	<b>–</b>	<b>28,514,533</b>

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Common Class	Advisor Class
Outstanding units - January 1, 2019	1,386,214	113,800
Redeemable units issued	100,000	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(100,000)	(50,000)
Outstanding units – December 31, 2019	1,386,214	113,800
Redeemable units issued	200,000	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(350,000)	(50,000)
Outstanding units – December 31, 2020	1,236,214	63,800

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee <sup>1</sup>	
Common Class	Advisor Class <sup>2</sup>
0.41%	0.91%

<sup>1</sup>Pays a management fee up to a maximum of 0.60%

<sup>2</sup>Includes a service fee of 0.50%

First Trust Global Risk Managed Income Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** - The net capital losses and/or non-capital losses as at December 31, 2020 and 2019, where applicable, are as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2020	2019	2020	2019
1,209,273	818,997	-	-

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
25,855	17,370

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
147,873	166,945	8,458	9,978

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and interest rates. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Reference Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
NASDAQ Global Risk Managed Income Index <sup>SM</sup>	1,113,936	(1,113,936)	1,396,529	(1,396,529)

**Concentration Risk** - The table below summarizes the concentration risk for the years ended December 31, 2020 and 2019:

Holdings	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Bonds	58.69	47.33
REITs and Preferred Shares	14.96	12.20
Equities	14.84	20.37
Senior Loans	11.10	19.54
Total	99.60	99.44

# First Trust Global Risk Managed Income Index ETF

## Notes to Financial Statements - Specific Information

### For the year ended December 31, 2020

#### SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Exchange Traded Funds—99.60%</b>				
BMO Emerging Markets Bond Hedged to CAD Index ETF	181,022	2,776,429	2,840,235	11.97
BMO Equal Weight REITs Index ETF	28,068	543,452	610,198	2.57
BMO Equal Weight Utilities Index ETF	23,084	393,737	574,099	2.42
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	236,205	3,144,954	3,143,889	13.25
BMO Mid-Term US IG Corporate Bond Index ETF	56,546	1,145,805	1,136,575	4.79
First Trust Senior Loan ETF (CAD-Hedged)	146,857	2,680,366	2,633,146	11.10
Horizons Cdn Select Universe Bond ETF	19,714	983,509	1,022,565	4.31
iShares Canadian Corporate Bond Index ETF	29,039	629,140	660,928	2.79
iShares Canadian Government Bond Index ETF	42,224	946,933	985,508	4.15
iShares Convertible Bond Index ETF, Convertible Bonds	132,863	2,359,442	2,418,107	10.19
iShares Core Canadian Long Term Bond Index ETF	19,362	486,682	531,681	2.24
iShares Core S&P / TSX Composite High Dividend Index ETF	36,189	717,893	705,685	2.98
iShares Global Monthly Dividend Index ETF (CAD-Hedged)	37,134	649,352	674,353	2.84
iShares Global Real Estate Index ETF	15,172	427,986	422,995	1.78
iShares S&P/TSX Canadian Preferred Share Index ETF	205,117	2,394,634	2,516,786	10.61
iShares S&P/TSX Capped Financials Index ETF	11,823	423,624	454,594	1.92
Vanguard Canadian Short-Term Bond Index ETF	48,424	1,174,025	1,185,904	5.00
Vanguard FTSE Canadian High Dividend Yield Index ETF	29,063	858,875	951,813	4.01
Vanguard U.S. Dividend Appreciation Index ETF	2,626	133,904	160,974	0.68
<b>Total Exchange Traded Funds</b>		<b>22,870,742</b>	<b>23,630,035</b>	<b>99.60</b>
<b>Total investments</b>		<b>22,870,742</b>	<b>23,630,035</b>	<b>99.60</b>
Transaction costs		(11,020)		
Other assets, less liabilities			95,979	0.40
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>		<b>22,859,722</b>	<b>23,726,014</b>	<b>100.00</b>

# First Trust Tactical Bond Index ETF

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	4,939,622	10,950,117
Cash	10,189	22,508
Accrued dividend receivable	18,983	33,000
Other assets	865	2,591
	4,969,659	11,008,216
<b>Liabilities</b>		
Accrued liabilities	2,371	5,451
Distributions payable to holders of redeemable units	13,500	30,000
	15,871	35,451
<b>Total net assets attributable to holders of redeemable units</b>	<b>4,953,788</b>	<b>10,972,765</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
<b>Units</b>	<b>4,953,788</b>	<b>10,972,765</b>
<b>Redeemable units outstanding [note 6]</b>		
<b>Units</b>	<b>300,000</b>	<b>600,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>16.51</b>	<b>18.29</b>

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	235,183	540,890
<b>Other changes in fair value of investments</b>		
Net realized gain (loss) on sale of investments	(1,255,133)	(644,927)
Net realized gain on foreign exchange	27	69
Net change in unrealized appreciation (depreciation) of investments	206,373	1,134,007
	(813,550)	1,030,039
Foreign exchange gain (loss) on cash	(54)	(14)
	(813,604)	1,030,025
<b>Expenses [note 7]</b>		
Management fees	36,937	82,042
Transaction costs [note 3 and note 9]	28,035	22,559
HST expense	3,572	7,867
Independent Review Committee fees	1,714	3,316
Interest expense	9	5
	70,267	115,789
Expenses waived by manager	(1,714)	(3,316)
	68,553	112,473
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>(882,157)</b>	<b>917,552</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Units</b>	<b>(882,157)</b>	<b>917,552</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>(1.98)</b>	<b>1.03</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust Tactical Bond Index ETF

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	10,972,765	21,576,719
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	(882,157)	917,552
<b>Redeemable unit transactions [note 6]</b>		
Proceeds from issuance of units	-	912,468
Reinvested distributions	-	-
Redemption of units	(4,881,820)	(11,913,974)
	(4,881,820)	(11,001,506)
<b>Distributions to holders of redeemable units from:</b>		
Net investment income	(192,796)	(464,662)
Capital gains	-	-
Return of capital	(62,204)	(55,338)
	(255,000)	(520,000)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units, for the year</b>	(6,018,977)	(10,603,954)
<b>Net assets attributable to holders of redeemable units, end of year</b>	4,953,788	10,972,765

See accompanying notes which are an integral part of these financial statements.



# First Trust Tactical Bond Index ETF

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	(882,157)	917,552
Adjustments for:		
Net realized (gain) loss on sale of investments	1,255,133	644,927
Change in unrealized (appreciation) depreciation of investments	(206,373)	(1,134,007)
Dividends receivable	14,017	59,501
Other assets	1,726	1,557
Other liabilities	(3,080)	(5,217)
Purchases of investments	(24,233,173)	(22,127,359)
Proceeds from the sale of investments	29,194,908	33,166,210
	5,141,001	11,523,164
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	-	912,468
Amount paid on redemptions of units	(4,881,820)	(11,913,974)
Distributions paid to unitholders	(271,500)	(550,000)
	(5,153,320)	(11,551,506)
<b>Increase (Decrease) in cash for the year</b>	(12,319)	(28,342)
<b>Cash, beginning of year</b>	22,508	50,850
<b>Cash, end of year</b>	10,189	22,508
Dividends received, net of withholding taxes	249,200	600,391

See accompanying notes which are an integral part of these financial statements

**First Trust Tactical Bond Index ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to replicate, to the extent possible, the performance of the NASDAQ Canadian Preservation Index CAD TR<sup>SM</sup> (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.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The below fair value hierarchy table presents information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	4,939,622	–	–	4,939,622
Total	4,939,622	–	–	4,939,622

  

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	10,950,117	–	–	10,950,117
Total	10,950,117	–	–	10,950,117

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Units
Outstanding units - January 1, 2019	1,200,000
Redeemable units issued	50,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(650,000)
Outstanding units – December 31, 2019	600,000
Redeemable units issued	–
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(300,000)
Outstanding units – December 31, 2020	300,000

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Units
0.50%

First Trust Tactical Bond Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** - The net capital losses and/or non-capital losses as at December 31, 2020 and 2019, where applicable, are as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2020	2019	2020	2019
1,770,890	1,128,319	–	–

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
28,035	22,559

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
36,937	82,042	2,098	4,824

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and interest rates. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
NASDAQ Canadian Preservation Index CAD TR <sup>SM</sup>	260,322	(260,322)	511,331	(511,331)

**Concentration Risk** – The table below summarizes the First Trust ETF's concentration risk for the years ended December 31, 2020 and 2019:

Holdings	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Exchange-Traded Funds	99.71	99.79
Total	99.71	99.79

First Trust Tactical Bond Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Exchange Traded Funds—99.71%</b>				
BMO Aggregate Bond Index ETF	58,265	974,669	972,443	19.63
BMO Emerging Markets Bond Hedged to CAD Index ETF	63,795	977,775	1,000,944	20.20
BMO Long Federal Bond Index ETF	47,411	974,763	953,909	19.26
iShares CDN Scotia Capital Real Return Bond Index Fund	35,446	935,116	972,284	19.63
iShares S&P/TSX Canadian Preferred Share Index ETF	84,763	904,355	1,040,042	20.99
<b>Total Exchange Traded Funds</b>		<b>4,766,678</b>	<b>4,939,622</b>	<b>99.71</b>
<b>Total investments</b>		<b>4,766,678</b>	<b>4,939,622</b>	<b>99.71</b>
Transaction costs		(2,764)		
Other assets, less liabilities			14,166	0.29
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>		<b>4,763,914</b>	<b>4,953,788</b>	<b>100.00</b>

# First Trust Value Line® Dividend Index ETF (CAD-Hedged)

## STATEMENTS OF FINANCIAL POSITION

As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	17,328,957	18,167,488
Cash	76,425	67,706
Accrued dividend receivable	31,838	31,707
Derivative assets	360,986	333,078
Other assets	5,044	6,101
	17,803,250	18,606,080
<b>Liabilities</b>		
Accrued liabilities	27,879	23,724
Distributions payable to holders of redeemable units	22,054	32,304
	49,933	56,028
<b>Total net assets attributable to holders of redeemable units</b>	<b>17,753,317</b>	<b>18,550,052</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
<b>Common Class</b>	11,904,424	13,984,787
<b>Advisor Class</b>	5,848,893	4,565,265
<b>Redeemable units outstanding [note 6]</b>		
<b>Common Class</b>	402,160	452,160
<b>Advisor Class</b>	197,835	147,835
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Common Class</b>	29.60	30.93
<b>Advisor Class</b>	29.56	30.88

## STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	583,902	595,134
<b>Other changes in fair value of investments and derivatives</b>		
Net realized gain (loss) on sale of investments	(426,997)	1,634,094
Net realized gain (loss) on derivatives	91,905	(2,199)
Net realized gain (loss) on foreign exchange	12,291	(1,444)
Net change in unrealized appreciation (depreciation) of investments	(601,806)	1,583,715
Net change in unrealized appreciation (depreciation) of derivatives	27,908	619,918
	(312,797)	4,429,218
Foreign exchange gain (loss) on cash	(5,676)	(191)
	(318,473)	4,429,027
<b>Expenses [note 7]</b>		
Management fees	123,130	131,199
Service fees	49,642	38,337
HST expense	17,790	16,240
Transaction costs [note 3 and note 9]	7,189	4,114
Independent Review Committee fees	3,955	3,818
Interest expense	120	87
	201,826	193,795
Expenses waived by manager	(3,955)	(3,818)
	197,871	189,977
<b>Increase (Decrease) in net assets attributable to holders of redeemable units before tax</b>	<b>(516,344)</b>	<b>4,239,050</b>
<b>Withholding taxes</b>	<b>76,845</b>	<b>76,738</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>(593,189)</b>	<b>4,162,312</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Common Class</b>	(708,182)	3,330,884
<b>Advisor Class</b>	114,993	831,428
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Common Class</b>	(1.53)	6.42
<b>Advisor Class</b>	0.64	6.24

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust Value Line® Dividend Index ETF (CAD-Hedged)

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$) Common Class	December 31 2019 (\$) Common Class	December 31 2020 (\$) Advisor Class	December 31 2019 (\$) Advisor Class
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	13,984,787	10,207,766	4,565,265	3,748,115
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	(708,182)	3,330,884	114,993	831,428
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units	4,007,237	8,028,882	1,229,660	1,501,702
Reinvested distributions	-	-	-	-
Redemption of units	(5,081,796)	(7,230,896)	-	(1,466,433)
	(1,074,559)	797,986	1,229,660	35,269
<b>Distributions to holders of redeemable units from:</b>				
Net investment income	(269,237)	(284,992)	(51,839)	(40,132)
Capital gains	-	-	-	-
Return of capital	(28,385)	(66,857)	(9,186)	(9,415)
	(297,622)	(351,849)	(61,025)	(49,547)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	(2,080,363)	3,777,021	1,283,628	817,150
<b>Net assets attributable to holders of redeemable units, end of year</b>	11,904,424	13,984,787	5,848,893	4,565,265
			<b>December 31 2020 (\$) Total</b>	<b>December 31 2019 (\$) Total</b>
<b>Net assets attributable to holders of redeemable units, beginning of year</b>			18,550,052	13,955,881
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>			(593,189)	4,162,312
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units			5,236,897	9,530,584
Reinvested distributions			-	-
Redemption of units			(5,081,796)	(8,697,329)
			155,101	833,255
<b>Distributions to holders of redeemable units from:</b>				
Net investment income			(321,076)	(325,124)
Capital gains			-	-
Return of capital			(37,571)	(76,272)
			(358,647)	(401,396)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>			(796,735)	4,594,171
<b>Net assets attributable to holders of redeemable units, end of year</b>			17,753,317	18,550,052

See accompanying notes which are an integral part of these financial statements.

# First Trust Value Line® Dividend Index ETF (CAD-Hedged)

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	(593,189)	4,162,312
Adjustments for:		
Net realized (gain) loss on sale of investments	426,997	(1,634,094)
Change in unrealized (appreciation) depreciation of investments and derivatives	573,898	(2,203,633)
Dividends receivable	(131)	(2,618)
Other assets	1,057	(3,222)
Other liabilities	4,155	2,689
Purchases of investments	(23,558,394)	(21,875,984)
Proceeds from the sale of investments	23,368,122	20,970,867
	222,515	(583,683)
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	5,236,897	9,530,584
Amount paid on redemptions of units	(5,081,796)	(8,697,329)
Distributions paid to unitholders	(368,897)	(390,146)
	(213,796)	443,109
<b>Increase (Decrease) in cash for the year</b>	8,719	(140,574)
<b>Cash, beginning of year</b>	67,706	208,280
<b>Cash, end of year</b>	76,425	67,706
Dividends received, net of withholding taxes	506,926	515,778

See accompanying notes which are an integral part of these financial statements.

First Trust Value Line® Dividend Index ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust seeks to replicate, to the extent possible, the performance of the Value Line® Dividend Index on a currency hedged basis (the "Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the Constituent Securities (as defined in the Prospectus) of the Index in the same proportion as they are reflected in the Index or securities intended to replicate the performance of the Index.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	17,328,957	–	–	17,328,957
Derivative assets	–	360,986	–	360,986
<b>Total</b>	<b>17,328,957</b>	<b>360,986</b>	<b>–</b>	<b>17,689,943</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	18,167,488	–	–	18,167,488
Derivative assets	–	333,078	–	333,078
<b>Total</b>	<b>18,167,488</b>	<b>333,078</b>	<b>–</b>	<b>18,500,566</b>

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Common Class	Advisor Class
Outstanding units - January 1, 2019	402,160	147,835
Redeemable units issued	300,000	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(250,000)	(50,000)
Outstanding units – December 31, 2019	452,160	147,835
Redeemable units issued	150,000	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(200,000)	–
Outstanding units – December 31, 2020	402,160	197,835

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Common Class	Advisor Class <sup>1</sup>
0.70%	1.70%

<sup>1</sup>Includes a service fee of 1.00%



First Trust Value Line® Dividend Index ETF (CAD-Hedged)  
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**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** - The net capital losses and/or non-capital losses as at December 31, 2020 and 2019, where applicable, are as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2020	2019	2020	2019
83,701	83,701	-	-

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
7,189	4,114

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
123,130	131,199	10,440	13,771

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
S&P 500 Index (CAD-Hedged)	858,859	(858,859)	722,144	(722,144)
Dow Jones U.S. Select Dividend™ Index USD	877,226	(877,226)	889,807	(889,807)

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	74,838	0.42	269,646	1.45

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$748 (December 31, 2019 - \$2,696). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

First Trust Value Line® Dividend Index ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**Concentration Risk** - The table below summarizes the concentration risk for the years ended December 31, 2020 and 2019:

Sector	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
<i>Canada</i>		
Financials	3.13	2.93
Information Technology	1.57	0.98
Communication Services	1.56	1.46
Utilities	0.52	0.49
Industrials	0.52	0.48
<i>United States</i>		
Utilities	21.34	21.07
Financials	15.76	20.04
Industrials	13.49	11.61
Consumer Staples	8.35	9.73
Information Technology	6.29	3.88
Health Care	5.18	3.39
Materials	4.68	3.41
Consumer Discretionary	2.10	3.38
Communication Services	1.56	1.95
Energy	–	1.45
<i>International</i>		
Switzerland	2.66	2.43
United Kingdom	2.10	2.45
Japan	1.53	0.95
Germany	1.05	0.49
Bermuda	1.05	1.47
India	0.55	0.49
Taiwan	0.54	0.49
France	0.53	0.97
Ireland	0.53	0.97
Hong Kong	0.52	–
Denmark	0.50	0.49
Belgium	–	0.49
<b>Total</b>	<b>97.61</b>	<b>97.94</b>

First Trust Value Line® Dividend Index ETF (CAD-Hedged)  
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SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>CANADIAN EQUITIES</b>				
<b>Communicaton Services—1.56%</b>				
BCE Inc.	1,687	97,871	91,908	0.52
Rogers Communications Inc., Class 'B'	1,560	85,580	92,515	0.52
TELUS Corp.	3,652	86,197	92,043	0.52
		<b>269,648</b>	<b>276,466</b>	<b>1.56</b>
<b>Financials—3.13%</b>				
Bank of Montreal	956	81,145	92,520	0.52
Bank of Nova Scotia	1,362	87,834	93,689	0.53
Canadian Imperial Bank of Commerce	828	83,023	90,082	0.51
Royal Bank of Canada	891	85,285	93,069	0.52
Sun Life Financial Inc.	1,661	88,457	94,001	0.53
Toronto-Dominion Bank (The)	1,293	85,507	92,859	0.52
		<b>511,251</b>	<b>556,220</b>	<b>3.13</b>
<b>Industrials—0.52%</b>				
Canadian National Railway Co.	659	92,243	92,147	0.52
		<b>92,243</b>	<b>92,147</b>	<b>0.52</b>
<b>Information Technology—1.57%</b>				
Open Text Corp.	1,603	81,517	92,759	0.52
Shaw Communications Inc., Class 'B'	4,130	101,632	92,314	0.52
Thomson Reuters Corp.	899	76,417	93,710	0.53
		<b>259,566</b>	<b>278,783</b>	<b>1.57</b>
<b>Utilities—0.52%</b>				
Fortis Inc.	1,775	88,774	92,228	0.52
		<b>88,774</b>	<b>92,228</b>	<b>0.52</b>
		<b>1,221,482</b>	<b>1,295,844</b>	<b>7.30</b>
<b>UNITED STATES EQUITIES</b>				
<b>Communicaton Services—1.56%</b>				
AT&T Inc.	2,480	103,954	90,789	0.51
Comcast Corp., Class 'A'	1,428	81,177	95,248	0.54
Verizon Communications Inc.	1,209	92,016	90,412	0.51
		<b>277,147</b>	<b>276,449</b>	<b>1.56</b>
<b>Consumer Discretionary—2.10%</b>				
Home Depot Inc. (The)	266	76,432	89,937	0.51
McDonald's Corp.	340	86,709	92,867	0.52
Starbucks Corp.	699	77,941	95,186	0.54
Target Corp.	419	94,180	94,152	0.53
		<b>335,262</b>	<b>372,142</b>	<b>2.10</b>
<b>Consumer Staples—8.35%</b>				
Archer-Daniels-Midland Co.	1,457	83,910	93,491	0.53
Campbell Soup Co.	1,489	89,587	91,640	0.52
Clorox Co. (The)	355	97,355	91,244	0.51
Coca-Cola Co. (The)	1,362	87,180	95,076	0.54
Colgate-Palmolive Co.	843	79,536	91,757	0.52
CVS Health Corp.	1,047	89,125	91,025	0.51
General Mills Inc.	1,220	87,329	91,313	0.51
Hershey Co. (The)	481	83,392	93,266	0.53
Hormel Foods Corp.	1,510	98,583	89,588	0.50
J.M. Smucker Co. (The)	629	93,217	92,556	0.52
Kellogg Co.	1,169	98,121	92,599	0.52

**First Trust Value Line® Dividend Index ETF (CAD-Hedged)**  
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**For the year ended December 31, 2020**

Kimberly-Clark Corp.	536	93,572	91,991	0.52
Lancaster Colony Corp.	421	93,735	98,459	0.55
Mondelez International Inc., Class 'A'	1,247	82,646	92,810	0.52
PepsiCo Inc.	495	83,458	93,442	0.53
Procter & Gamble Co. (The)	523	78,963	92,629	0.52
		<b>1,419,709</b>	<b>1,482,886</b>	<b>8.35</b>
<b>Financials—15.76%</b>				
Aflac Inc.	1,651	90,540	93,456	0.53
Allstate Corp. (The)	678	94,030	94,872	0.53
American Tower Corp.	327	100,039	93,429	0.53
Assurant Inc.	550	78,393	95,367	0.54
Bank of Hawaii Corp.	929	81,129	90,605	0.51
Bank of New York Mellon Corp. (The)	1,737	95,956	93,836	0.53
BlackRock Inc.	103	66,167	94,600	0.53
Camden Property Trust	740	96,392	94,119	0.53
Cboe Global Markets Inc.	797	93,611	94,470	0.53
CME Group Inc.	396	89,205	91,766	0.52
CNA Financial Corp.	1,872	94,287	92,837	0.52
Commerce Bancshares Inc.	1,122	96,079	93,832	0.53
Crown Castle International Corp.	469	100,300	95,035	0.54
Erie Indemnity Co., Class 'A'	290	93,539	90,661	0.51
Federal Realty Investment Trust	838	103,439	90,797	0.51
Franklin Resources Inc.	2,899	92,438	92,217	0.52
Goldman Sachs Group Inc. (The)	280	76,185	93,989	0.53
Hanover Insurance Group Inc.	622	95,100	92,571	0.52
Hartford Financial Services Group Inc. (The)	1,515	86,792	94,455	0.53
Houlihan Lokey Inc.	1,050	79,408	89,856	0.51
JPMorgan Chase & Co.	582	78,760	94,137	0.53
M&T Bank Corp.	580	98,305	93,983	0.53
Marsh & McLennan Cos. Inc.	625	89,886	93,081	0.52
Mid-America Apartment Communities Inc.	577	83,810	93,049	0.52
PNC Financial Services Group Inc.	498	77,837	94,452	0.53
Prologis Inc.	740	86,228	93,874	0.53
Public Storage Inc.	315	88,935	92,595	0.52
T. Rowe Price Group Inc.	484	73,303	93,269	0.53
Travelers Cos. Inc. (The)	521	83,014	93,091	0.52
U.S. Bancorp	1,587	90,676	94,116	0.53
		<b>2,653,783</b>	<b>2,798,417</b>	<b>15.76</b>
<b>Health Care—5.18%</b>				
Abbott Laboratories	666	91,965	92,820	0.52
AmerisourceBergen Corp.	737	94,389	91,711	0.52
Amgen Inc.	317	89,283	92,775	0.52
Bristol-Myers Squibb Co.	1,160	86,418	91,591	0.52
Eli Lilly and Co.	426	88,968	91,554	0.51
Gilead Sciences Inc.	1,229	117,143	91,142	0.51
Johnson & Johnson	470	87,178	94,155	0.53
Merck & Co. Inc.	907	94,018	94,440	0.53
Pfizer Inc.	1,925	95,579	90,197	0.51
Quest Diagnostics Inc.	595	93,098	90,256	0.51
		<b>938,039</b>	<b>920,641</b>	<b>5.18</b>
<b>Industrials—13.49%</b>				
3M Co.	410	93,381	91,221	0.51
C.H. Robinson Worldwide Inc.	770	85,740	92,005	0.52
Caterpillar Inc.	399	69,377	92,446	0.52
Cummins Inc.	320	68,882	92,504	0.52

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Dover Corp.	581	92,315	93,369	0.53
Emerson Electric Co.	893	73,971	91,356	0.51
Fastenal Co.	1,450	66,033	90,126	0.51
General Dynamics Corp.	481	96,936	91,117	0.51
Honeywell International Inc.	342	68,846	92,595	0.52
Hubbell Inc.	458	75,664	91,407	0.52
Illinois Tool Works Inc.	353	75,042	91,610	0.52
L3Harris Technologies Inc.	389	89,915	93,595	0.53
Lincoln Electric Holdings Inc.	606	74,694	89,673	0.51
Lockheed Martin Corp.	206	95,035	93,082	0.52
MSC Industrial Direct Co. Inc., Class 'A'	838	79,138	90,018	0.51
Norfolk Southern Corp.	313	93,766	94,668	0.53
Northrop Grumman Corp.	242	95,064	93,866	0.53
Raytheon Technologies Corp.	1,033	100,309	94,029	0.53
Republic Services Inc.	755	84,984	92,548	0.52
Robert Half International Inc.	1,160	78,876	92,256	0.52
Rockwell Automation Inc.	289	88,221	92,265	0.52
Snap-On Inc.	424	82,799	92,366	0.52
Union Pacific Corp.	355	79,221	94,090	0.53
United Parcel Service Inc., Class 'B'	417	66,214	89,387	0.50
Waste Management Inc.	618	88,169	92,770	0.52
Watsco Inc., Class 'A'	312	72,294	89,973	0.51
		<b>2,134,886</b>	<b>2,394,342</b>	<b>13.49</b>
<b>Information Technology—6.29%</b>				
Amdocs Ltd.	1,039	88,801	93,808	0.53
Analog Devices Inc.	505	76,338	94,963	0.53
Automatic Data Processing Inc.	405	80,743	90,835	0.51
Avnet Inc.	2,147	77,671	95,953	0.54
Cisco Systems Inc.	1,603	91,687	91,310	0.51
Corning Inc.	2,001	93,492	91,695	0.52
Intel Corp.	1,552	102,431	98,421	0.55
International Business Machines Corp.	583	97,801	93,416	0.53
Juniper Networks Inc.	3,199	91,874	91,661	0.52
Motorola Solutions Inc.	435	97,336	94,164	0.53
Paychex Inc.	745	71,528	88,364	0.50
Texas Instruments Inc.	443	68,275	92,552	0.52
		<b>1,037,977</b>	<b>1,117,142</b>	<b>6.29</b>
<b>Materials—4.68%</b>				
Air Products and Chemicals Inc.	272	76,654	94,597	0.53
Avery Dennison Corp.	473	79,805	93,389	0.53
Dow Inc.	1,306	75,779	92,263	0.52
DuPont de Nemours Inc.	1,021	75,583	92,417	0.52
International Flavors & Fragrances Inc.	630	102,422	87,282	0.49
NewMarket Corp.	183	88,549	92,778	0.52
Packaging Corp. of America	538	93,841	94,443	0.53
Sensient Technologies Corp.	984	85,902	92,399	0.52
Sonoco Products Co.	1,211	86,329	91,333	0.52
		<b>764,864</b>	<b>830,901</b>	<b>4.68</b>
<b>Utilities—21.34%</b>				
Allete Inc.	1,244	109,285	98,081	0.55
Alliant Energy Corp.	1,429	92,849	93,732	0.53
Ameren Corp.	933	90,014	92,705	0.52
American Electric Power Co. Inc.	876	96,135	92,851	0.52
American States Water Co.	941	94,224	95,237	0.54
Atmos Energy Corp.	782	110,188	94,992	0.54

**First Trust Value Line® Dividend Index ETF (CAD-Hedged)**  
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Avangrid Inc.	1,607	102,458	92,970	0.52
Avista Corp.	1,879	104,204	96,006	0.54
Black Hills Corp.	1,230	102,213	96,210	0.54
Chesapeake Utilities Corp.	696	80,593	95,867	0.54
CMS Energy Corp.	1,241	94,560	96,376	0.54
Consolidated Edison Inc.	1,029	107,782	94,660	0.53
Dominion Energy Inc.	966	99,207	92,468	0.52
DTE Energy Co.	608	91,972	93,962	0.53
Duke Energy Corp.	808	93,399	94,170	0.53
Entergy Corp.	742	106,852	94,298	0.53
Essential Utilities Inc.	1,589	84,957	95,651	0.54
Evergy Inc.	1,363	102,009	96,308	0.54
Eversource Energy	860	89,043	94,702	0.53
Hawaiian Electric Industries Inc.	2,056	103,897	92,619	0.52
IDACORP Inc.	766	94,915	93,633	0.53
MDU Resources Group Inc.	2,874	92,573	96,360	0.54
MGE Energy Inc.	1,040	94,788	92,707	0.52
New Jersey Resources Corp.	2,145	104,901	97,065	0.55
NextEra Energy Inc.	967	71,492	94,963	0.54
NiSource Inc.	3,342	111,123	97,587	0.55
Northwest Natural Holding Co.	1,606	121,489	94,016	0.53
NorthWestern Corp.	1,309	103,302	97,158	0.55
OGE Energy Corp.	2,360	107,801	95,709	0.54
ONE Gas Inc.	951	102,766	92,932	0.52
Otter Tail Corp.	1,735	101,276	94,103	0.53
Pinnacle West Capital Corp.	931	101,855	94,746	0.53
PPL Corp.	2,694	100,660	96,703	0.55
Public Services Enterprise Group Inc.	1,274	92,154	94,544	0.53
Sempra Energy	568	92,406	92,118	0.52
Southern Co. (The)	1,199	85,838	93,755	0.53
Spire Inc.	1,175	107,495	95,782	0.54
UGI Corp.	2,098	111,768	93,362	0.53
WEC Energy Group Inc.	799	90,339	93,599	0.53
Xcel Energy Inc.	1,100	87,863	93,351	0.53
		<b>3,932,645</b>	<b>3,788,058</b>	<b>21.34</b>
		<b>13,494,312</b>	<b>13,980,978</b>	<b>78.75</b>
<b>INTERNATIONAL EQUITIES</b>				
<b>Bermuda—1.05%</b>				
Axis Capital Holdings Ltd.	1,435	90,081	92,043	0.52
Everest Re Group Ltd.	314	89,463	93,563	0.53
		<b>179,544</b>	<b>185,606</b>	<b>1.05</b>
<b>Denmark—0.50%</b>				
Novo Nordisk AS, ADR	1,001	81,091	89,001	0.50
		<b>81,091</b>	<b>89,001</b>	<b>0.50</b>
<b>France—0.53%</b>				
Sanofi SA, ADR	1,530	95,510	94,631	0.53
		<b>95,510</b>	<b>94,631</b>	<b>0.53</b>
<b>Germany—1.05%</b>				
Fresenius Medical Care AG & Co. KGaA, ADR	1,738	92,510	91,943	0.52
SAP SE, ADR	574	83,177	95,269	0.53
		<b>175,687</b>	<b>187,212</b>	<b>1.05</b>
<b>Hong Kong—0.52%</b>				
China Mobile Ltd., ADR	2,554	120,900	92,783	0.52
		<b>120,900</b>	<b>92,783</b>	<b>0.52</b>

First Trust Value Line® Dividend Index ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

<b>India—0.55%</b>				
Infosys Technologies Ltd., ADR	4,517	61,304	97,457	0.55
		<b>61,304</b>	<b>97,457</b>	<b>0.55</b>
<b>Ireland—0.53%</b>				
Medtronic PLC	629	81,523	93,789	0.53
		<b>81,523</b>	<b>93,789</b>	<b>0.53</b>
<b>Japan—1.53%</b>				
Canon Inc., ADR	3,634	108,504	89,785	0.51
Honda Motor Co. Ltd., ADR	2,481	89,088	89,215	0.50
Toyota Motor Corp., ADR	474	80,681	93,261	0.52
		<b>278,273</b>	<b>272,261</b>	<b>1.53</b>
<b>Switzerland—2.66%</b>				
ABB Ltd., ADR	2,626	75,105	93,460	0.53
Chubb Ltd.	474	81,131	92,868	0.52
Garmin Ltd.	609	72,338	92,760	0.52
Novartis AG, ADR	813	90,967	97,723	0.55
TE Connectivity Ltd.	615	68,564	94,778	0.54
		<b>388,105</b>	<b>471,589</b>	<b>2.66</b>
<b>Taiwan—0.54%</b>				
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	686	47,562	95,215	0.54
		<b>47,562</b>	<b>95,215</b>	<b>0.54</b>
<b>United Kingdom—2.10%</b>				
AstraZeneca PLC, ADR	1,448	98,031	92,140	0.52
Diageo PLC, ADR	456	87,089	92,180	0.52
GlaxoSmithKline PLC, ADR	1,987	104,609	93,076	0.52
Unilever PLC, ADR	1,239	93,897	95,195	0.54
		<b>383,626</b>	<b>372,591</b>	<b>2.10</b>
<b>Total investments</b>		<b>16,608,919</b>	<b>17,328,957</b>	<b>97.61</b>
Transaction costs		(2,105)		
Unrealized appreciation on derivatives - see Schedule 1			360,986	2.03
Other assets, less liabilities			63,374	0.36
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>		<b>16,606,814</b>	<b>17,753,317</b>	<b>100.00</b>

Schedule 1

Counterparty	Credit Rating of Counterparty*	Settlement Date	Currency	Amount		Currency	Amount	Forward Rate	Current Rate	Appreciation (Depreciation) \$
				Sell	Sold					
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	13,594,736		CAD	17,665,000	0.770	0.786	360,986
										<b>360,986</b>

\* Commercial paper rating per Standard and Poor's Commercial Paper Guide

# First Trust AlphaDEX™ U.S. Financial Sector Index ETF

## STATEMENTS OF FINANCIAL POSITION

As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	4,693,688	6,187,800
Cash	18,873	39,199
Accrued dividend receivable	6,300	11,400
Other assets	156	617
	4,719,017	6,239,016
<b>Liabilities</b>		
Accrued liabilities	3,094	4,217
Distributions payable to holders of redeemable units	16,350	29,000
	19,444	33,217
<b>Total net assets attributable to holders of redeemable units</b>	<b>4,699,573</b>	<b>6,205,799</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
<b>Units</b>	<b>4,699,573</b>	<b>6,205,799</b>
<b>Redeemable units outstanding [note 6]</b>		
<b>Units</b>	<b>150,000</b>	<b>200,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>31.33</b>	<b>31.03</b>

## STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	151,791	205,895
<b>Other changes in fair value of investments</b>		
Net realized gain (loss) on sale of investments	(52,703)	182,640
Net realized gain (loss) on foreign exchange	250	(234)
Net change in unrealized appreciation (depreciation) of investments	506,178	926,176
	605,516	1,314,477
Foreign exchange gain (loss) on cash	216	(105)
	605,732	1,314,372
<b>Expenses [note 7]</b>		
Management fees	30,775	45,038
Transaction costs [note 3 and note 9]	4,450	3,007
HST expense	3,790	5,280
Independent Review Committee fees	1,005	1,311
Interest expense	23	1
	40,043	54,637
Expenses waived by manager	(1,005)	(1,311)
	39,038	53,326
<b>Increase (Decrease) in net assets attributable to holders of redeemable units before tax</b>	<b>566,694</b>	<b>1,261,046</b>
<b>Withholding taxes</b>	<b>21,286</b>	<b>29,209</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>545,408</b>	<b>1,231,837</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Units</b>	<b>545,408</b>	<b>1,231,837</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>3.29</b>	<b>5.69</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director



# First Trust AlphaDEX™ U.S. Financial Sector Index ETF

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	6,205,799	6,635,895
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	545,408	1,231,837
<b>Redeemable unit transactions [note 6]</b>		
Proceeds from issuance of units	4,468,418	-
Reinvested distributions	-	-
Redemption of units	(6,423,952)	(1,532,683)
	(1,955,534)	(1,532,683)
<b>Distributions to holders of redeemable units from:</b>		
Net investment income	(96,046)	(108,933)
Capital gains	-	-
Return of capital	(54)	(20,317)
	(96,100)	(129,250)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	(1,506,226)	(430,096)
<b>Net assets attributable to holders of redeemable units, end of year</b>	4,699,573	6,205,799

See accompanying notes which are an integral part of these financial statements.

# First Trust AlphaDEX™ U.S. Financial Sector Index ETF

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	545,408	1,231,837
Adjustments for:		
Net realized (gain) loss on sale of investments	52,703	(182,640)
Change in unrealized (appreciation) depreciation of investments	(506,178)	(926,176)
Dividends receivable	5,100	23,812
Other assets	461	1,021
Other liabilities	(1,123)	(8,505)
Purchases of investments	(9,385,391)	(5,784,304)
Proceeds from the sale of investments	11,332,978	7,305,956
	2,043,958	1,661,001
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	4,468,418	-
Amount paid on redemptions of units	(6,423,952)	(1,532,683)
Distributions paid to unitholders	(108,750)	(122,750)
	(2,064,284)	(1,655,433)
<b>Increase (Decrease) in cash for the year</b>	(20,326)	5,568
<b>Cash, beginning of year</b>	39,199	33,631
<b>Cash, end of year</b>	18,873	39,199
Dividends received, net of withholding taxes	135,605	200,498

See accompanying notes which are an integral part of these financial statements.

**First Trust AlphaDEX™ U.S. Financial Sector Index ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Financials Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable Index in the same proportion as they are reflected in the Index or securities intended to replicate the performance of such Index. The Index results from applying the AlphaDEX™ methodology to the Russell 1000® Index, a market index representing the large capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Financial Services Sector.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	4,693,688	–	–	4,693,688
<b>Total</b>	<b>4,693,688</b>	<b>–</b>	<b>–</b>	<b>4,693,688</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	6,187,800	–	–	6,187,800
<b>Total</b>	<b>6,187,800</b>	<b>–</b>	<b>–</b>	<b>6,187,800</b>

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Units
Outstanding units – January 1, 2019	250,000
Redeemable units issued	–
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(50,000)
Outstanding units – December 31, 2019	200,000
Redeemable units issued	200,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(250,000)
Outstanding units – December 31, 2020	150,000

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Units
0.70%

First Trust AlphaDEX™ U.S. Financial Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** - The net capital losses and/or non-capital losses as at December 31, 2020 and 2019, where applicable, are as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2020	2019	2020	2019
422,266	422,266	-	-

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
4,450	3,007

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
30,775	45,038	2,738	3,731

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Financials Index	248,844	(248,844)	301,794	(301,794)
Russell 1000® Index	255,451	(255,451)	288,052	(288,052)
S&P 500 Financials Index	240,270	(240,270)	264,727	(264,727)

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	4,698,273	99.97	6,204,126	99.97

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$46,983 (December 31, 2019 – \$62,041). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

First Trust AlphaDEX™ U.S. Financial Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**Concentration Risk** – The table below summarizes the concentration risk for the years ended December 31, 2020 and 2019:

Sector	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Financials	98.79	94.37
Information Technology	1.08	3.02
Industrials	–	1.07
Communication Services	–	0.87
Consumer Discretionary	–	0.38
Total	99.87	99.71

First Trust AlphaDEX™ U.S. Financial Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Financials—98.79%</b>				
Affiliated Managers Group Inc.	253	24,999	32,752	0.70
Aflac Inc.	952	47,834	53,889	1.15
Allstate Corp. (The)	460	57,993	64,368	1.37
Ally Financial Inc.	1,381	35,393	62,686	1.33
American Financial Group Inc.	129	13,040	14,388	0.31
Ameriprise Financial Inc.	56	11,586	13,852	0.29
Arch Capital Group Ltd.	1,184	47,888	54,362	1.16
Ares Management Corp., Class 'A'	428	23,006	25,633	0.54
Associated Banc-Corp.	3,429	66,037	74,419	1.58
Assured Guaranty Ltd.	2,015	69,119	80,769	1.72
Athene Holding Ltd.	508	22,714	27,896	0.59
Bank of America Corp.	719	24,080	27,740	0.59
Bank of Hawaii Corp.	171	12,021	16,678	0.35
Bank of New York Mellon Corp. (The)	1,260	64,014	68,068	1.45
Bank OZK	1,624	48,261	64,641	1.37
Berkshire Hathaway Inc., Class 'B'	41	11,549	12,101	0.26
BOK Financial Corp.	672	49,325	58,577	1.25
Brighthouse Financial Inc.	1,608	62,081	74,105	1.58
Brown & Brown Inc.	382	21,309	23,053	0.49
Cboe Global Markets Inc.	197	23,742	23,351	0.50
Cincinnati Financial Corp.	111	12,078	12,345	0.26
Citigroup Inc.	1,004	65,387	78,801	1.68
Citizens Financial Group Inc.	1,027	32,847	46,748	0.99
Comerica Inc.	905	47,191	64,349	1.37
Credit Acceptance Corp.	26	12,944	11,456	0.24
Cullen/Frost Bankers Inc.	271	25,288	30,091	0.64
East West Bancorp Inc.	1,058	49,749	68,293	1.45
Eaton Vance Corp.	227	11,566	19,628	0.42
Erie Indemnity Co., Class 'A'	41	11,873	12,818	0.27
Evercore Inc., Class 'A'	529	42,794	73,828	1.57
Everest Re Group Ltd.	88	24,671	26,222	0.56
F.N.B. Corp.	6,383	66,916	77,187	1.64
Fidelity National Financial Inc.	1,382	55,753	68,765	1.46
Fifth Third Bancorp	1,218	30,103	42,744	0.91
First American Financial Corp.	850	55,347	55,862	1.19
First Citizens Bancshares Inc.	136	65,405	99,414	2.11
First Hawaiian Inc.	1,795	42,646	53,877	1.15
First Horizon National Corp.	2,754	35,074	44,731	0.95
Franklin Resources Inc.	2,127	61,040	67,659	1.44
Globe Life Inc.	325	34,163	39,284	0.83
Goldman Sachs Group Inc. (The)	86	23,312	28,868	0.61
Hanover Insurance Group Inc.	279	36,997	41,523	0.88
Hartford Financial Services Group Inc. (The)	1,174	63,873	73,195	1.56
Huntington Bancshares Inc.	2,832	37,221	45,529	0.97

**First Trust AlphaDEX™ U.S. Financial Sector Index ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

Intercontinental Exchange Inc.	87	11,746	12,767	0.27
Invesco Ltd.	3,793	56,852	84,154	1.79
Jefferies Financial Group Inc.	1,924	40,968	60,247	1.28
JPMorgan Chase & Co.	180	23,416	29,115	0.62
Kemper Corp.	648	64,667	63,372	1.35
KeyCorp	2,177	35,050	45,474	0.97
Lazard Ltd., Class 'A'	262	12,031	14,107	0.30
LendingTree Inc.	56	23,786	19,516	0.41
LPL Financial Holdings Inc.	339	36,756	44,972	0.96
M&T Bank Corp.	376	55,302	60,927	1.30
Marsh & McLennan Cos. Inc.	151	20,602	22,488	0.48
Mercury General Corp.	837	46,212	55,625	1.18
MetLife Inc.	1,164	58,852	69,564	1.48
MGIC Investment Corp.	4,885	50,262	78,037	1.66
Morgan Stanley	716	44,010	62,458	1.33
Morningstar Inc.	162	32,943	47,752	1.02
New York Community Bancorp Inc.	3,140	37,927	42,167	0.90
Northern Trust Corp.	222	23,910	26,320	0.56
Old Republic International Corp.	588	12,084	14,752	0.31
OneMain Holdings Inc.	1,385	44,226	84,904	1.81
People's United Financial Inc.	3,358	51,553	55,268	1.18
Pinnacle Financial Partners Inc.	973	52,892	79,761	1.70
PNC Financial Services Group Inc.	158	22,889	29,967	0.64
Popular Inc.	1,193	61,528	85,526	1.82
Primerica Inc.	77	12,498	13,127	0.28
Principal Financial Group Inc.	645	35,733	40,731	0.87
Progressive Corp. (The)	457	51,346	57,520	1.22
Prosperity Bancshares Inc.	501	37,141	44,232	0.94
Raymond James Financial Inc.	238	22,922	28,983	0.62
Regions Financial Corp.	752	11,710	15,430	0.33
Reinsurance Group of America Inc.	273	32,757	40,275	0.86
RenaissanceRe Holdings Ltd.	51	11,524	10,765	0.23
S&P Global Inc.	48	18,460	20,085	0.43
Santander Consumer USA Holdings Inc.	1,428	31,723	40,026	0.85
SEI Investments Co.	512	36,494	37,455	0.80
Signature Bank	313	37,949	53,902	1.15
SLM Corp.	3,210	32,065	50,626	1.08
Starwood Property Trust Inc.	574	9,816	14,101	0.30
State Street Corp.	584	49,167	54,103	1.15
Sterling Bancorp	4,114	64,619	94,156	2.00
SVB Financial Group	36	10,216	17,772	0.38
Synovus Financial Corp.	1,635	46,168	67,368	1.43
T. Rowe Price Group Inc.	203	32,240	39,119	0.83
TCF Financial Corp.	1,482	49,354	69,836	1.49
Tradeweb Markets Inc., Class 'A'	149	11,014	11,844	0.25
Travelers Cos. Inc. (The)	240	37,169	42,882	0.91
Truist Financial Corp.	455	23,940	27,760	0.59
U.S. Bancorp	483	24,144	28,644	0.61
Unum Group	2,572	62,895	75,103	1.60
Virtu Financial Inc.	1,505	45,806	48,219	1.03

First Trust AlphaDEX™ U.S. Financial Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

Voya Financial Inc.	361	23,576	27,024	0.57
Webster Financial Corp.	1,311	49,691	70,339	1.50
Wells Fargo & Co.	737	28,633	28,313	0.60
Western Alliance Bancorp	1,095	52,149	83,560	1.78
White Mountains Insurance Group Ltd.	22	23,462	28,022	0.60
Wintrust Financial Corp.	648	39,078	50,389	1.07
Zions Bancorporation NA	1,185	51,484	65,524	1.39
		<b>3,707,636</b>	<b>4,643,020</b>	<b>98.79</b>
<b>Information Technology—1.08%</b>				
Broadridge Financial Solutions Inc., ADR	66	11,933	12,871	0.27
MarketAxess Holdings Inc.	18	9,168	13,073	0.28
Moody's Corp.	30	9,563	11,083	0.24
MSCI Inc., Class 'A'	24	9,764	13,641	0.29
		<b>40,428</b>	<b>50,668</b>	<b>1.08</b>
<b>Total investments</b>		<b>3,748,064</b>	<b>4,693,688</b>	<b>99.87</b>
Transaction costs		<b>(931)</b>		
Other assets, less liabilities			<b>5,885</b>	<b>0.13</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>		<b>3,747,133</b>	<b>4,699,573</b>	<b>100.00</b>



# First Trust AlphaDEX™ U.S. Energy Sector Index ETF

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	1,075,774	1,385,652
Cash	4,697	1,153
Accrued dividend receivable	279	5,719
Other assets	40	634
	1,080,790	1,393,158
<b>Liabilities</b>		
Accrued liabilities	737	899
	737	899
<b>Total net assets attributable to holders of redeemable units</b>	1,080,053	1,392,259
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
<b>Units</b>	1,080,053	1,392,259
<b>Redeemable units outstanding [note 6]</b>		
<b>Units</b>	150,000	150,000
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	7.20	9.28

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	38,129	49,641
<b>Other changes in fair value of investments</b>		
Net realized gain (loss) on sale of investments	(583,571)	274,197
Net realized gain (loss) on foreign exchange	232	(145)
Net change in unrealized appreciation (depreciation) of investments	204,411	417,399
	(340,799)	741,092
Foreign exchange gain (loss) on cash	171	(473)
	(340,628)	740,619
<b>Expenses [note 7]</b>		
Management fees	7,805	25,295
Transaction costs [note 3 and note 9]	2,425	6,567
HST expense	934	2,624
Independent Review Committee fees	248	715
Interest expense	2	2
	11,414	35,203
Expenses waived by manager	(248)	(715)
	11,166	34,488
<b>Increase (Decrease) in net assets attributable to holders of redeemable units before tax</b>	(351,794)	706,131
<b>Withholding taxes</b>	10,286	7,251
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	(362,080)	698,880
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Units</b>	(362,080)	698,880
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	(2.03)	2.11

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust AlphaDEX™ U.S. Energy Sector Index ETF

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNIT

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	1,392,259	1,586,768
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	(362,080)	698,880
<b>Redeemable unit transactions [note 6]</b>		
Proceeds from issuance of units	1,525,434	13,670,091
Reinvested distributions	-	-
Redemption of units	(1,475,560)	(14,557,480)
	49,874	(887,389)
<b>Distributions to holders of redeemable units from:</b>		
Net investment income	-	-
Capital gains	-	-
Return of capital	-	(6,000)
	-	(6,000)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	(312,206)	(194,509)
<b>Net assets attributable to holders of redeemable units, end of year</b>	1,080,053	1,392,259

See accompanying notes which are an integral part of these financial statements.

# First Trust AlphaDEX™ U.S. Energy Sector Index ETF

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	(362,080)	698,880
Adjustments for:		
Net realized (gain) loss on sale of investments	583,571	(274,197)
Change in unrealized (appreciation) depreciation of investments	(204,411)	(417,399)
Dividends receivable	5,440	(5,068)
Other assets	594	(138)
Other liabilities	(162)	(480)
Purchases of investments	(2,501,124)	(19,192,088)
Proceeds from the sale of investments	2,431,842	20,073,770
	(46,330)	883,280
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	1,525,434	13,670,091
Amount paid on redemptions of units	(1,475,560)	(14,557,480)
Distributions paid to unitholders	-	(6,000)
	49,874	(893,389)
<b>Increase (Decrease) in cash for the year</b>	3,544	(10,109)
<b>Cash, beginning of year</b>	1,153	11,262
<b>Cash, end of year</b>	4,697	1,153
Dividends received, net of withholding taxes	33,283	37,322

See accompanying notes which are an integral part of these financial statements.

**First Trust AlphaDEX™ U.S. Energy Sector Index ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Energy Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable Index in the same proportion as they are reflected in the Index or securities intended to replicate the performance of such Index. The Index results from applying the AlphaDEX™ methodology to the Russell 1000® Index, a market index representing the large capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Energy Sector.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	1,075,774	–	–	1,075,774
Total	1,075,774	–	–	1,075,774
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	1,385,652	–	–	1,385,652
Total	1,385,652	–	–	1,385,652

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Units
Outstanding units – January 1, 2019	150,000
Redeemable units issued	1,250,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(1,250,000)
Outstanding units – December 31, 2019	150,000
Redeemable units issued	250,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(250,000)
Outstanding units – December 31, 2020	150,000

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Units
0.70%

First Trust AlphaDEX™ U.S. Energy Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** - The net capital losses and/or non-capital losses as at December 31, 2020 and 2019, where applicable, are as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2020	2019	2020	2019
-	-	1,523,820	1,162,837

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019:

Transaction Cost (\$)	
2020	2019
2,425	6,567

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
7,805	25,295	646	790

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Energy Index	52,179	(52,179)	89,271	(89,271)
Russell 1000® Index	63,747	(63,747)	76,441	(76,441)
S&P 500 Energy Index	56,556	(56,556)	92,196	(92,196)

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	1,079,098	99.91	1,391,493	99.94

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$10,791 (December 31, 2019 - \$13,915). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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First Trust AlphaDEX™ U.S. Energy Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

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**Concentration Risk** – The table below summarizes the First Trust ETF's concentration risk for the years ended December 31, 2020 and 2019:

Sector	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Energy	99.60	99.53
Total	99.60	99.53

First Trust AlphaDEX™ U.S. Energy Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Energy—99.60%</b>				
Antero Midstream Corp.	1,874	13,623	18,392	1.70
Apache Corp.	607	9,745	10,964	1.01
Baker Hughes Co.	757	16,374	20,091	1.86
Cabot Oil & Gas Corp.	1,159	28,894	24,018	2.22
Cheniere Energy Inc.	326	21,073	24,910	2.31
Chevron Corp.	210	24,910	22,574	2.09
Cimarex Energy Co.	236	10,925	11,268	1.04
Concho Resources Inc.	130	9,694	9,656	0.89
ConocoPhillips	876	49,146	44,591	4.13
Continental Resources Inc.	1,639	35,424	34,006	3.15
Devon Energy Corp.	1,064	20,897	21,413	1.98
Diamondback Energy Inc.	334	22,921	20,577	1.91
Enphase Energy Inc.	348	26,547	77,728	7.20
EOG Resources Inc.	800	52,648	50,784	4.70
EQT Corp.	778	14,131	12,587	1.17
Equitrans Midstream Corp.	1,784	21,672	18,258	1.69
Exxon Mobil Corp.	838	49,214	43,969	4.07
First Solar Inc.	228	17,531	28,709	2.66
Halliburton Co.	477	9,573	11,476	1.06
Helmerich & Payne Inc.	1,030	25,257	30,365	2.81
Hess Corp.	140	9,278	9,407	0.87
HollyFrontier Corp.	1,021	40,383	33,595	3.11
Kinder Morgan Inc.	1,224	24,710	21,298	1.97
Marathon Oil Corp.	4,921	45,433	41,780	3.87
Marathon Petroleum Corp.	343	16,514	18,058	1.67
Murphy Oil Corp.	2,256	38,184	34,747	3.22
National-Oilwell Varco Inc.	1,111	16,992	19,417	1.80
Occidental Petroleum Corp.	2,011	43,131	44,310	4.10
ONEOK Inc.	775	29,234	37,862	3.51
Parsley Energy Inc., Class 'A'	614	9,161	11,098	1.03
Phillips 66	291	25,143	25,907	2.40
Pioneer Natural Resources Co.	334	43,192	48,420	4.48
Schlumberger Ltd.	370	8,943	10,281	0.95
SolarEdge Technologies Inc.	121	26,700	49,151	4.55
Targa Resources Corp.	717	14,623	24,076	2.23
Valero Energy Corp.	664	46,196	47,813	4.43
Williams Cos. Inc. (The)	768	19,898	19,601	1.81
WPX Energy Inc.	4,108	35,666	42,617	3.95
		<b>973,580</b>	<b>1,075,774</b>	<b>99.60</b>
<b>Total investments</b>		<b>973,580</b>	<b>1,075,774</b>	<b>99.60</b>
Transaction costs		(478)		
Other assets, less liabilities			4,279	0.40
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>		<b>973,102</b>	<b>1,080,053</b>	<b>100.00</b>

# First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	4,549,018	2,778,720
Cash	15,317	14,090
Accrued dividend receivable	1,646	2,394
Other assets	1,898	1,315
	4,567,879	2,796,519
<b>Liabilities</b>		
Accrued liabilities	4,045	1,879
Distributions payable to holders of redeemable units	4,650	10,650
	8,695	12,529
<b>Total net assets attributable to holders of redeemable units</b>	<b>4,559,184</b>	<b>2,783,990</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
<b>Units</b>	<b>4,559,184</b>	<b>2,783,990</b>
<b>Redeemable units outstanding [note 6]</b>		
<b>Units</b>	<b>150,000</b>	<b>100,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>30.39</b>	<b>27.84</b>

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	97,753	62,610
<b>Other changes in fair value of investments</b>		
Net realized gain (loss) on sale of investments	(1,359,051)	298,470
Net realized gain (loss) on foreign exchange	38	(144)
Net change in unrealized appreciation (depreciation) of investments	67,927	277,794
	(1,193,333)	638,730
Foreign exchange gain (loss) on cash	(416)	(252)
	(1,193,749)	638,478
<b>Expenses [note 7]</b>		
Management fees	47,755	27,250
HST expense	4,210	2,414
Transaction costs [note 3 and note 9]	1,756	1,853
Independent Review Committee fees	1,544	786
Interest expense	-	7
	55,265	32,310
Expenses waived by manager	(1,544)	(786)
	53,721	31,524
<b>Increase (Decrease) in net assets attributable to holders of redeemable units before tax</b>	<b>(1,247,470)</b>	<b>606,954</b>
<b>Withholding taxes</b>	<b>13,679</b>	<b>9,054</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>(1,261,149)</b>	<b>597,900</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Units</b>	<b>(1,261,149)</b>	<b>597,900</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>(4.97)</b>	<b>4.09</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director



# First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	2,783,990	2,394,148
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	(1,261,149)	597,900
<b>Redeemable unit transactions [note 6]</b>		
Proceeds from issuance of units	31,284,063	2,552,726
Reinvested distributions	-	-
Redemption of units	(28,213,570)	(2,715,134)
	3,070,493	(162,408)
<b>Distributions to holders of redeemable units from:</b>		
Net investment income	(34,106)	(45,604)
Capital gains	-	-
Return of capital	(44)	(46)
	(34,150)	(45,650)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	1,775,194	389,842
<b>Net assets attributable to holders of redeemable units, end of year</b>	4,559,184	2,783,990

See accompanying notes which are an integral part of these financial statements

# First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	(1,261,149)	597,900
Adjustments for:		
Net realized (gain) loss on sale of investments	1,359,051	(298,470)
Change in unrealized (appreciation) depreciation of investments	(67,927)	(277,794)
Dividends receivable	748	9,236
Other assets	(583)	(398)
Other liabilities	2,166	(7,814)
Purchases of investments	(34,317,814)	(6,520,711)
Proceeds from the sale of investments	31,256,392	6,702,069
	(3,029,116)	204,018
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	31,284,063	2,552,726
Amount paid on redemptions of units	(28,213,570)	(2,715,134)
Distributions paid to unitholders	(40,150)	(42,000)
	3,030,343	(204,408)
<b>Increase (decrease) in cash for the year</b>	1,227	(390)
<b>Cash, beginning of year</b>	14,090	14,480
<b>Cash, end of year</b>	15,317	14,090
Dividends received, net of withholding taxes	84,822	62,792

See accompanying notes which are an integral part of these financial statements

**First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Consumer Discretionary Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable Index in the same proportion as they are reflected in the Index or securities intended to replicate the performance of such Index. The Index results from applying the AlphaDEX™ methodology to the Russell 1000® Index, a market index representing the large capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Consumer Discretionary Sector.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	4,549,018	–	–	4,549,018
<b>Total</b>	<b>4,549,018</b>	<b>–</b>	<b>–</b>	<b>4,549,018</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	2,778,720	–	–	2,778,720
<b>Total</b>	<b>2,778,720</b>	<b>–</b>	<b>–</b>	<b>2,778,720</b>

There have been no transfers from one Level to another for years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Units
Outstanding units – January 1, 2019	100,000
Redeemable units issued	100,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(100,000)
Outstanding units – December 31, 2019	100,000
Redeemable units issued	1,150,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(1,100,000)
Outstanding units – December 31, 2020	150,000

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Units
0.70%

First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** - The net capital losses and/or non-capital losses as at December 31, 2020 and 2019 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2020	2019	2020	2019
653,430	36,015	–	–

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
1,756	1,853

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
47,755	27,250	3,580	1,663

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Consumer Discretionary Index	246,890	(246,890)	127,134	(127,134)
Russell 1000® Index	234,606	(234,606)	133,445	(133,445)
S&P 500 Consumer Discretionary Index	239,522	(239,522)	122,612	(122,612)

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	4,555,981	99.93	2,781,964	99.93

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$45,560 (December 31, 2019 - \$27,820). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**Concentration Risk** – The table below summarizes the First Trust ETF’s concentration risk for the years ended December 31, 2020 and 2019:

Sector	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Consumer Discretionary	77.20	78.36
Communication Services	12.42	15.15
Consumer Staples	5.07	4.00
Information Technology	3.26	0.24
Industrials	1.83	1.79
Health Care	–	0.27
Total	99.78	99.81

# First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF

## Notes to Financial Statements - Specific Information

### For the year ended December 31, 2020

#### SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Communicaton Services—12.42%</b>				
Activision Blizzard Inc.	103	10,965	12,173	0.27
Discovery Inc., Series 'A'	1,999	62,710	76,565	1.68
Fox Corp., Class 'A'	938	37,938	34,769	0.76
Liberty Media Corp.-Liberty SiriusXM, Class 'C'	526	25,476	29,132	0.64
Madison Square Garden Entertainment Corp.	635	58,711	84,903	1.86
Nexstar Media Group Inc., Class 'A'	387	48,531	53,788	1.18
Omnicom Group Inc.	352	26,892	27,946	0.61
Sirius XM Holdings Inc.	1,556	12,986	12,617	0.28
Spotify Technology SA	108	40,254	43,257	0.95
Trade Desk Inc. (The)	84	69,171	85,646	1.88
Uber Technologies Inc.	716	35,137	46,481	1.02
ViacomCBS Inc., Class 'B'	1,243	50,290	58,953	1.29
		<b>479,061</b>	<b>566,230</b>	<b>12.42</b>
<b>Consumer Discretionary—77.20%</b>				
2U Inc.	1,028	50,815	52,355	1.15
Advance Auto Parts Inc.	113	23,195	22,656	0.50
Alaska Air Group Inc.	475	27,728	31,441	0.69
Amazon.com Inc.	14	58,261	58,040	1.27
Aptiv PLC	380	50,113	63,022	1.38
AutoNation Inc.	658	52,446	58,454	1.28
AutoZone Inc.	15	23,277	22,634	0.50
Best Buy Co. Inc.	391	60,670	49,666	1.09
BorgWarner Inc.	899	47,209	44,217	0.97
Bright Horizons Family Solutions Inc.	114	24,335	25,103	0.55
Burlington Stores Inc.	40	11,338	13,317	0.29
CarMax Inc.	284	34,192	34,148	0.75
Carter's Inc.	96	11,781	11,495	0.25
Carvana Co.	195	51,975	59,458	1.30
Chegg Inc.	487	55,499	55,996	1.23
Chipotle Mexican Grill Inc., Class 'A'	28	49,254	49,424	1.08
Columbia Sportswear Co.	96	12,099	10,678	0.23
Copart Inc.	331	49,699	53,614	1.18
D.R. Horton Inc.	575	55,368	50,444	1.11
Dick's Sporting Goods Inc.	301	24,792	21,536	0.47
Dollar Tree Inc.	191	23,982	26,267	0.58
Domino's Pizza Inc.	61	32,545	29,774	0.65
eBay Inc.	501	36,825	32,046	0.70
Etsy Inc.	358	64,981	81,073	1.78
Expedia Group Inc.	91	12,304	15,336	0.34
Extended Stay America Inc.	2,185	36,428	41,191	0.90
Floor & Decor Holdings Inc., Class 'A'	582	62,082	68,786	1.51
Foot Locker Inc.	1,054	55,170	54,256	1.19
Ford Motor Co.	3,921	42,658	43,871	0.96
Fortune Brands Home & Security Inc.	96	10,779	10,475	0.23
Garmin Ltd.	275	36,447	41,887	0.92
General Motors Co.	1,177	57,033	62,385	1.37
Gentex Corp.	1,014	39,328	43,794	0.96
Graham Holdings Co., Class 'B'	108	61,612	73,325	1.61
Grand Canyon Education Inc.	436	51,860	51,675	1.13

**First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

H&R Block Inc.	1,069	25,820	21,581	0.47
Hanesbrands Inc.	1,658	38,260	30,771	0.68
Harley-Davidson Inc.	340	13,670	15,883	0.35
Hasbro Inc.	101	12,206	12,026	0.26
Home Depot Inc. (The)	125	46,442	42,263	0.93
Hyatt Hotels Corp., Class 'A'	652	54,751	61,622	1.35
IAA Inc.	669	49,940	55,335	1.21
Interpublic Group of Cos. Inc. (The)	1,044	27,029	31,256	0.69
JetBlue Airways Corp.	1,536	28,733	28,428	0.62
Kohl's Corp.	1,879	68,404	97,322	2.13
Lear Corp.	160	28,393	32,389	0.71
Leggett & Platt Inc.	423	24,877	23,853	0.52
Lennar Corp., Class 'A'	533	55,184	51,719	1.13
Live Nation Inc.	155	11,657	14,498	0.32
LKQ Corp.	1,256	54,495	56,340	1.24
Lowe's Cos. Inc.	262	59,210	53,530	1.17
Lululemon Athletica Inc.	79	34,654	34,998	0.77
Mattel Inc.	2,232	41,541	49,577	1.09
McDonald's Corp.	38	11,417	10,379	0.23
MGM Resorts International	2,001	65,493	80,258	1.76
Mohawk Industries Inc.	446	66,392	80,019	1.76
Netflix Inc.	52	33,453	35,791	0.79
New York Times Co. (The), Class 'A'	195	11,882	12,850	0.28
Nike Inc., Class 'B'	208	35,529	37,456	0.82
NVR Inc.	6	33,151	31,160	0.68
O'Reilly Automotive Inc.	76	46,534	43,782	0.96
Peloton Interactive Inc., Class 'A'	439	70,701	84,782	1.86
Penske Automotive Group Inc.	548	39,691	41,427	0.91
Polaris Inc.	277	34,895	33,595	0.74
Pool Corp.	130	61,745	61,640	1.35
PulteGroup Inc.	940	54,306	51,594	1.13
Qurate Retail Inc.	1,334	16,198	18,628	0.41
Ralph Lauren Corp.	256	29,351	33,805	0.74
Rollins Inc.	964	50,812	47,942	1.05
Service Corp. International	413	24,303	25,812	0.57
Skechers U.S.A. Inc., Class 'A'	576	27,722	26,351	0.58
Starbucks Corp.	97	11,570	13,209	0.29
Target Corp.	111	23,372	24,942	0.55
Tempur Sealy International Inc.	1,952	57,319	67,087	1.47
Tesla Motors Inc.	101	56,532	90,723	1.99
Thor Industries Inc.	274	36,801	32,433	0.71
Tiffany & Co.	72	11,690	12,047	0.26
TJX Cos. Inc. (The)	150	11,454	13,039	0.29
Toll Brothers Inc.	716	44,426	39,618	0.87
Tractor Supply Co.	304	56,465	54,399	1.19
Ulta Beauty Inc.	37	11,428	13,524	0.30
United Airlines Holdings Inc.	240	13,200	13,213	0.29
V.F. Corp.	119	11,836	12,938	0.28
Vail Resorts Inc.	39	12,809	13,848	0.30
Wayfair Inc., Class 'A'	150	52,383	43,115	0.95
Wendy's Co. (The)	781	24,288	21,791	0.48
Whirlpool Corp.	142	36,933	32,624	0.72
Williams-Sonoma Inc.	481	62,820	62,353	1.37
Yum China Holdings Inc.	158	11,473	11,482	0.25
Yum! Brands Inc.	91	12,107	12,575	0.28
	<b>3,345,827</b>	<b>3,519,461</b>	<b>77.20</b>	

**First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

<b>Consumer Staples—5.07%</b>				
Costco Wholesale Corp.	101	49,591	48,440	1.06
Dollar General Corp.	208	58,839	55,680	1.22
Estée Lauder Cos. Inc. (The), Class 'A'	80	24,741	27,107	0.60
Five Below Inc.	206	37,341	45,883	1.01
Ollie's Bargain Outlet Holdings Inc.	299	39,187	31,121	0.68
Walmart Inc.	124	23,428	22,752	0.50
		<b>233,127</b>	<b>230,983</b>	<b>5.07</b>
<b>Industrials—1.83%</b>				
AMERCO Inc.	98	47,595	56,629	1.24
frontdoor Inc.	214	12,459	13,677	0.30
Southwest Airlines Co.	222	12,479	13,172	0.29
		<b>72,533</b>	<b>83,478</b>	<b>1.83</b>
<b>Information Technology—3.26%</b>				
Dolby Laboratories Inc., Class 'A'	263	24,800	32,516	0.71
Electronic Arts Inc.	200	33,696	36,558	0.80
Take-Two Interactive Software Inc.	211	45,758	55,808	1.22
Zynga Inc.	1,909	23,701	23,984	0.53
		<b>127,955</b>	<b>148,866</b>	<b>3.26</b>
<b>Total investments</b>		<b>4,258,503</b>	<b>4,549,018</b>	<b>99.78</b>
Transaction costs		(85)		
Other assets, less liabilities			10,166	0.22
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>		<b>4,258,418</b>	<b>4,559,184</b>	<b>100.00</b>



# First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	4,657,632	2,277,696
Cash	259,843	19,573
Accrued dividend receivable	3,288	2,422
Derivative assets	20,885	18,104
	4,941,648	2,317,795
<b>Liabilities</b>		
Accrued liabilities	5,123	3,448
Distributions payable to holders of redeemable units	256,250	17,000
	261,373	20,448
<b>Total net assets attributable to holders of redeemable units</b>	<b>4,680,275</b>	<b>2,297,347</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
<b>Units</b>	<b>3,713,396</b>	<b>1,285,323</b>
<b>Hedged Units</b>	<b>966,879</b>	<b>1,012,024</b>
<b>Redeemable units outstanding [note 6]</b>		
<b>Units</b>	<b>150,000</b>	<b>50,000</b>
<b>Hedged Units</b>	<b>50,000</b>	<b>50,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>24.76</b>	<b>25.71</b>
<b>Hedged Units</b>	<b>19.34</b>	<b>20.24</b>

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	66,322	121,417
<b>Other changes in fair value of investments and derivatives</b>		
Net realized gain (loss) on sale of investments	126,661	79,578
Net realized gain (loss) on derivatives	14,504	(18,628)
Net realized gain (loss) on foreign exchange	(574)	(2,190)
Net change in unrealized appreciation (depreciation) of investments	(3,738)	565,253
Net change in unrealized appreciation (depreciation) of derivatives	2,780	101,600
	205,955	847,030
Foreign exchange gain (loss) on cash	(208)	10,653
	205,747	857,683
<b>Expenses [note 7]</b>		
Management fees	23,556	37,236
HST expense	2,585	4,484
Transaction costs [note 3 and note 9]	1,607	2,823
Independent Review Committee fees	730	1,067
Interest expense	-	1
	28,478	45,611
Expenses waived by manager	(730)	(1,067)
	27,748	44,544
<b>Increase (Decrease) in net assets attributable to holders of redeemable units before tax</b>	<b>177,999</b>	<b>813,139</b>
<b>Withholding taxes</b>	<b>9,686</b>	<b>17,401</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>168,313</b>	<b>795,738</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Units</b>	<b>138,333</b>	<b>275,905</b>
<b>Hedged Units</b>	<b>29,980</b>	<b>519,833</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>1.45</b>	<b>4.03</b>
<b>Hedged Units</b>	<b>0.59</b>	<b>2.68</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)	December 31 2020 (\$) Hedged Units	December 31 2019 (\$) Hedged Units
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	1,285,323	2,279,556	1,012,024	4,327,839
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	138,333	275,905	29,980	519,833
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units	2,499,740	-	-	-
Reinvested distributions	82,525	-	25,005	-
Redemption of units	-	(1,248,638)	-	(3,795,148)
	2,582,265	(1,248,638)	25,005	(3,795,148)
<b>Distributions to holders of redeemable units from:</b>				
Net investment income	(277,090)	(21,500)	(100,016)	(40,376)
Capital gains	(15,435)	-	(114)	-
Return of capital	-	-	-	(124)
	(292,525)	(21,500)	(100,130)	(40,500)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	2,428,073	(994,233)	(45,145)	(3,315,815)
<b>Net assets attributable to holders of redeemable units, end of year</b>	3,713,396	1,285,323	966,879	1,012,024
			<b>December 31 2020 (\$) Total</b>	<b>December 31 2019 (\$) Total</b>
<b>Net assets attributable to holders of redeemable units, beginning of year</b>			2,297,347	6,607,395
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>			168,313	795,738
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units			2,499,740	-
Reinvested distributions			107,530	-
Redemption of units			-	(5,043,786)
			2,607,270	(5,043,786)
<b>Distributions to holders of redeemable units from:</b>				
Net investment income			(377,106)	(61,876)
Capital gains			(15,549)	-
Return of capital			-	(124)
			(392,655)	(62,000)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>			2,382,928	(4,310,048)
<b>Net assets attributable to holders of redeemable units, end of year</b>			4,680,275	2,297,347

See accompanying notes which are an integral part of these financial statements.

# First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	168,313	795,738
Adjustments for:		
Net realized (gain) loss on sale of investments	(126,661)	(79,578)
Change in unrealized (appreciation) depreciation of investments and derivatives	958	(666,853)
Dividends receivable	(866)	964
Other liabilities	1,675	(2,576)
Purchases of investments	(6,063,037)	(6,436,443)
Proceeds from the sale of investments	3,806,023	11,492,215
	(2,213,595)	5,103,467
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	2,499,740	-
Amount paid on redemptions of units	-	(5,043,786)
Distributions paid to unitholders	(45,875)	(82,975)
	2,453,865	(5,126,761)
<b>Increase (decrease) in cash for the year</b>	240,270	(23,294)
<b>Cash, beginning of year</b>	19,573	42,867
<b>Cash, end of year</b>	259,843	19,573
Dividends received, net of withholding taxes	55,770	104,980

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Consumer Staples Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable Index in the same proportion as they are reflected in the Index or securities intended to replicate the performance of such Index. The Index results from applying the AlphaDEX™ methodology to the Russell 1000® Index, a market index representing the large capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Consumer Staples Sector.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	4,657,632	–	–	4,657,632
Derivative assets*	–	20,885	–	20,885
<b>Total</b>	<b>4,657,632</b>	<b>20,885</b>	<b>–</b>	<b>4,678,517</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	2,277,696	–	–	2,277,696
Derivative assets*	–	18,104	–	18,104
<b>Total</b>	<b>2,277,696</b>	<b>18,104</b>	<b>–</b>	<b>2,295,800</b>

\* The derivative assets and derivative liabilities relate to the Hedged Units only.

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Units	Hedged Units
Outstanding units – January 1, 2019	100,000	250,000
Redeemable units issued	–	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(50,000)	(200,000)
Outstanding units – December 31, 2019	50,000	50,000
Redeemable units issued	100,000	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	–	–
Outstanding units – December 31, 2020	150,000	50,000

First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Units	Hedged Units
0.70%	0.70%

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** – There were no net capital losses nor non-capital losses as at December 31, 2020 and 2019.

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
1,607	2,823

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at years ended December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
23,556	37,236	2,928	1,366

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
<b>Units</b>				
Russell 1000® Consumer Staples Index	210,062	(210,062)	96,551	(96,551)
Russell 1000® Index	184,680	(184,680)	77,929	(77,929)
S&P 500 Consumer Staples Index	211,235	(211,235)	95,593	(95,593)
<b>Hedged Units</b>				
Russell 1000® Consumer Staples Index USD	233,835	(233,835)	110,240	(110,240)
Russell 1000® Index USD	211,005	(211,005)	91,597	(91,597)
S&P 500 Consumer Staples Index USD	239,845	(239,845)	110,352	(110,352)

First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	3,659,451	78.19	1,305,652	56.83

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$36,595 (December 31, 2019 - \$13,057). A portion of this currency risk exposure has been hedged. Please refer to the Schedule of Portfolio Investments for more information. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**Concentration Risk** – The table below summarizes the First Trust ETF's concentration risk for the years ended December 31, 2020 and 2019:

Sector	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Consumer Staples	89.68	96.52
Consumer Discretionary	3.37	2.62
Health Care	3.36	–
Materials	3.11	–
Total	99.52	99.14

First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Consumer Discretionary—3.37%</b>				
Nu Skin Enterprises Inc., Class 'A'	2,268	125,251	157,713	3.37
		<b>125,251</b>	<b>157,713</b>	<b>3.37</b>
<b>Consumer Staples—89.68%</b>				
Albertsons Cos. Inc., Class 'A'	10,251	189,270	229,393	4.90
Archer-Daniels-Midland Co.	2,443	137,493	156,760	3.35
Beyond Meat Inc.	684	132,233	108,833	2.33
Boston Beer Co. Inc. (The), Class 'A'	161	139,076	203,767	4.35
Brown-Forman Corp., Class 'B'	754	76,402	76,234	1.63
Campbell Soup Co.	587	34,046	36,127	0.77
Casey's General Stores Inc.	480	94,576	109,135	2.33
Church & Dwight Co. Inc.	1,212	134,501	134,574	2.88
Clorox Co. (The)	135	34,814	34,698	0.74
Conagra Brands Inc.	2,386	108,557	110,127	2.35
CVS Health Corp.	2,431	198,681	211,349	4.52
Energizer Holdings Inc.	1,451	89,255	77,906	1.67
General Mills Inc.	1,381	107,469	103,363	2.21
Grocery Outlet Holding Corp.	2,167	125,288	108,266	2.31
Herbalife Nutrition Ltd.	2,435	154,993	148,932	3.18
Hormel Foods Corp.	1,162	73,007	68,941	1.47
Ingredion Inc.	1,876	211,008	187,861	4.01
J.M. Smucker Co. (The)	983	142,910	144,646	3.09
Kellogg Co.	440	37,710	34,854	0.75
Keurig Dr Pepper Inc.	1,029	37,782	41,914	0.90
Kimberly-Clark Corp.	192	35,424	32,952	0.71
Kroger Co. (The)	4,187	180,521	169,269	3.62
McCormick & Co. Inc.	878	102,269	106,843	2.28
Molson Coors Beverage Co., Class 'B'	3,384	192,698	194,656	4.16
Mondelez International Inc., Class 'A'	989	70,444	73,608	1.57
Monster Beverage Corp.	1,416	132,105	166,688	3.56
PepsiCo Inc.	205	35,410	38,698	0.83
Philip Morris International Inc.	379	39,844	39,940	0.85
Pilgrim's Pride Corp.	9,487	242,595	236,810	5.06
Procter & Gamble Co. (The)	613	108,307	108,569	2.32
Reynolds Consumer Products Inc.	1,855	76,590	70,931	1.52
Sprouts Farmers Markets Inc.	6,784	190,552	173,571	3.71
Sysco Corp.	913	73,050	86,302	1.84
Tyson Foods Inc., Class 'A'	2,387	203,148	195,795	4.18
US Foods Holding Corp.	1,278	38,078	54,188	1.16
Walgreens Boots Alliance Inc.	2,372	140,681	120,410	2.57
		<b>4,120,787</b>	<b>4,196,910</b>	<b>89.68</b>

First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

<b>Health Care—3.36%</b>				
AmerisourceBergen Corp.	586	70,700	72,921	1.56
McKesson Corp.	381	72,425	84,347	1.80
		<b>143,125</b>	<b>157,268</b>	<b>3.36</b>
<b>Materials—3.11%</b>				
Corteva Inc.	2,957	113,753	145,741	3.11
		<b>113,753</b>	<b>145,741</b>	<b>3.11</b>
<b>Total investments</b>		<b>4,502,916</b>	<b>4,657,632</b>	<b>99.52</b>
Transaction costs		(618)		
Unrealized appreciation on derivatives - see Schedule 1			20,885	0.45
Other assets, less liabilities			1,758	0.03
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>		<b>4,502,298</b>	<b>4,680,275</b>	<b>100.00</b>

Schedule 1

Counterparty	Credit		Currency	Amount	Currency	Amount	Forward	Current	Appreciation (Depreciation)
	Rating of	Settlement							
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	786,517	CAD	1,022,000	0.770	0.786	20,885
									<b>20,885</b>

\* Commercial paper rating per Standard and Poor's Commercial Paper Guide



# First Trust AlphaDEX™ U.S. Health Care Sector Index ETF

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	16,376,377	10,107,917
Cash	21,442	18,064
Accrued dividend receivable	3,718	4,120
Derivative assets	28,996	21,350
Other assets	1,887	1,692
	16,432,420	10,153,143
<b>Liabilities</b>		
Accrued liabilities	10,876	6,854
	10,876	6,854
<b>Total net assets attributable to holders of redeemable units</b>	<b>16,421,544</b>	<b>10,146,289</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
<b>Units</b>	<b>14,920,708</b>	<b>8,948,671</b>
<b>Hedged Units</b>	<b>1,500,836</b>	<b>1,197,618</b>
<b>Redeemable units outstanding [note 6]</b>		
<b>Units</b>	<b>400,000</b>	<b>300,000</b>
<b>Hedged Units</b>	<b>50,000</b>	<b>50,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>37.30</b>	<b>29.83</b>
<b>Hedged Units</b>	<b>30.02</b>	<b>23.95</b>

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	94,706	69,166
<b>Other changes in fair value of investments and derivatives</b>		
Net realized gain (loss) on sale of investments	1,947,621	388,639
Net realized gain (loss) on derivatives	34,925	(1,787)
Net realized gain (loss) on foreign exchange	210	(924)
Net change in unrealized appreciation (depreciation) of investments	1,227,749	1,582,452
Net change in unrealized appreciation (depreciation) of derivatives	7,647	41,374
	3,312,858	2,078,920
Foreign exchange gain (loss) on cash	(233)	1,314
	3,312,625	2,080,234
<b>Expenses [note 7]</b>		
Management fees	98,412	84,582
HST expense	10,726	9,181
Transaction costs [note 3 and note 9]	4,281	4,068
Independent Review Committee fees	3,095	2,444
Interest expense	21	10
	116,535	100,285
Expenses waived by manager	(3,095)	(2,444)
	113,440	97,841
<b>Increase (Decrease) in net assets attributable to holders of redeemable units before tax</b>	<b>3,199,185</b>	<b>1,982,393</b>
<b>Withholding taxes</b>	<b>12,799</b>	<b>9,666</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>3,186,386</b>	<b>1,972,727</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Units</b>	<b>2,868,819</b>	<b>1,768,301</b>
<b>Hedged Units</b>	<b>317,567</b>	<b>204,426</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>7.66</b>	<b>4.43</b>
<b>Hedged Units</b>	<b>5.15</b>	<b>4.09</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust AlphaDEX™ U.S. Health Care Sector Index ETF

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)	December 31 2020 (\$) Hedged Units	December 31 2019 (\$) Hedged Units
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	8,948,671	12,897,954	1,197,618	997,192
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	2,868,819	1,768,301	317,567	204,426
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units	9,711,155	2,651,713	1,294,322	-
Reinvested distributions	828,000	-	83,500	-
Redemption of units	(6,607,937)	(8,314,297)	(1,308,671)	-
	3,931,218	(5,662,584)	69,151	-
<b>Distributions to holders of redeemable units from:</b>				
Net investment income	-	-	-	-
Capital gains	(828,000)	-	(83,500)	-
Return of capital	-	(55,000)	-	(4,000)
	(828,000)	(55,000)	(83,500)	(4,000)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	5,972,037	(3,949,283)	303,218	200,426
<b>Net assets attributable to holders of redeemable units, end of year</b>	14,920,708	8,948,671	1,500,836	1,197,618
			<b>December 31 2020 (\$) Total</b>	<b>December 31 2019 (\$) Total</b>
<b>Net assets attributable to holders of redeemable units, beginning of year</b>			10,146,289	13,895,146
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>			3,186,386	1,972,727
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units			11,005,477	2,651,713
Reinvested distributions			911,500	-
Redemption of units			(7,916,608)	(8,314,297)
			4,000,369	(5,662,584)
<b>Distributions to holders of redeemable units from:</b>				
Net investment income			-	-
Capital gains			(911,500)	-
Return of capital			-	(59,000)
			(911,500)	(59,000)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>			6,275,255	(3,748,857)
<b>Net assets attributable to holders of redeemable units, end of year</b>			16,421,544	10,146,289

See accompanying notes which are an integral part of these financial statements.

# First Trust AlphaDEX™ U.S. Health Care Sector Index ETF

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	3,186,386	1,972,727
Adjustments for:		
Net realized (gain) loss on sale of investments	(1,947,621)	(388,639)
Change in unrealized (appreciation) depreciation of investments and derivatives	(1,235,396)	(1,623,826)
Dividends receivable	402	(1,165)
Other assets	(195)	(318)
Other liabilities	4,022	(2,675)
Purchases of investments	(27,167,662)	(18,089,428)
Proceeds from the sale of investments	24,074,573	23,863,226
	(3,085,491)	5,729,902
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	11,005,477	2,651,713
Amount paid on redemptions of units	(7,916,608)	(8,314,297)
Distributions paid to unitholders	-	(59,000)
	3,088,869	(5,721,584)
<b>Increase (Decrease) in cash for the year</b>	<b>3,378</b>	<b>8,318</b>
<b>Cash, beginning of year</b>	<b>18,064</b>	<b>9,746</b>
<b>Cash, end of year</b>	<b>21,442</b>	<b>18,064</b>
Dividends received, net of withholding taxes	82,309	58,335

See accompanying notes which are an integral part of these financial statements.

**First Trust AlphaDEX™ U.S. Health Care Sector Index ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Health Care Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable Index in the same proportion as they are reflected in the Index or securities intended to replicate the performance of such Index. The Index results from applying the AlphaDEX™ methodology to the Russell 1000® Index, a market index representing the large capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Health Care Sector.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	16,376,377	–	–	16,376,377
Derivative assets*	–	28,996	–	28,996
<b>Total</b>	<b>16,376,377</b>	<b>28,996</b>	<b>–</b>	<b>16,405,373</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	10,107,917	–	–	10,107,917
Derivative assets*	–	21,350	–	21,350
<b>Total</b>	<b>10,107,917</b>	<b>21,350</b>	<b>–</b>	<b>10,129,267</b>

\* The derivative assets and derivative liabilities relate to the Hedged Units only.

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Units	Hedged Units
Outstanding units – January 1, 2019	500,000	50,000
Redeemable units issued	100,000	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(300,000)	–
<b>Outstanding units – December 31, 2019</b>	<b>300,000</b>	<b>50,000</b>
Redeemable units issued	300,000	50,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(200,000)	(50,000)
<b>Outstanding units – December 31, 2020</b>	<b>400,000</b>	<b>50,000</b>

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee	
Units	Hedged Units
0.70%	0.70%

First Trust AlphaDEX™ U.S. Health Care Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** – There were no net capital losses nor non-capital losses as at December 31, 2020 and 2019.

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
4,281	4,068

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at years ended December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
98,412	84,582	9,624	6,065

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
<b>Units</b>				
Russell 1000® Health Care Index	810,595	(810,595)	516,450	(516,450)
Russell 1000® Index	726,720	(726,720)	521,647	(521,647)
S&P 500 Health Care Index	796,802	(796,802)	526,982	(526,982)
<b>Hedged Units</b>				
Russell 1000® Health Care Index USD	890,467	(890,467)	548,527	(548,527)
Russell 1000® Index USD	818,230	(818,230)	571,315	(571,315)
S&P 500 Health Care Index USD	888,998	(888,998)	573,400	(573,400)

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	14,939,319	90.97	8,973,141	88.44

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$149,393 (December 31, 2019 - \$89,731). A portion of this currency risk exposure has been hedged. Please refer to the

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First Trust AlphaDEX™ U.S. Health Care Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

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Schedule of Portfolio Investments for more information. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**Concentration Risk** – The table below summarizes the First Trust ETF’s concentration risk for the years ended December 31, 2020 and 2019:

Sector	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Health Care	99.72	99.62
Total	99.72	99.62

First Trust AlphaDEX™ U.S. Health Care Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Health Care—99.72%</b>				
10X Genomics Inc., Class 'A'	1,816	324,056	327,321	1.99
Abbott Laboratories	1,179	159,448	164,317	1.00
AbbVie Inc.	488	57,255	66,559	0.41
ABIOMED Inc.	463	167,488	191,068	1.16
Acadia Healthcare Co. Inc.	4,353	128,526	278,487	1.70
Accelaron Pharma Inc.	1,140	158,666	185,654	1.13
Adaptive Biotechnologies Corp.	2,639	168,305	198,628	1.21
Agilent Technologies Inc.	897	100,796	135,291	0.82
Alexion Pharmaceuticals Inc.	792	116,770	157,511	0.96
Align Technology Inc.	392	153,732	266,643	1.62
Alnylam Pharmaceuticals Inc.	622	106,007	102,903	0.63
Amedisys Inc.	766	223,656	286,009	1.74
Amgen Inc.	168	56,258	49,168	0.30
Anthem Inc.	675	245,610	275,883	1.68
Avantor Inc.	10,070	286,431	360,830	2.20
Biogen Inc.	798	298,425	248,722	1.51
Bio-Rad Laboratories Inc., Class 'A'	439	247,465	325,749	1.98
Bio-Techne Corp.	173	53,917	69,928	0.43
Boston Scientific Corp.	4,742	228,288	216,997	1.32
Bristol-Myers Squibb Co.	1,503	111,716	118,674	0.72
Cardinal Health Inc.	911	63,014	62,109	0.38
Centene Corp.	2,200	181,407	168,107	1.02
Charles River Laboratories International Inc.	1,000	225,398	318,047	1.94
Chemed Corp.	89	49,710	60,338	0.37
Cigna Corp.	1,337	315,042	354,295	2.16
Cooper Cos. Inc. (The)	127	57,844	58,734	0.36
DaVita Inc.	1,498	168,247	223,859	1.36
Dexcom Inc.	311	115,760	146,362	0.89
Edwards Lifesciences Corp.	1,135	115,370	131,804	0.80
Encompass Health Corp.	1,394	121,847	146,727	0.89
Exact Sciences Corp.	1,777	233,666	299,685	1.82
Exelixis Inc.	3,705	113,661	94,652	0.58
Globus Medical Inc., Class 'A'	864	54,542	71,728	0.44
Guardant Health Inc.	2,026	276,941	332,368	2.02
Haemonetics Corp.	490	60,347	74,067	0.45
HCA Healthcare Inc.	1,453	243,954	304,173	1.85
Henry Schein Inc.	3,082	234,479	262,297	1.60
Hill-Rom Holdings Inc.	1,085	123,236	135,306	0.82
Hologic Inc.	1,931	153,920	179,014	1.09
Horizon Therapeutics PLC	2,916	157,690	271,516	1.65
Humana Inc.	547	248,878	285,661	1.74
ICU Medical Inc.	234	56,698	63,888	0.39
IDEXX Laboratories Inc.	461	189,444	293,327	1.79
Insulet Corp.	766	181,327	249,250	1.52

**First Trust AlphaDEX™ U.S. Health Care Sector Index ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

Intuitive Surgical Inc.	181	156,745	188,486	1.15
IQVIA Holdings Inc.	575	113,598	131,138	0.80
Jazz Pharmaceuticals PLC	300	51,714	63,028	0.38
Johnson & Johnson	608	117,838	121,800	0.74
Laboratory Corp. of America Holdings	682	155,151	176,705	1.08
Masimo Corp.	384	100,712	131,182	0.80
Medtronic PLC	872	116,041	130,022	0.79
Merck & Co. Inc.	1,092	117,188	113,703	0.69
Moderna Inc.	1,814	122,243	241,225	1.47
Molina Healthcare Inc.	701	143,284	189,775	1.16
Novocure Ltd.	2,035	322,301	448,234	2.73
Penumbra Inc.	220	51,532	49,007	0.30
PerkinElmer Inc.	1,444	214,763	263,763	1.61
Perrigo Co. PLC	2,795	187,928	159,103	0.97
Pfizer Inc.	5,212	252,041	244,211	1.49
PRA Health Sciences Inc.	422	56,415	67,382	0.41
Premier Inc., Class 'A'	1,303	59,068	58,216	0.35
Quest Diagnostics Inc.	791	110,268	119,988	0.73
Quidel Corp.	585	187,960	133,776	0.81
Regeneron Pharmaceuticals Inc.	76	49,541	46,736	0.28
Repligen Corp.	1,228	219,199	299,541	1.82
Royalty Pharma PLC, Class 'A'	5,383	306,570	342,944	2.09
Sage Therapeutics Inc.	1,482	120,705	163,196	0.99
Sarepta Therapeutics Inc.	305	54,068	66,190	0.40
Seagen Inc.	926	159,601	206,438	1.26
STERIS PLC	514	112,691	124,010	0.76
Stryker Corp.	205	58,422	63,942	0.39
Syneos Health Inc.	1,704	134,122	147,775	0.90
Tandem Diabetes Care Inc.	1,596	223,342	194,379	1.18
Teladoc Health Inc.	1,784	489,435	454,080	2.76
Teleflex Inc.	126	53,771	66,010	0.40
Thermo Fisher Scientific Inc.	410	202,890	243,085	1.48
United Therapeutics Corp.	2,242	351,031	433,185	2.64
UnitedHealth Group Inc.	412	158,219	183,909	1.12
Universal Health Services Inc., Class 'B'	2,116	296,968	370,350	2.26
Varian Medical Systems Inc.	1,053	222,255	234,577	1.43
Veeva Systems Inc., Class 'A'	805	300,117	278,970	1.70
Vertex Pharmaceuticals Inc.	157	51,032	47,231	0.29
Viartis Inc.	15,272	307,780	364,301	2.22
West Pharmaceutical Services Inc.	659	159,751	237,652	1.45
Zoetis Inc.	776	149,298	163,476	1.00
		<b>13,952,835</b>	<b>16,376,377</b>	<b>99.72</b>
<b>Total investments</b>		<b>13,952,835</b>	<b>16,376,377</b>	<b>99.72</b>
Transaction costs		(1,058)		
Unrealized appreciation on derivatives - see Schedule 1			28,996	0.18
Other assets, less liabilities			16,171	0.10
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>		<b>13,951,777</b>	<b>16,421,544</b>	<b>100.00</b>



First Trust AlphaDEX™ U.S. Health Care Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

Schedule 1

Counterparty	Credit		Settlement Date	Currency	Amount Sold	Currency	Amount Bought	Forward Rate	Current Rate	Appreciation (Depreciation)
	Rating of Counterparty*									
Bank of New York Mellon (The), New York	A-1+		2021-01-15	USD	1,077,420	CAD	1,400,000	0.770	0.786	28,609
Bank of New York Mellon (The), New York	A-1+		2021-01-15	USD	61,761	CAD	79,000	0.782	0.786	387
										<b>28,996</b>

\* Commercial paper rating per Standard and Poor's Commercial Paper Guide

# First Trust AlphaDEX™ U.S. Materials Sector Index ETF

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	1,429,138	1,181,495
Cash	4,576	11,073
Accrued dividend receivable	1,605	17,756
Receivable for portfolio securities sold	-	82,639
Other assets	164	829
	1,435,483	1,293,792
<b>Liabilities</b>		
Accrued liabilities	2,059	20,314
Payable for portfolio securities purchased	-	2,535
Distributions payable to holders of redeemable units	-	69,000
	2,059	91,849
<b>Total net assets attributable to holders of redeemable units</b>	<b>1,433,424</b>	<b>1,201,943</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
<b>Units</b>	<b>1,433,424</b>	<b>1,201,943</b>
<b>Redeemable units outstanding [note 6]</b>		
<b>Units</b>	<b>50,000</b>	<b>50,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>28.67</b>	<b>24.04</b>

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	87,470	220,655
<b>Other changes in fair value of investments</b>		
Net realized gain (loss) on sale of investments	1,586,604	1,741,686
Net realized gain (loss) on foreign exchange	66	(150)
Net change in unrealized appreciation (depreciation) of investments	70,336	481,137
	1,744,476	2,443,328
Foreign exchange gain (loss) on cash	32	(1,939)
	1,744,508	2,441,389
<b>Expenses [note 7]</b>		
Management fees	18,701	59,872
HST expense	2,463	6,906
Transaction costs [note 3 and note 9]	804	943
Independent Review Committee fees	560	1,814
Interest expense	82	2
	22,610	69,537
Expenses waived by manager	(560)	(1,814)
	22,050	67,723
<b>Increase (Decrease) in net assets attributable to holders of redeemable units before tax</b>	<b>1,722,458</b>	<b>2,373,666</b>
<b>Withholding taxes</b>	<b>10,743</b>	<b>28,973</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>1,711,715</b>	<b>2,344,693</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Units</b>	<b>1,711,715</b>	<b>2,344,693</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>15.79</b>	<b>6.83</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust AlphaDEX™ U.S. Materials Sector Index ETF

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	1,201,943	2,210,615
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	1,711,715	2,344,693
<b>Redeemable unit transactions [note 6]</b>		
Proceeds from issuance of units	13,498,986	38,554,084
Reinvested distributions	1,727,872	1,971,000
Redemption of units	(14,979,220)	(41,838,449)
	247,638	(1,313,365)
<b>Distributions to holders of redeemable units from:</b>		
Net investment income	(1,727,872)	(2,037,950)
Capital gains	-	-
Return of capital	-	(2,050)
	(1,727,872)	(2,040,000)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	231,481	(1,008,672)
<b>Net assets attributable to holders of redeemable units, end of year</b>	1,433,424	1,201,943

See accompanying notes which are an integral part of these financial statements

# First Trust AlphaDEX™ U.S. Materials Sector Index ETF

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	1,711,715	2,344,693
Adjustments for:		
Net realized (gain) loss on sale of investments	(1,586,604)	(1,741,686)
Change in unrealized (appreciation) depreciation of investments	(70,336)	(481,137)
Dividends receivable	16,151	(15,223)
Other assets	665	(284)
Other liabilities	(18,255)	18,815
Purchases of investments	(14,585,323)	(40,446,140)
Proceeds from the sale of investments	16,074,724	43,608,177
	1,542,737	3,287,215
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	13,498,986	38,554,084
Amount paid on redemptions of units	(14,979,220)	(41,838,449)
Distributions paid to unitholders	(69,000)	-
	(1,549,234)	(3,284,365)
<b>Increase (Decrease) in cash for the year</b>	(6,497)	2,850
<b>Cash, beginning of year</b>	11,073	8,223
<b>Cash, end of year</b>	4,576	11,073
Dividends received, net of withholding taxes	92,878	176,459

See accompanying notes which are an integral part of these financial statements.

**First Trust AlphaDEX™ U.S. Materials Sector Index ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Materials Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable Index in the same proportion as they are reflected in the Index or securities intended to replicate the performance of such Index. The Index results from applying the AlphaDEX™ methodology to the Russell 1000® Index, a market index representing the large capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Materials and Processing Sector.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	1,429,138	–	–	1,429,138
<b>Total</b>	<b>1,429,138</b>	<b>–</b>	<b>–</b>	<b>1,429,138</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	1,181,495	–	–	1,181,495
<b>Total</b>	<b>1,181,495</b>	<b>–</b>	<b>–</b>	<b>1,181,495</b>

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Units
Outstanding units – January 1, 2019	100,000
Redeemable units issued	1,600,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(1,650,000)
Outstanding units – December 31, 2019	50,000
Redeemable units issued	550,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(550,000)
Outstanding units – December 31, 2020	50,000

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Units
0.70%

First Trust AlphaDEX™ U.S. Materials Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** - There were no net capital losses nor non-capital losses as at December 31, 2020 and 2019.

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019:

Transaction Cost (\$)	
2020	2019
804	943

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
18,701	59,872	1,822	17,977

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Basic Materials Index	73,903	(73,903)	63,619	(63,619)
Russell 1000® Index	73,478	(73,478)	66,860	(66,860)
S&P 500 Materials Index	74,687	(74,687)	61,551	(61,551)

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	1,432,089	99.91	1,199,215	99.77

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$14,321 (December 31, 2019 - \$11,992). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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First Trust AlphaDEX™ U.S. Materials Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

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**Concentration Risk** – The table below summarizes the First Trust ETF's concentration risk for years ended December 31, 2020 and 2019:

Sector	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Materials	82.37	84.81
Industrials	17.33	13.49
Total	99.70	98.30

First Trust AlphaDEX™ U.S. Materials Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Industrials—17.33%</b>				
Fastenal Co.	488	28,881	30,332	2.12
GrafTech International Ltd.	4,865	52,731	66,014	4.60
Hexcel Corp.	1,240	71,191	76,536	5.34
Timken Co. (The)	767	61,971	75,528	5.27
		<b>214,774</b>	<b>248,410</b>	<b>17.33</b>
<b>Materials—82.37%</b>				
Air Products and Chemicals Inc.	73	29,132	25,388	1.77
Albemarle Corp.	245	31,880	46,006	3.21
Ashland Global Holdings Inc.	103	10,213	10,384	0.72
Avery Dennison Corp.	130	24,217	25,667	1.79
Cabot Corp.	606	33,487	34,619	2.42
Celanese Corp.	203	32,114	33,576	2.34
CF Industries Holdings Inc.	1,084	50,676	53,413	3.73
Chemours Co. (The)	348	10,008	10,981	0.77
Dow Inc.	155	10,269	10,950	0.76
Eastman Chemical Co.	426	48,979	54,377	3.79
Ecolab Inc.	36	9,715	9,915	0.69
Element Solutions Inc.	3,166	52,384	71,452	4.99
FMC Corp.	206	29,919	30,137	2.10
Freeport-McMoRan Inc., Class 'B'	465	11,269	15,401	1.07
Huntsman Corp.	749	24,985	23,969	1.67
International Flavors & Fragrances Inc.	136	22,228	18,842	1.32
International Paper Co.	539	32,878	34,113	2.38
Linde PLC	70	22,404	23,480	1.64
LyondellBasell Industries NV, Class 'A'	472	49,701	55,070	3.84
Mosaic Co. (The)	398	10,144	11,657	0.81
NewMarket Corp.	64	34,262	32,447	2.26
Newmont Corp.	656	57,074	50,009	3.49
Nucor Corp.	742	50,052	50,237	3.51
Olin Corp.	2,688	62,311	84,033	5.86
Reliance Steel & Aluminum Co.	408	60,177	62,191	4.34
Royal Gold Inc.	138	23,643	18,683	1.30
Scotts Miracle-Gro Co. (The), Class 'A'	272	57,507	68,948	4.81
Southern Copper Corp.	368	25,174	30,504	2.13
Steel Dynamics Inc.	1,453	62,399	68,192	4.76
Univar Solutions Inc.	986	24,584	23,859	1.66
Valvoline Inc.	382	10,192	11,252	0.79
W.R. Grace & Co.	181	12,254	12,630	0.88
Westlake Chemical Corp.	658	62,085	68,346	4.77
		<b>1,088,316</b>	<b>1,180,728</b>	<b>82.37</b>
<b>Total investments</b>		<b>1,303,090</b>	<b>1,429,138</b>	<b>99.70</b>
Transaction costs		(39)		
Other assets, less liabilities			4,286	0.30
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>		<b>1,303,051</b>	<b>1,433,424</b>	<b>100.00</b>



# First Trust AlphaDEX™ U.S. Industrials Sector Index ETF

## STATEMENTS OF FINANCIAL POSITION

As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	15,903,487	10,034,610
Cash	204,100	37,980
Accrued dividend receivable	9,296	29,234
Derivative assets	48,043	40,019
Other assets	4,166	2,663
	16,169,092	10,144,506
<b>Liabilities</b>		
Accrued liabilities	12,310	14,792
Distributions payable to holders of redeemable units	82,100	14,350
	94,410	29,142
<b>Total net assets attributable to holders of redeemable units</b>	<b>16,074,682</b>	<b>10,115,364</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
<b>Units</b>	<b>13,687,417</b>	<b>7,887,435</b>
<b>Hedged Units</b>	<b>2,387,265</b>	<b>2,227,929</b>
<b>Redeemable units outstanding [note 6]</b>		
<b>Units</b>	<b>400,000</b>	<b>250,000</b>
<b>Hedged Units</b>	<b>100,000</b>	<b>100,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>34.22</b>	<b>31.55</b>
<b>Hedged Units</b>	<b>23.87</b>	<b>22.28</b>

## STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	266,529	220,221
<b>Other changes in fair value of investments and derivatives</b>		
Net realized gain (loss) on sale of investments	3,087,302	2,370,631
Net realized gain (loss) on derivatives	10,547	(4,494)
Net realized gain (loss) on foreign exchange	841	(588)
Net change in unrealized appreciation (depreciation) of investments	480,971	1,204,216
Net change in unrealized appreciation (depreciation) of derivatives	8,024	130,441
	3,854,214	3,920,427
Foreign exchange gain (loss) on cash	(1,626)	(4,797)
	3,852,588	3,915,630
<b>Expenses [note 7]</b>		
Management fees	89,622	92,599
HST expense	7,980	9,537
Transaction costs [note 3 and note 9]	4,001	4,278
Independent Review Committee fees	2,717	2,729
Interest expense	-	9
	104,320	109,152
Expenses waived by manager	(2,717)	(2,729)
	101,603	106,423
<b>Increase (Decrease) in net assets attributable to holders of redeemable units before tax</b>	<b>3,750,985</b>	<b>3,809,207</b>
<b>Withholding taxes</b>	<b>37,977</b>	<b>31,503</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>3,713,008</b>	<b>3,777,704</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Units</b>	<b>3,516,772</b>	<b>2,762,525</b>
<b>Hedged Units</b>	<b>196,236</b>	<b>1,015,179</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>9.86</b>	<b>9.09</b>
<b>Hedged Units</b>	<b>1.96</b>	<b>4.97</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust AlphaDEX™ U.S. Industrials Sector Index ETF

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)	December 31 2020 (\$) Hedged Units	December 31 2019 (\$) Hedged Units
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	7,887,435	6,290,809	2,227,929	4,271,337
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	3,516,772	2,762,525	196,236	1,015,179
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units	28,740,989	17,857,439	-	-
Reinvested distributions	-	17,500	-	5,000
Redemption of units	(26,339,329)	(18,982,838)	-	(3,033,787)
	2,401,660	(1,107,899)	-	(3,028,787)
<b>Distributions to holders of redeemable units from:</b>				
Net investment income	(118,428)	(57,816)	(36,823)	(29,800)
Capital gains	-	-	-	-
Return of capital	(22)	(184)	(77)	-
	(118,450)	(58,000)	(36,900)	(29,800)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	5,799,982	1,596,626	159,336	(2,043,408)
<b>Net assets attributable to holders of redeemable units, end of year</b>	13,687,417	7,887,435	2,387,265	2,227,929
			<b>December 31 2020 (\$) Total</b>	<b>December 31 2019 (\$) Total</b>
<b>Net assets attributable to holders of redeemable units, beginning of year</b>			10,115,364	10,562,146
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>			3,713,008	3,777,704
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units			28,740,989	17,857,439
Reinvested distributions			-	22,500
Redemption of units			(26,339,329)	(22,016,625)
			2,401,660	(4,136,686)
<b>Distributions to holders of redeemable units from:</b>				
Net investment income			(155,251)	(87,616)
Capital gains			-	-
Return of capital			(99)	(184)
			(155,350)	(87,800)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>			5,959,318	(446,782)
<b>Net assets attributable to holders of redeemable units, end of year</b>			16,074,682	10,115,364

See accompanying notes which are an integral part of these financial statements.

# First Trust AlphaDEX™ U.S. Industrials Sector Index ETF

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	3,713,008	3,777,704
Adjustments for:		
Net realized (gain) loss on sale of investments	(3,087,302)	(2,370,631)
Change in unrealized (appreciation) depreciation of investments and derivatives	(488,995)	(1,334,657)
Dividends receivable	19,938	(5,370)
Other assets	(1,503)	1,467
Other liabilities	(2,482)	(211)
Purchases of investments	(38,545,017)	(29,458,725)
Proceeds from the sale of investments	36,244,413	33,506,333
	(2,147,940)	4,115,910
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	28,740,989	17,857,439
Amount paid on redemptions of units	(26,339,329)	(22,016,625)
Distributions paid to unitholders	(87,600)	(141,750)
	2,314,060	(4,300,936)
<b>Increase (Decrease) in cash for the year</b>	166,120	(185,026)
<b>Cash, beginning of year</b>	37,980	223,006
<b>Cash, end of year</b>	204,100	37,980
Dividends received, net of withholding taxes	248,490	183,348

See accompanying notes which are an integral part of these financial statements.

**First Trust AlphaDEX™ U.S. Industrials Sector Index ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Industrials Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable Index in the same proportion as they are reflected in the Index or securities intended to replicate the performance of such Index. The Index results from applying the AlphaDEX™ methodology to the Russell 1000® Index, a market index representing the large capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Industrials/Producer Durables Sector.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	15,903,487	–	–	15,903,487
Derivative assets*	–	48,043	–	48,043
<b>Total</b>	<b>15,903,487</b>	<b>48,043</b>	<b>–</b>	<b>15,951,530</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	10,034,610	–	–	10,034,610
Derivative assets*	–	40,019	–	40,019
<b>Total</b>	<b>10,034,610</b>	<b>40,019</b>	<b>–</b>	<b>10,074,629</b>

\* The derivative assets and derivative liabilities relate to the Hedged Units only.

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Units	Hedged Units
Outstanding units – January 1, 2019	250,000	250,000
Redeemable units issued	600,000	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(600,000)	(150,000)
<b>Outstanding units – December 31, 2019</b>	<b>250,000</b>	<b>100,000</b>
Redeemable units issued	950,000	–
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(800,000)	–
<b>Outstanding units – December 31, 2020</b>	<b>400,000</b>	<b>100,000</b>

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Units	Hedged Units
0.70%	0.70%

First Trust AlphaDEX™ U.S. Industrials Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** – There were no net capital losses nor non-capital losses as at December 31, 2020 and 2019.

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
4,001	4,278

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
89,622	92,599	10,840	13,037

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
<b>Units</b>				
Russell 1000® Industrials Index	787,222	(787,222)	477,541	(477,541)
Russell 1000® Index	798,746	(798,746)	540,301	(540,301)
S&P 500 Industrials Index	783,630	(783,630)	488,087	(488,087)
<b>Hedged Units</b>				
Russell 1000® Industrials Index USD	863,763	(863,763)	516,255	(516,255)
Russell 1000® Index USD	911,670	(911,670)	609,658	(609,658)
S&P 500 Industrials Index USD	872,862	(872,862)	534,326	(534,326)

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	13,713,810	85.31	7,915,942	78.26

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$137,138 (December 31, 2019 – \$79,159). A portion of this currency risk exposure has been hedged. Please refer to the Schedule of Portfolio Investments for more information. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

First Trust AlphaDEX™ U.S. Industrials Sector Index ETF  
Notes to Financial Statements - Specific Information  
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**Concentration Risk** – The table below summarizes the concentration risk for the years ended December 31, 2020 and 2019:

Sector	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Industrials	67.53	89.63
Materials	13.74	–
Information Technology	13.42	9.57
Financials	1.91	–
Utilities	1.27	–
Health Care	0.77	–
Consumer Discretionary	0.29	–
Total	98.93	99.20

First Trust AlphaDEX™ U.S. Industrials Sector Index ETF  
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SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Consumer Discretionary—0.29%</b>				
Axon Enterprise Inc.	303	41,133	47,258	0.29
		<b>41,133</b>	<b>47,258</b>	<b>0.29</b>
<b>Financials—1.91%</b>				
Fiserv Inc.	267	36,187	38,697	0.24
Synchrony Financial	5,263	195,097	232,532	1.45
Western Union Co. (The)	1,289	38,252	35,998	0.22
		<b>269,536</b>	<b>307,227</b>	<b>1.91</b>
<b>Health Care—0.77%</b>				
Mettler-Toledo International Inc.	85	117,907	123,310	0.77
		<b>117,907</b>	<b>123,310</b>	<b>0.77</b>
<b>Industrials—67.53%</b>				
3M Co.	515	114,877	114,582	0.71
A. O. Smith Corp.	518	38,036	36,146	0.22
Acuity Brands Inc.	1,342	179,760	206,850	1.29
ADT Inc.	6,745	73,748	67,398	0.42
Air Lease Corp.	4,681	221,694	264,674	1.65
Allison Transmission Holdings Inc.	3,134	162,887	172,057	1.07
Ametek Inc.	554	78,464	85,285	0.53
BWX Technologies Inc.	977	75,582	74,966	0.47
C.H. Robinson Worldwide Inc.	1,347	186,107	160,949	1.00
Carlisle Cos. Inc.	899	163,241	178,723	1.11
Carrier Global Corp.	2,705	124,189	129,877	0.81
Caterpillar Inc.	369	81,730	85,495	0.53
Cintas Corp.	414	184,223	186,267	1.16
Colfax Corp.	1,751	73,765	85,231	0.53
CSX Corp.	1,063	113,635	122,793	0.76
Cummins Inc.	391	116,184	113,029	0.70
Curtiss-Wright Corp.	1,473	197,315	218,154	1.36
Deere & Co.	124	39,061	42,467	0.26
Donaldson Co. Inc.	1,782	121,260	126,753	0.79
Dover Corp.	508	77,618	81,637	0.51
Eaton Corp. PLC	539	77,802	82,427	0.51
Emerson Electric Co.	1,259	116,118	128,799	0.80
Equifax Inc.	175	38,823	42,957	0.27
Expeditors International of Washington Inc.	1,520	190,090	184,020	1.14
FedEx Corp.	109	40,620	36,021	0.22
Flowserve Corp.	2,013	83,987	94,423	0.59
FTI Consulting Inc.	779	117,592	110,780	0.69
Generac Holdings Inc.	711	198,065	205,813	1.28
General Dynamics Corp.	796	159,795	150,789	0.94
General Electric Co.	17,664	177,280	242,833	1.51
Graco Inc.	897	75,773	82,609	0.51
Honeywell International Inc.	334	77,211	90,429	0.56
Howmet Aerospace Inc.	6,587	164,169	239,296	1.49

**First Trust AlphaDEX™ U.S. Industrials Sector Index ETF**  
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Hubbell Inc.	603	121,511	120,346	0.75
Huntington Ingalls Industries Inc.	977	228,197	212,013	1.32
Illinois Tool Works Inc.	142	38,561	36,852	0.23
ITT Inc.	1,864	162,674	182,744	1.14
J.B. Hunt Transport Services Inc.	871	153,334	151,503	0.94
Johnson Controls International PLC	674	39,316	39,971	0.25
Kansas City Southern Industries Inc.	152	37,006	39,495	0.25
Knight-Swift Transportation Holdings Inc.	3,380	190,284	179,927	1.12
Landstar System Inc.	437	75,765	74,906	0.47
Lincoln Electric Holdings Inc.	299	41,476	44,244	0.28
Lockheed Martin Corp.	72	36,384	32,534	0.20
Macquarie Infrastructure Corp.	4,093	168,886	195,635	1.22
ManpowerGroup Inc.	1,126	117,975	129,254	0.80
Middleby Corp. (The)	920	131,546	150,974	0.94
MSA Safety Inc.	613	115,699	116,567	0.72
MSC Industrial Direct Co. Inc., Class 'A'	2,265	212,331	243,306	1.51
Nordson Corp.	143	39,001	36,578	0.23
Norfolk Southern Corp.	257	73,159	77,731	0.48
Northrop Grumman Corp.	87	36,020	33,745	0.21
nVent Electric PLC	6,231	169,943	184,723	1.15
Old Dominion Freight Line Inc.	152	40,082	37,764	0.23
Oshkosh Corp.	1,872	198,646	205,094	1.28
PACCAR Inc.	1,292	157,232	141,895	0.88
Parker Hannifin Corp.	272	80,876	94,316	0.59
Paylocity Holding Corp.	852	213,568	223,312	1.39
Pentair PLC	1,202	82,069	81,229	0.51
Quanta Services Inc., Inc.	2,602	212,941	238,536	1.48
Regal-Beloit Corp.	881	116,099	137,722	0.86
Robert Half International Inc.	2,079	154,676	165,345	1.03
Rockwell Automation Inc.	249	79,662	79,495	0.49
Ryder System Inc.	2,605	180,549	204,790	1.27
Schneider National Inc.	4,860	161,531	128,056	0.80
Snap-On Inc.	936	208,315	203,902	1.27
Stanley Black & Decker Inc.	170	39,762	38,639	0.24
Teledyne Technologies Inc.	177	79,226	88,314	0.55
Textron Inc.	3,054	166,141	187,880	1.17
Toro Co. (The)	1,639	186,827	197,863	1.23
Trane Technologies PLC	227	38,609	41,944	0.26
TransDigm Group Inc.	174	115,537	137,066	0.85
Trimble Inc.	1,129	75,138	95,955	0.60
Trinity Industries Inc.	4,233	119,809	142,194	0.88
Union Pacific Corp.	139	35,753	36,841	0.23
United Parcel Service Inc., Class 'B'	826	187,762	177,058	1.10
United Rentals Inc.	788	198,773	232,616	1.45
Valmont Industries Inc.	886	172,981	197,284	1.23
Verisk Analytics Inc., Class 'A'	297	73,881	78,480	0.49
W.W. Grainger Inc.	386	191,036	200,634	1.25
Wabtec Corp.	1,330	114,799	123,924	0.77
Woodward Governor Co.	1,372	170,673	212,242	1.32
XPO Logistics Inc.	1,301	163,037	197,400	1.23
		<b>10,145,759</b>	<b>10,855,367</b>	<b>67.53</b>



**First Trust AlphaDEX™ U.S. Industrials Sector Index ETF**  
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**Information Technology—13.42%**

Accenture PLC, Class 'A'	365	110,153	121,360	0.76
Alliance Data Systems Corp.	2,621	167,722	247,218	1.54
Booz Allen Hamilton Holding Corp.	1,325	139,363	147,037	0.91
CoreLogic Inc.	1,627	148,200	160,130	1.00
Fair Issac Corp.	129	74,409	83,915	0.52
Flir Systems Inc.	1,538	74,992	85,807	0.53
Genpact Ltd.	2,116	110,717	111,401	0.69
Jack Henry & Associates Inc.	169	38,743	34,847	0.22
Keysight Technologies Inc.	279	39,611	46,910	0.29
Mastercard Inc., Class 'A'	163	74,200	74,059	0.46
MKS Instruments Inc.	754	114,619	144,397	0.90
Paychex Inc.	344	38,442	40,802	0.25
PayPal Holdings Inc.	698	186,219	208,083	1.29
Pluralsight Inc., Class 'A'	3,223	82,453	85,990	0.54
Square Inc., Class 'A'	846	201,432	234,371	1.46
StoneCo Ltd., Class 'A'	2,601	201,752	277,844	1.73
Zebra Technologies Corp., Class 'A'	109	43,913	53,324	0.33
		<b>1,846,940</b>	<b>2,157,495</b>	<b>13.42</b>

**Materials—13.74%**

Arcor PLC	4,992	74,243	74,790	0.46
AptarGroup Inc.	243	38,239	42,342	0.26
Ball Corp.	993	120,985	117,779	0.73
Berry Global Group Inc.	2,847	188,724	203,629	1.27
Crown Holdings Inc.	1,432	170,067	182,644	1.14
Eagle Materials Inc.	637	77,092	82,178	0.51
Graphic Packaging Holding Co.	5,870	112,356	126,574	0.79
Martin Marietta Materials Inc.	351	123,017	126,874	0.79
Packaging Corp. of America	1,009	158,061	177,126	1.10
PPG Industries Inc.	225	39,893	41,305	0.26
RPM International Inc.	996	117,363	115,092	0.72
Sealed Air Corp.	707	38,909	41,208	0.26
Sherwin-Williams Co. (The)	158	143,647	147,804	0.92
Silgan Holdings Inc.	2,248	113,707	106,104	0.66
Sonoco Products Co.	2,155	152,386	162,529	1.01
Trex Co. Inc.	1,537	156,066	163,794	1.02
Vulcan Materials Co.	406	78,730	76,646	0.48
WestRock Co.	3,960	209,386	219,421	1.36
		<b>2,112,871</b>	<b>2,207,839</b>	<b>13.74</b>

**Utilities—1.27%**

MDU Resources Group Inc.	6,114	198,944	204,991	1.27
		<b>198,944</b>	<b>204,991</b>	<b>1.27</b>

**Total investments**

**14,733,090 15,903,487 98.93**

Transaction costs

**(768)**

Unrealized appreciation on derivatives - see Schedule 1

**48,043 0.30**

Other assets, less liabilities

**123,152 0.77**

**Total Net Assets Attributable to Holders of Redeemable Units**

**14,732,322 16,074,682 100.00**

First Trust AlphaDEX™ U.S. Industrials Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

Schedule 1

Counterparty	Credit		Settlement Date	Currency	Amount		Currency	Amount Bought	Forward Rate	Current Rate	Appreciation (Depreciation)
	Rating of Counterparty*	Sell			Sold						
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	1,809,297	CAD	2,351,000	0.770	0.786		48,043	
										<b>48,043</b>	

\* Commercial paper rating per Standard and Poor's Commercial Paper Guide

# First Trust AlphaDEX™ U.S. Technology Sector Index ETF

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	64,596,934	37,145,552
Cash	338,036	60,548
Accrued dividend receivable	27,995	15,781
Derivative assets	119,962	50,115
Other assets	9,764	5,736
	65,092,691	37,277,732
<b>Liabilities</b>		
Accrued liabilities	44,788	24,895
Distributions payable to holders of redeemable units	270,750	32,500
	315,538	57,395
<b>Total net assets attributable to holders of redeemable units</b>	<b>64,777,153</b>	<b>37,220,337</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
Units	58,481,027	34,430,521
Hedged Units	6,296,126	2,789,816
<b>Redeemable units outstanding [note 6]</b>		
Units	850,000	750,000
Hedged Units	150,000	100,000
<b>Net assets attributable to holders of redeemable units per unit</b>		
Units	68.80	45.91
Hedged Units	41.97	27.90

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	739,388	459,663
<b>Other changes in fair value of investments and derivatives</b>		
Net realized gain (loss) on sale of investments	10,696,466	7,553,095
Net realized gain (loss) on derivatives	161,750	25,631
Net realized gain (loss) on foreign exchange	(746)	(3,175)
Net change in unrealized appreciation (depreciation) of investments	13,368,968	4,769,102
Net change in unrealized appreciation (depreciation) of derivatives	69,847	179,729
	25,035,673	12,984,045
Foreign exchange gain (loss) on cash	(4,526)	(1,818)
	25,031,147	12,982,227
<b>Expenses [note 7]</b>		
Management fees	373,796	335,607
HST expense	38,986	38,031
Transaction costs [note 3 and note 9]	23,279	21,094
Independent Review Committee fees	11,748	9,754
Interest expense	33	29
	447,842	404,515
Expenses waived by manager	(11,748)	(9,754)
	436,094	394,761
<b>Increase (Decrease) in net assets attributable to holders of redeemable units before tax</b>	<b>24,595,053</b>	<b>12,587,466</b>
<b>Withholding taxes</b>	<b>44,113</b>	<b>56,414</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>24,550,940</b>	<b>12,531,052</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
Units	22,537,924	10,147,219
Hedged Units	2,013,016	2,383,833
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
Units	24.70	10.88
Hedged Units	15.72	7.11

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust AlphaDEX™ U.S. Technology Sector Index ETF

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)	December 31 2020 (\$) Hedged Units	December 31 2019 (\$) Hedged Units
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	34,430,521	35,122,211	2,789,816	6,168,909
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	22,537,924	10,147,219	2,013,016	2,383,833
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units	16,827,806	14,985,162	3,282,661	13,696,189
Reinvested distributions	4,741,045	3,112,514	405,405	250,000
Redemption of units	(15,065,324)	(25,605,571)	(1,768,517)	(19,398,615)
	6,503,527	(7,507,895)	1,919,549	(5,452,426)
<b>Distributions to holders of redeemable units from:</b>				
Net investment income	(259,930)	(100,984)	(25,330)	(16,276)
Capital gains	(4,731,015)	(3,230,030)	(400,925)	(294,224)
Return of capital	-	-	-	-
	(4,990,945)	(3,331,014)	(426,255)	(310,500)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	24,050,506	(691,690)	3,506,310	(3,379,093)
<b>Net assets attributable to holders of redeemable units, end of year</b>	58,481,027	34,430,521	6,296,126	2,789,816
			<b>December 31 2020 (\$) Total</b>	<b>December 31 2019 (\$) Total</b>
<b>Net assets attributable to holders of redeemable units, beginning of year</b>			37,220,337	41,291,120
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>			24,550,940	12,531,052
<b>Redeemable unit transactions [note 6]</b>				
Proceeds from issuance of units			20,110,467	28,681,351
Reinvested distributions			5,146,450	3,362,514
Redemption of units			(16,833,841)	(45,004,186)
			8,423,076	(12,960,321)
<b>Distributions to holders of redeemable units from:</b>				
Net investment income			(285,260)	(117,260)
Capital gains			(5,131,940)	(3,524,254)
Return of capital			-	-
			(5,417,200)	(3,641,514)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>			27,556,816	(4,070,783)
<b>Net assets attributable to holders of redeemable units, end of year</b>			64,777,153	37,220,337

See accompanying notes which are an integral part of these financial statements.

# First Trust AlphaDEX™ U.S. Technology Sector Index ETF

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	24,550,940	12,531,052
Adjustments for:		
Net realized (gain) loss on sale of investments	(10,696,466)	(7,553,095)
Change in unrealized (appreciation) depreciation of investments and derivatives	(13,438,815)	(4,948,831)
Dividends receivable	(12,214)	61,352
Other assets	(4,028)	625
Other liabilities	19,893	(2,595)
Purchases of investments	(81,152,287)	(84,652,870)
Proceeds from the sale of investments	77,766,339	101,164,972
	(2,966,638)	16,600,610
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	20,110,467	28,681,351
Amount paid on redemptions of units	(16,833,841)	(45,004,186)
Distributions paid to unitholders	(32,500)	(323,500)
	3,244,126	(16,646,335)
<b>Increase (Decrease) in cash for the year</b>	277,488	(45,725)
<b>Cash, beginning of year</b>	60,548	106,273
<b>Cash, end of period</b>	338,036	60,548
Dividends received, net of withholding taxes	683,061	464,601

See accompanying notes which are an integral part of these financial statements.

First Trust AlphaDEX™ U.S. Technology Sector Index ETF  
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**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Technology Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable Index in the same proportion as they are reflected in the Index or securities intended to replicate the performance of such Index. The Index results from applying the AlphaDEX™ methodology to the Russell 1000® Index, a market index representing the large capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Technology Sector.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	64,596,934	–	–	64,596,934
Derivative assets*	–	119,962	–	119,962
<b>Total</b>	<b>64,596,934</b>	<b>119,962</b>	<b>–</b>	<b>64,716,896</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	37,145,552	–	–	37,145,552
Derivative assets*	–	50,115	–	50,115
<b>Total</b>	<b>37,145,552</b>	<b>50,115</b>	<b>–</b>	<b>37,195,667</b>

\* The derivative assets and derivative liabilities relate to the Hedged Units only.

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Units	Hedged Units
Outstanding units – January 1, 2019	1,000,000	300,000
Redeemable units issued	350,000	550,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(600,000)	(750,000)
<b>Outstanding units – December 31, 2019</b>	<b>750,000</b>	<b>100,000</b>
Redeemable units issued	350,000	100,000
Redeemable units issued on reinvestments	–	–
Redeemable units redeemed	(250,000)	(50,000)
<b>Outstanding units – December 31, 2020</b>	<b>850,000</b>	<b>150,000</b>

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**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below are the current annual management fees charged to the First Trust ETF:

Annual Management Fee	
Units	Hedged Units
0.70%	0.70%

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** – There were no net capital losses nor non-capital losses as at December 31, 2020 and 2019.

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
23,279	21,094

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
373,796	335,607	39,635	22,030

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
<b>Units</b>				
Russell 1000® Technology Index	3,043,137	(3,043,137)	1,695,641	(1,695,641)
Russell 1000® Index	3,308,528	(3,308,528)	2,213,632	(2,213,632)
S&P 500 Information Technology Index	2,994,759	(2,994,759)	1,810,971	(1,810,971)
<b>Hedged Units</b>				
Russell 1000® Technology Index USD	3,311,983	(3,311,983)	1,768,230	(1,768,230)
Russell 1000® Index USD	3,650,744	(3,650,744)	2,430,635	(2,430,635)
S&P 500 Information Technology Index USD	3,296,154	(3,296,154)	1,927,309	(1,927,309)

First Trust AlphaDEX™ U.S. Technology Sector Index ETF  
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For the year ended December 31, 2020

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	58,282,369	89.97	34,388,466	92.39

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$582,824 (December 31, 2019 - \$343,885). A portion of this currency risk exposure has been hedged. Please refer to the Schedule of Portfolio Investments for more information. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**Concentration Risk** – The table below summarizes the First Trust ETF's concentration risk for the years ended December 31, 2020 and 2019:

Sector	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Information Technology	95.46	93.59
Communication Services	3.97	4.78
Industrials	0.29	1.43
Total	99.72	99.80



First Trust AlphaDEX™ U.S. Technology Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Communicaton Services—3.97%</b>				
Alphabet Inc., Class 'A'	94	154,734	209,708	0.32
Facebook Inc., Class 'A'	2,102	609,546	730,877	1.13
Pinterest Inc., Class 'A'	16,575	741,302	1,390,379	2.15
RingCentral Inc.	501	102,365	241,678	0.37
		<b>1,607,947</b>	<b>2,572,642</b>	<b>3.97</b>
<b>Industrials—0.29%</b>				
Roper Technologies Inc.	348	184,989	190,960	0.29
		<b>184,989</b>	<b>190,960</b>	<b>0.29</b>
<b>Information Technology—95.46%</b>				
Adobe Inc.	1,122	554,174	714,268	1.10
Advanced Micro Devices Inc.	8,392	625,345	979,662	1.51
Akamai Technologies Inc.	1,245	159,172	166,384	0.26
Amdocs Ltd.	9,588	765,212	865,670	1.34
Amphenol Corp., Class 'A'	2,542	377,076	423,134	0.65
Analog Devices Inc.	1,179	183,413	221,706	0.34
Anaplan Inc.	10,994	869,289	1,005,488	1.55
ANSYS Inc.	1,262	438,916	584,408	0.90
Apple Inc.	5,941	639,145	1,003,441	1.55
Applied Materials Inc.	2,315	175,975	254,306	0.39
Arista Networks Inc.	1,330	371,071	491,923	0.76
Arrow Electronics Inc.	5,248	569,279	649,981	1.00
Aspen Technology Inc.	1,087	181,057	180,219	0.28
Atlassian Corp. PLC	757	148,913	225,354	0.35
Autodesk Inc.	1,191	299,418	462,903	0.71
Avalara Inc.	3,242	365,351	680,458	1.05
Avnet Inc.	5,325	187,231	237,982	0.37
Black Knight Inc.	4,742	504,146	533,289	0.82
Broadcom Inc.	1,133	512,524	631,465	0.97
CACI International Inc., Class 'A'	1,937	556,333	614,750	0.95
Cadence Design Systems Inc.	3,872	376,903	672,418	1.04
CDK Global Inc.	3,157	185,826	208,281	0.32
CDW Corp.	2,302	306,670	386,173	0.60
Ceridian HCM Holding Inc.	4,995	451,314	677,523	1.05
Cirrus Logic Inc.	6,120	534,121	640,350	0.99
CloudFlare Inc., Class 'A'	13,405	780,947	1,296,634	2.00
Cognizant Technology Solutions Corp., Class 'A'	7,929	700,385	827,107	1.28
Coupa Software Inc.	1,505	320,359	649,255	1.00
CrowdStrike Holdings Inc., Class 'A'	5,010	736,479	1,350,825	2.09
Datadog Inc., Class 'A'	6,735	953,211	843,924	1.30
Dell Technologies Inc., Class 'C'	10,165	701,436	948,301	1.46
DocuSign Inc.	3,197	377,760	904,641	1.40
Dynatrace Inc.	10,064	532,792	554,309	0.86
Elastic NV	5,102	576,284	949,017	1.47
Enterpris Inc.	7,404	516,005	905,699	1.40

**First Trust AlphaDEX™ U.S. Technology Sector Index ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

EPAM Systems Inc.	2,128	558,413	970,674	1.50
F5 Network Inc.	2,242	375,133	502,105	0.78
Fastly Inc., Class 'A'	5,876	665,899	653,489	1.01
Five9 Inc.	4,245	678,097	942,364	1.45
Globant SA	3,839	824,721	1,063,387	1.64
GoDaddy Inc., Class 'A'	3,623	290,087	382,542	0.59
GrubHub Holdings Inc.	7,610	656,912	719,436	1.11
Hewlett Packard Enterprise Co.	58,744	927,283	886,087	1.37
HP Inc.	7,246	176,159	226,804	0.35
HubSpot Inc.	2,354	551,962	1,187,895	1.83
Inphi Corp.	2,452	402,034	500,851	0.77
Intel Corp.	13,288	964,918	842,670	1.30
International Business Machines Corp.	3,393	574,394	543,669	0.84
Intuit Inc.	1,266	514,092	612,125	0.94
Jabil Inc.	16,066	669,273	869,756	1.34
KLA Corp.	1,421	297,381	468,314	0.72
Lam Research Corp.	830	317,592	498,957	0.77
Leidos Holdings Inc.	3,087	368,935	413,063	0.64
Manhattan Associates Inc.	1,441	181,724	192,926	0.30
Marvell Technology Group Ltd.	13,865	684,605	839,022	1.30
Maxim Integrated Products Inc.	2,035	158,369	229,635	0.35
Medallia Inc.	10,037	375,390	424,422	0.66
Microchip Technology Inc.	1,339	164,915	235,397	0.36
Micron Technology Inc.	14,652	904,431	1,402,147	2.17
Microsoft Corp.	1,308	254,914	370,319	0.57
MongoDB Inc.	1,783	362,526	814,870	1.26
Monolithic Power Systems Inc.	1,969	517,048	917,897	1.42
National Instruments Corp.	11,564	552,869	646,789	1.00
NCR Corp.	31,077	751,147	1,486,191	2.29
NetApp Inc.	3,139	190,693	264,671	0.41
NVIDIA Corp.	1,271	505,765	844,844	1.30
Okta Inc.	2,574	412,901	833,069	1.29
Oracle Corp.	2,305	181,560	189,803	0.29
PagerDuty Inc.	5,076	203,953	269,434	0.42
Palo Alto Networks Inc.	1,687	523,763	763,158	1.18
Paycom Software Inc.	884	285,807	508,891	0.79
Pegasystems Inc.	4,547	534,741	771,292	1.19
PTC Inc.	3,327	363,450	506,541	0.78
Qorvo Inc.	2,133	306,683	451,439	0.70
QUALCOMM Inc.	3,508	493,703	680,249	1.05
salesforce.com Inc.	2,738	677,355	775,562	1.20
Science Applications International Corp.	3,509	364,310	422,720	0.65
ServiceNow Inc.	1,135	433,617	795,229	1.23
Skyworks Solutions Inc.	1,892	303,946	368,185	0.57
Smartsheet Inc., Class 'A'	2,784	171,431	245,547	0.38
Splunk Inc.	1,463	289,244	316,378	0.49
SS&C Technologies Holdings Inc.	6,821	543,432	631,648	0.98
SYNNEX Corp.	9,358	1,064,613	970,097	1.50
Synopsys Inc.	1,929	348,452	636,544	0.98
Teradata Corp.	12,124	338,146	346,771	0.54

First Trust AlphaDEX™ U.S. Technology Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

Teradyne Inc.	5,195	390,429	792,799	1.22
Texas Instruments Inc.	964	184,962	201,400	0.31
Twilio Inc.	2,785	529,291	1,199,992	1.85
Universal Display Corp.	761	187,703	222,602	0.34
Western Digital Corp.	7,530	367,324	530,910	0.82
Workday Inc., Class 'A'	2,559	652,148	780,494	1.20
Xerox Holdings Corp.	36,656	849,606	1,082,032	1.67
Zendesk Inc.	5,348	602,553	974,285	1.50
Zoom Video Communications Inc.	1,464	946,886	628,604	0.97
Zscaler Inc.	4,890	495,373	1,243,091	1.92
	<b>44,998,595</b>	<b>61,833,332</b>	<b>95.46</b>	
<b>Total investments</b>	<b>46,791,531</b>	<b>64,596,934</b>	<b>99.72</b>	
Transaction costs		(6,300)		
Unrealized appreciation on derivatives - see Schedule 1			119,962	0.18
Other assets, less liabilities			60,257	0.10
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>	<b>46,785,231</b>	<b>64,777,153</b>	<b>100.00</b>	

Schedule 1

Counterparty	Credit Rating of Counterparty*	Settlement Date	Currency Sell	Amount Sold	Currency Buy	Amount Bought	Forward Rate	Current Rate	Appreciation
									(Depreciation) \$
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	4,413,576	CAD	5,735,000	0.770	0.786	117,195
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	297,329	CAD	380,000	0.782	0.786	1,545
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	274,014	CAD	350,000	0.783	0.786	1,222
									<b>119,962</b>

\* Commercial paper rating per Standard and Poor's Commercial Paper Guide

# First Trust AlphaDEX™ U.S. Utilities Sector Index ETF

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	1,251,300	2,604,868
Cash	17,731	20,808
Accrued dividend receivable	2,942	6,702
Other assets	573	605
	1,272,546	2,632,983
<b>Liabilities</b>		
Accrued liabilities	852	2,282
Distributions payable to holders of redeemable units	15,250	13,250
	16,102	15,532
<b>Total net assets attributable to holders of redeemable units</b>	<b>1,256,444</b>	<b>2,617,451</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
<b>Units</b>	<b>1,256,444</b>	<b>2,617,451</b>
<b>Redeemable units outstanding [note 6]</b>		
<b>Units</b>	<b>50,000</b>	<b>100,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>25.13</b>	<b>26.17</b>

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	64,372	99,486
<b>Other changes in fair value of investments</b>		
Net realized gain (loss) on sale of investments	(3,508)	64,393
Net realized gain (loss) on foreign exchange	299	(198)
Net change in unrealized appreciation (depreciation) of investments	(106,184)	45,099
	(45,021)	208,780
Foreign exchange gain (loss) on cash	176	(586)
	(44,845)	208,194
<b>Expenses [note 7]</b>		
Management fees	13,715	22,613
HST expense	1,211	2,323
Transaction costs [note 3 and note 9]	918	1,320
Independent Review Committee fees	460	666
Interest expense	10	-
	16,314	26,922
Expenses waived by manager	(460)	(666)
	15,854	26,256
<b>Increase (Decrease) in net assets attributable to holders of redeemable units before tax</b>	<b>(60,699)</b>	<b>181,938</b>
<b>Withholding taxes</b>	<b>9,667</b>	<b>14,955</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>(70,366)</b>	<b>166,983</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Units</b>	<b>(70,366)</b>	<b>166,983</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>(0.92)</b>	<b>1.37</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust AlphaDEX™ U.S. Utilities Sector Index ETF

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	2,617,451	2,526,945
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	(70,366)	166,983
<b>Redeemable unit transactions [note 6]</b>		
Proceeds from issuance of units	-	1,292,856
Reinvested distributions	1,022	61,172
Redemption of units	(1,247,891)	(1,317,583)
	(1,246,869)	36,445
<b>Distributions to holders of redeemable units from:</b>		
Net investment income	(43,772)	(56,841)
Capital gains	-	(56,081)
Return of capital	-	-
	(43,772)	(112,922)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	(1,361,007)	90,506
<b>Net assets attributable to holders of redeemable units, end of year</b>	1,256,444	2,617,451

See accompanying notes which are an integral part of these financial statements.

# First Trust AlphaDEX™ U.S. Utilities Sector Index ETF

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	(70,366)	166,983
Adjustments for:		
Net realized (gain) loss on sale of investments	3,508	(64,393)
Change in unrealized (appreciation) depreciation of investments	106,184	(45,099)
Dividends receivable	3,760	(2,945)
Other assets	32	(465)
Other liabilities	(1,430)	540
Purchases of investments	(1,832,771)	(3,432,585)
Proceeds from the sale of investments	3,076,647	3,451,676
	1,285,564	73,712
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	-	1,292,856
Amount paid on redemptions of units	(1,247,891)	(1,317,583)
Distributions paid to unitholders	(40,750)	(49,500)
	(1,288,641)	(74,227)
<b>Increase (Decrease) in cash for the year</b>	(3,077)	(515)
<b>Cash, beginning of year</b>	20,808	21,323
<b>Cash, end of year</b>	17,731	20,808
Dividends received, net of withholding taxes	58,465	81,586

See accompanying notes which are an integral part of these financial statements.

**First Trust AlphaDEX™ U.S. Utilities Sector Index ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to replicate, to the extent possible, the performance of the StrataQuant® Utilities Index ("Index"), net of expenses. The investment strategy of the First Trust ETF is to invest in and hold the constituent securities of the applicable Index in the same proportion as they are reflected in the Index or securities intended to replicate the performance of such Index. The Index results from applying the AlphaDEX™ methodology to the Russell 1000® Index, a market index representing the large capitalization segment of the U.S. equity universe, and then selecting the constituent securities for the Index from those qualifying stocks included in the Utilities Sector.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	1,251,300	–	–	1,251,300
<b>Total</b>	<b>1,251,300</b>	<b>–</b>	<b>–</b>	<b>1,251,300</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	2,604,868	–	–	2,604,868
<b>Total</b>	<b>2,604,868</b>	<b>–</b>	<b>–</b>	<b>2,604,868</b>

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Units
Outstanding units - January 1, 2019	100,000
Redeemable units issued	50,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(50,000)
Outstanding units – December 31, 2019	100,000
Redeemable units issued	–
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(50,000)
Outstanding units – December 31, 2020	50,000

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Units
0.70%

First Trust AlphaDEX™ U.S. Utilities Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** – The net capital losses and non-capital losses as at December 31, 2020 and 2019 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2020	2019	2020	2019
330	–	–	–

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
918	1,320

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
13,715	22,613	748	2,013

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and foreign currency movements. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Utilities Index	61,967	(61,967)	119,897	(119,897)
Russell 1000® Index	57,213	(57,213)	82,275	(82,275)
S&P 500 Utilities Index	56,892	(56,892)	101,012	(101,012)

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	1,254,434	99.84	2,615,407	99.92

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$12,544 (December 31, 2019 - \$26,154). In practice, actual results may differ from this sensitivity analysis and the difference could be material.



First Trust AlphaDEX™ U.S. Utilities Sector Index ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**Concentration Risk** – The table below summarizes the First Trust ETF’s concentration risk for the years ended December 31, 2020 and 2019:

Sector	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Utilities	93.23	70.02
Industrials	6.36	–
Communication Services	–	29.50
Total	99.59	99.52

# First Trust AlphaDEX™ U.S. Utilities Sector Index ETF

## Notes to Financial Statements - Specific Information

### For the year ended December 31, 2020

#### SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Industrials—6.36%</b>				
Clean Harbors Inc.	409	27,017	39,619	3.16
Republic Services Inc.	163	16,734	19,981	1.59
Waste Management Inc.	135	17,011	20,265	1.61
		<b>60,762</b>	<b>79,865</b>	<b>6.36</b>
<b>Utilities—93.23%</b>				
AES Corp. (The)	421	7,322	12,593	1.00
Alliant Energy Corp.	443	27,899	29,057	2.31
Ameren Corp.	289	27,310	28,716	2.29
American Electric Power Co. Inc.	280	29,452	29,678	2.36
American Water Works Co. Inc.	53	8,503	10,354	0.82
Atmos Energy Corp.	319	42,296	38,750	3.09
Avangrid Inc.	605	38,468	35,001	2.79
CenterPoint Energy Inc.	394	10,848	10,853	0.86
CMS Energy Corp.	249	19,766	19,337	1.54
Consolidated Edison Inc.	392	40,736	36,061	2.87
Dominion Energy Inc.	97	9,599	9,285	0.74
DTE Energy Co.	265	36,295	40,954	3.26
Duke Energy Corp.	258	28,905	30,069	2.39
Edison International	750	52,619	59,973	4.77
Entergy Corp.	310	38,977	39,397	3.14
Essential Utilities Inc.	190	10,387	11,437	0.91
Evergy Inc.	751	57,773	53,065	4.22
Eversource Energy	183	20,314	20,152	1.60
Exelon Corp.	1,067	60,480	57,343	4.56
FirstEnergy Corp.	532	24,395	20,729	1.65
Hawaiian Electric Industries Inc.	689	34,482	31,038	2.47
IDACORP Inc.	382	46,916	46,694	3.72
National Fuel Gas Co.	564	38,259	29,528	2.35
NextEra Energy Inc.	110	8,650	10,802	0.86
NiSource Inc.	694	24,033	20,265	1.61
NRG Energy Inc.	1,241	46,542	59,317	4.72
OGE Energy Corp.	254	11,795	10,301	0.82
PG&E Corp.	813	9,227	12,894	1.03
Pinnacle West Capital Corp.	512	56,712	52,105	4.15
PPL Corp.	1,402	54,033	50,326	4.01
Public Services Enterprise Group Inc.	556	39,649	41,261	3.28
Sempra Energy	258	44,926	41,842	3.33
Southern Co. (The)	422	29,354	32,998	2.63
UGI Corp.	1,157	47,004	51,487	4.10
Vistra Corp.	2,023	60,240	50,626	4.03
WEC Energy Group Inc.	157	18,745	18,392	1.46
Xcel Energy Inc.	221	16,449	18,755	1.49
		<b>1,179,360</b>	<b>1,171,435</b>	<b>93.23</b>
<b>Total investments</b>		<b>1,240,122</b>	<b>1,251,300</b>	<b>99.59</b>
Transaction costs		(296)		
Other assets, less liabilities			5,144	0.41
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>		<b>1,239,826</b>	<b>1,256,444</b>	<b>100.00</b>

# First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	2,388,372	2,453,048
Cash	56,641	1,472
Accrued dividend receivable	4,712	5,286
Derivative assets	48,602	44,832
Other assets	350	346
	2,498,677	2,504,984
<b>Liabilities</b>		
Accrued liabilities	705	711
Distributions payable to holders of redeemable units	54,800	-
	55,505	711
<b>Total net assets attributable to holders of redeemable units</b>	<b>2,443,172</b>	<b>2,504,273</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
<b>Units</b>	<b>2,443,172</b>	<b>2,504,273</b>
<b>Redeemable units outstanding [note 6]</b>		
<b>Units</b>	<b>100,000</b>	<b>100,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>24.43</b>	<b>25.04</b>

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	65,135	14,094
<b>Other changes in fair value of investments and derivatives</b>		
Net realized gain (loss) on sale of investments	(260,603)	376,979
Net realized gain (loss) on derivatives	91,896	25,759
Net realized gain (loss) on foreign exchange	(10,910)	-
Net change in unrealized appreciation (depreciation) of investments	436,799	226,127
Net change in unrealized appreciation (depreciation) of derivatives	3,770	125,697
	326,087	768,656
Foreign exchange gain (loss) on cash	(22,822)	(3)
	303,265	768,653
<b>Expenses [note 7]</b>		
Management fees	8,025	9,220
Transaction costs [note 3 and note 9]	4,942	478
Other expense	796	-
HST expense	599	779
Independent Review Committee fees	594	621
Interest expense	-	1
	14,956	11,099
Expenses waived by manager	(594)	(621)
	14,362	10,478
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>288,903</b>	<b>758,175</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Units</b>	<b>288,903</b>	<b>758,175</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>2.30</b>	<b>5.71</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	2,504,273	4,058,678
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	288,903	758,175
<b>Redeemable unit transactions [note 6]</b>		
Proceeds from issuance of units	4,630,556	-
Reinvested distributions	7,100	221,000
Redemption of units	(4,925,760)	(2,312,580)
	(288,104)	(2,091,580)
<b>Distributions to holders of redeemable units from:</b>		
Net investment income	(61,900)	-
Capital gains	-	(220,362)
Return of capital	-	(638)
	(61,900)	(221,000)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	(61,101)	(1,554,405)
<b>Net assets attributable to holders of redeemable units, end of year</b>	2,443,172	2,504,273

See accompanying notes which are an integral part of these financial statements.

# First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	288,903	758,175
Adjustments for:		
Net realized (gain) loss on sale of investments	260,603	(376,979)
Change in unrealized (appreciation) depreciation of investments and derivatives	(440,569)	(351,824)
Dividends receivable	574	9,431
Other assets	(4)	96
Other liabilities	(6)	(495)
Purchases of investments	(12,057,645)	(720,617)
Proceeds from the sale of investments	12,298,517	2,993,983
	350,373	2,311,770
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	4,630,556	-
Amount paid on redemptions of units	(4,925,760)	(2,312,580)
Distributions paid to unitholders	-	(3,200)
	(295,204)	(2,315,780)
<b>Increase (Decrease) in cash for the year</b>	55,169	(4,010)
<b>Cash, beginning of year</b>	1,472	5,482
<b>Cash, end of year</b>	56,641	1,472
Dividends received, net of withholding taxes	65,709	23,525

See accompanying notes which are an integral part of these financial statements

**First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to replicate, to the extent possible, the performance of Dorsey Wright® U.S. Sector Focus Five Index, (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.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy tables present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	2,388,372	–	–	2,388,372
Derivative assets	–	48,602	–	48,602
<b>Total</b>	<b>2,388,372</b>	<b>48,602</b>	<b>–</b>	<b>2,436,974</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	2,453,048	–	–	2,453,048
Derivative assets	–	44,832	–	44,832
<b>Total</b>	<b>2,453,048</b>	<b>44,832</b>	<b>–</b>	<b>2,497,880</b>

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of either reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Units
Outstanding units - January 1, 2019	200,000
Redeemable units issued	–
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(100,000)
Outstanding units – December 31, 2019	100,000
Redeemable units issued	250,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(250,000)
Outstanding units – December 31, 2020	100,000

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Units
0.30%

First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** - The net capital losses and/or non-capital losses as at December 31, 2020 and 2019, where applicable, are as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2020	2019	2020	2019
80,988	-	-	-

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
4,942	478

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
8,025	9,220	624	632

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and interest rates. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Dorsey Wright® U.S. Sector Focus Five Index USD	104,690	(104,690)	116,699	(116,699)
S&P 500 Index (CAD Hedged)	101,758	(101,758)	98,293	(98,293)

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	(2,413,067)	(98.77)	(2,414,111)	(96.40)

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$(24,131) (December 31, 2019 - \$24,141). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

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**Concentration Risk** – The table below summarizes the First Trust ETF’s concentration risk for the years ended December 31, 2020 and 2019:

Holdings	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Exchange-Traded Funds	97.76	97.95
Total	97.76	97.95



# First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)

## Notes to Financial Statements - Specific Information

### For the year ended December 31, 2020

#### SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Exchange Traded Funds—97.76%</b>				
First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF	15,180	302,671	461,390	18.89
First Trust AlphaDEX™ U.S. Health Care Sector Index ETF	12,427	419,482	463,549	18.97
First Trust AlphaDEX™ U.S. Industrials Sector Index ETF	13,760	378,641	470,847	19.27
First Trust AlphaDEX™ U.S. Materials Sector Index ETF	17,188	468,099	492,754	20.17
First Trust AlphaDEX™ U.S. Technology Sector Index ETF	7,265	367,169	499,832	20.46
		<b>1,936,062</b>	<b>2,388,372</b>	<b>97.76</b>
<b>Total investments</b>		<b>1,936,062</b>	<b>2,388,372</b>	<b>97.76</b>
Transaction costs		(777)		
Unrealized appreciation on derivatives - see Schedule 1			48,602	1.99
Other assets, less liabilities			6,198	0.25
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>		<b>1,935,285</b>	<b>2,443,172</b>	<b>100.00</b>

Schedule 1

Counterparty	Credit Rating of Counterparty*	Settlement Date	Currency Sell	Amount Sold	Currency Buy	Amount Bought	Forward Rate	Current Rate	Appreciation
									(Depreciation) \$
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	1,810,066	CAD	2,352,000	0.770	0.786	48,063
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	85,997	CAD	110,000	0.782	0.786	539
									<b>48,602</b>

\* Commercial paper rating per Standard and Poor's Commercial Paper Guide

# First Trust Indxx Innovative Transaction and Process ETF

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	2,048,612	2,082,620
Cash	5,742	37,160
Other assets	121	292
	2,054,475	2,120,072
<b>Liabilities</b>		
Accrued liabilities	291	304
Distributions payable to holders of redeemable units	-	29,000
	291	29,304
<b>Total net assets attributable to holders of redeemable units</b>	<b>2,054,184</b>	<b>2,090,768</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units per class</b>		
<b>Units</b>	<b>2,054,184</b>	<b>2,090,768</b>
<b>Redeemable units outstanding [note 6]</b>		
<b>Units</b>	<b>85,000</b>	<b>100,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>24.17</b>	<b>20.91</b>

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	22,961	71,542
<b>Other changes in fair value of investments</b>		
Net realized gain (loss) on investments	23,396	40,830
Change in unrealized appreciation (depreciation) of foreign exchange	19	100
Change in unrealized appreciation (depreciation) of investments	247,377	639,840
	293,753	752,312
Foreign exchange gain (loss) on cash	26	59
	293,779	752,371
<b>Expenses [note 7]</b>		
Management fees	3,048	5,575
Independent Review Committee fees	455	745
HST expense	292	464
Transaction costs [note 3 and note 9]	4	20
	3,799	6,804
Expenses waived by manager	(455)	(745)
	3,344	6,059
<b>Increase (Decrease) in net assets attributable to holders of redeemable units before tax</b>	<b>290,435</b>	<b>746,312</b>
<b>Withholding taxes</b>	<b>3,455</b>	<b>10,829</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>286,980</b>	<b>735,483</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Units</b>	<b>286,980</b>	<b>735,483</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>2.94</b>	<b>3.92</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust Indxx Innovative Transaction and Process ETF

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	2,090,768	4,425,059
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	286,980	735,483
<b>Redeemable unit transactions [note 6]</b>		
Proceeds from redeemable units issued	-	-
Reinvested distributions	-	-
Redemption of redeemable units	(317,564)	(3,001,274)
	(317,564)	(3,001,274)
<b>Distributions to holders of redeemable units from:</b>		
Net investment income	(525)	(68,105)
Capital gains	-	-
Return of capital	(5,475)	(395)
	(6,000)	(68,500)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	(36,584)	(2,334,291)
<b>Net assets attributable to holders of redeemable units, end of year</b>	2,054,184	2,090,768

See accompanying notes which are an integral part of these financial statements.

# First Trust Indxx Innovative Transaction and Process ETF

## STATEMENTS OF CASH FLOW

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	286,980	735,483
Adjustments for:		
Net realized (gain) loss on investments	(23,396)	(40,830)
Change in unrealized (appreciation) depreciation of investments	(247,377)	(639,840)
Other assets	171	(89)
Other liabilities	(13)	(340)
Purchases of investments	(12,483)	(15,371)
Proceeds from the sale of investments	317,264	3,039,648
	321,146	3,078,661
<b>Cash flows from (used in) Financing Activities</b>		
Amount paid on redemptions of units	(317,564)	(3,001,274)
Distributions paid to unitholders	(35,000)	(77,225)
	(352,564)	(3,078,499)
<b>Increase (Decrease) in cash for the year</b>	(31,418)	162
<b>Cash, beginning of year</b>	37,160	36,998
<b>Cash, end of year</b>	5,742	37,160
Dividends received, net of withholding taxes	19,506	60,713

See accompanying notes which are an integral part of these financial statements.

**First Trust Indxx Innovative Transaction and Process ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to replicate, to the extent possible, the performance of an innovative transaction and process index. The First Trust ETF will obtain exposure to the Indxx Blockchain Index (the “Index”) by investing in the First Trust Indxx Innovative Transaction & Process ETF (the “Underlying Fund”), a U.S.-listed index exchange traded fund which itself seeks to replicate or substantially replicate the performance of the Index.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy table present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	2,048,612	–	–	2,048,612
<b>Total</b>	<b>2,048,612</b>	<b>–</b>	<b>–</b>	<b>2,048,612</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	2,082,620	–	–	2,082,620
<b>Total</b>	<b>2,082,620</b>	<b>–</b>	<b>–</b>	<b>2,082,620</b>

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of the reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during years ended December 31, 2020 and 2019:

Redeemable Units	Units
Outstanding units - January 1, 2019	250,000
Redeemable units issued	–
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(150,000)
Outstanding units – December 31, 2019	100,000
Redeemable units issued	–
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(15,000)
Outstanding units – December 31, 2020	85,000

First Trust Indxx Innovative Transaction and Process ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee <sup>1</sup>
Units
0.15%

<sup>1</sup>The First Trust ETF will bear the Underlying Fund's management fee of 0.65% per annum on average daily net assets on the First Trust ETF's portfolio assets invested in the Underlying Fund. Accordingly, the management fee cost to unitholders of their investment will be 0.80% per annum of NAV of the Units plus applicable taxes. There will be no management fees payable by the First Trust ETF that, to a reasonable person, would duplicate a fee payable by the Underlying Fund for the same service. Further, no sales fees or redemption fees are payable by the First Trust ETF in relation to its purchases or redemptions of the securities of the Underlying Fund and there will be no sales or redemption fees payable by the First Trust ETF that, to a reasonable person, would duplicate a fee payable by an investor in the First Trust ETF.

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** – There were no net capital losses nor non-capital losses as at December 31, 2020 and 2019.

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019:

Transaction Cost (\$)	
2020	2019
4	20

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 30, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
3,048	5,575	258	269

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and interest rates. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
S&P 500® Index	98,447	(98,447)	86,848	(86,848)

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	2,053,088	99.95	2,088,992	99.92

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First Trust Indxx Innovative Transaction and Process ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

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As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$20,531 (December 31, 2019 - \$20,890). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**Concentration Risk** – The table below summarizes the First Trust ETF's concentration risk for the years ended December 31, 2020 and 2019:

Holdings	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Exchange-Traded Funds	99.73	99.61
Total	99.73	99.61

First Trust Indxx Innovative Transaction and Process ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Exchange Traded Funds—99.73%</b>				
First Trust Indxx Innovative Transaction & Process ETF	42,897	1,666,103	2,048,612	99.73
<b>Total Exchange Traded Funds</b>		<b>1,666,103</b>	<b>2,048,612</b>	<b>99.73</b>
<b>Total investments</b>		<b>1,666,103</b>	<b>2,048,612</b>	<b>99.73</b>
Transaction costs		(531)		
Other assets, less liabilities			5,572	0.27
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>		<b>1,665,572</b>	<b>2,054,184</b>	<b>100.00</b>



# First Trust International Capital Strength ETF

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)	5,981,915	2,063,338
Cash	39,633	9,663
Accrued dividend receivable	3,795	3,554
Receivable for portfolio securities sold	-	40,038
Other assets	1,635	376
	6,026,978	2,116,969
<b>Liabilities</b>		
Accrued liabilities	3,923	1,398
Payable for portfolio securities purchased	-	19,663
Distributions payable to holders of redeemable units	-	25,000
	3,923	46,061
<b>Total net assets attributable to holders of redeemable units</b>	<b>6,023,055</b>	<b>2,070,908</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units per class</b>		
<b>Units</b>	<b>6,023,055</b>	<b>2,070,908</b>
<b>Redeemable units outstanding [note 6]</b>		
<b>Units</b>	<b>250,000</b>	<b>100,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>24.09</b>	<b>20.71</b>

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Dividends	92,043	55,831
Interest income for distribution purposes	6,356	2,858
<b>Other changes in fair value of investments</b>		
Net realized gain (loss) on investments	175,777	(149,807)
Change in unrealized appreciation (depreciation) of foreign exchange	(1,497)	33
Change in unrealized appreciation (depreciation) of investments	805,613	425,521
	1,078,292	334,436
Foreign exchange gain (loss) on cash	(225)	(78)
	1,078,067	334,358
<b>Expenses [note 7]</b>		
Management fees	31,298	11,247
Transaction costs [note 3 and note 9]	14,736	4,876
HST expense	2,498	1,143
Independent Review Committee fees	977	327
	49,509	17,593
Expenses waived by manager	(977)	(327)
	48,532	17,266
<b>Increase (Decrease) in net assets attributable to holders of redeemable units before tax</b>	<b>1,029,535</b>	<b>317,092</b>
<b>Withholding taxes</b>	<b>8,520</b>	<b>5,121</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>1,021,015</b>	<b>311,971</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Units</b>	<b>1,021,015</b>	<b>311,971</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Units</b>	<b>4.76</b>	<b>3.63</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust International Capital Strength ETF

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	2,070,908	1,678,827
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	1,021,015	311,971
<b>Redeemable unit transactions [note 6]</b>		
Proceeds from redeemable units issued	2,940,132	1,011,491
Reinvested distributions	283,750	-
Redemption of redeemable units	-	(906,381)
	3,223,882	105,110
<b>Distributions to holders of redeemable units from:</b>		
Net investment income	-	(19,390)
Capital gains	(283,750)	-
Return of capital	(9,000)	(5,610)
	(292,750)	(25,000)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	3,952,147	392,081
<b>Net assets attributable to holders of redeemable units, end of year</b>	6,023,055	2,070,908

See accompanying notes which are an integral part of these financial statements.

# First Trust International Capital Strength ETF

## STATEMENTS OF CASH FLOW For the years ended December 31, 2020 and 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	1,021,015	311,971
Adjustments for:		
Net realized (gain) loss on investments	(175,777)	149,807
Change in unrealized (appreciation) depreciation of investments	(805,613)	(425,521)
Dividends receivable	(241)	(1,202)
Other assets	(1,259)	(18)
Other liabilities	2,525	271
Purchases of investments	(5,404,045)	(1,764,271)
Proceeds from the sale of investments	2,487,233	1,624,533
	(2,876,162)	(104,430)
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	2,940,132	1,011,491
Amount paid on redemptions of units	-	(906,381)
Distributions paid to unitholders	(34,000)	-
	2,906,132	105,110
<b>Increase (Decrease) in cash for the year</b>	29,970	680
<b>Cash, beginning of year</b>	9,663	8,983
<b>Cash, end of year</b>	39,633	9,663
Interest received	6,356	2,858
Dividends received, net of withholding taxes	83,282	49,508

See accompanying notes which are an integral part of these financial statements.

**First Trust International Capital Strength ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks 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.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy table present information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equities	5,981,915	–	–	5,981,915
<b>Total</b>	<b>5,981,915</b>	<b>–</b>	<b>–</b>	<b>5,981,915</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equities	2,063,338	–	–	2,063,338
<b>Total</b>	<b>2,063,338</b>	<b>–</b>	<b>–</b>	<b>2,063,338</b>

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of the reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Units
Outstanding units – January 1, 2019	100,000
Redeemable units issued	50,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(50,000)
Outstanding units – December 31, 2019	100,000
Redeemable units issued	150,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	–
Outstanding units – December 31, 2020	250,000

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Units
0.70%

First Trust International Capital Strength ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** – The net capital losses and/or non-capital losses as at December 31, 2020 and 2019, where applicable, are as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2020	2019	2020	2019
–	–	604,288	–

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the years ended December 31, 2020 and 2019:

Transaction Cost (\$)	
2020	2019
14,736	4,876

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019, are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
31,298	11,247	3,471	1,237

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and interest rates. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	At December 31, 2020		At December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
MSCI EAFE Index	302,056	(302,056)	89,360	(89,360)

First Trust International Capital Strength ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
British Pound Sterling	1,617,005	26.85	568,497	27.45
Euro	1,177,884	19.56	561,586	27.12
Japanese Yen	892,148	14.81	369,401	17.84
Hong Kong Dollar	638,632	10.60	146,720	7.08
Swiss Francs	613,300	10.18	202,736	9.79
Swedish Krona	438,964	7.29	53,203	2.57
Danish Krone	301,009	5.00	53,586	2.59
South Korean Won	163,096	2.71	56,189	2.71
Australian Dollar	143,672	2.39	55,535	2.68
United States Dollar	114	0.00	(17,900)	(0.86)
Norwegian Krone	-	-	126	0.01
<b>Total</b>	<b>5,985,824</b>	<b>99.39</b>	<b>2,049,679</b>	<b>98.98</b>

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$59,858 (December 31, 2019 - \$20,497). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**Concentration Risk** – The table below summarizes the First Trust ETF's concentration risk for the years ended December 31, 2020 and 2019:

Country	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
United Kingdom	24.42	25.13
Japan	14.81	17.77
Hong Kong	10.60	4.67
Switzerland	10.13	9.75
France	9.35	9.78
Sweden	7.29	2.57
Netherlands	5.28	2.63
Denmark	5.00	2.59
Australia	4.81	4.96
South Korea	2.70	2.67
Germany	2.51	9.63
Finland	2.42	2.46
Italy	-	2.61
Macau	-	2.41
<b>Total</b>	<b>99.32</b>	<b>99.63</b>

First Trust International Capital Strength ETF  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Australia—4.81%</b>				
BHP Group PLC	4,353	117,662	145,862	2.42
CSL Ltd.	517	133,627	143,672	2.39
		<b>251,289</b>	<b>289,534</b>	<b>4.81</b>
<b>Denmark—5.00%</b>				
Genmab AS	296	124,607	152,322	2.53
Novo Nordisk AS, Series 'B'	1,668	132,317	148,687	2.47
		<b>256,924</b>	<b>301,009</b>	<b>5.00</b>
<b>Finland—2.42%</b>				
Neste Oil OYJ	1,584	72,666	145,722	2.42
		<b>72,666</b>	<b>145,722</b>	<b>2.42</b>
<b>France—9.35%</b>				
Kering	155	113,515	143,269	2.38
LVMH Moët Hennessy-Louis Vuitton SA	189	101,825	150,155	2.49
Sanofi	1,113	143,356	136,210	2.26
Thales SA	1,145	147,409	133,361	2.22
		<b>506,105</b>	<b>562,995</b>	<b>9.35</b>
<b>Germany—2.51%</b>				
SAP AG	905	149,706	150,892	2.51
		<b>149,706</b>	<b>150,892</b>	<b>2.51</b>
<b>Hong Kong—10.60%</b>				
China Gas Holdings Ltd.	30,467	150,597	154,076	2.56
Hong Kong Exchanges & Clearing Ltd.	2,200	139,851	153,521	2.55
Techtronic Industries Co. Ltd.	8,833	92,421	160,405	2.66
Xinyi Glass Holdings Co. Ltd.	48,000	138,118	170,630	2.83
		<b>520,987</b>	<b>638,632</b>	<b>10.60</b>
<b>Japan—14.81%</b>				
KDDI Corp.	3,900	148,896	147,408	2.45
Nintendo Co. Ltd.	200	120,360	162,307	2.69
Obayashi Corp.	12,400	165,815	136,049	2.26
Shionogi & Co.	2,100	155,176	145,880	2.42
Sony Corp.	1,250	104,899	158,488	2.63
Tokyo Electron Ltd.	300	81,630	142,015	2.36
		<b>776,776</b>	<b>892,147</b>	<b>14.81</b>
<b>Netherlands—5.28%</b>				
ASM International NV	593	109,046	165,939	2.76
ASML Holding NV	246	89,764	152,078	2.52
		<b>198,810</b>	<b>318,017</b>	<b>5.28</b>
<b>South Korea—2.70%</b>				
Samsung Electronics Co. Ltd.	1,712	99,948	162,492	2.70
		<b>99,948</b>	<b>162,492</b>	<b>2.70</b>
<b>Sweden—7.29%</b>				
Sandvik AB	4,963	111,793	154,564	2.57
Telefonaktiebolaget LM Ericsson, Series 'B'	9,131	145,782	137,933	2.29
Volvo AB, Series 'B'	4,885	103,804	146,467	2.43
		<b>361,379</b>	<b>438,964</b>	<b>7.29</b>

**First Trust International Capital Strength ETF**  
**Notes to Financial Statements - Specific Information**  
**For the year ended December 31, 2020**

<b>Switzerland—10.13%</b>				
Logitech International SA, Registered	1,305	80,251	161,216	2.68
Nestlé SA, Registered	1,016	144,811	152,305	2.53
Novartis AG, Registered	1,238	148,392	148,899	2.47
Roche Holding AG Genusscheine	333	142,187	147,947	2.45
		<b>515,641</b>	<b>610,367</b>	<b>10.13</b>
<b>United Kingdom—24.42%</b>				
AstraZeneca PLC	1,056	141,047	134,627	2.23
BAE Systems PLC	16,108	154,036	137,055	2.28
Barratt Developments PLC	12,855	128,067	149,923	2.49
Ferguson PLC	984	104,051	152,169	2.53
JD Sports Fashion PLC	10,289	139,808	154,026	2.56
Legal & General Group PLC	32,118	137,798	148,826	2.47
Persimmon PLC	2,930	137,015	141,123	2.34
Prudential PLC	6,743	149,634	158,104	2.62
Rio Tinto PLC	1,542	106,345	146,823	2.44
Unilever PLC	1,942	145,964	148,468	2.46
		<b>1,343,765</b>	<b>1,471,144</b>	<b>24.42</b>
<b>Total investments</b>		<b>5,053,996</b>	<b>5,981,915</b>	<b>99.32</b>
Transaction costs		<b>(12,398)</b>		
Other assets, less liabilities			<b>41,140</b>	<b>0.68</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>		<b>5,041,598</b>	<b>6,023,055</b>	<b>100.00</b>



# First Trust Cboe Vest U.S. Equity Buffer ETF - August

## STATEMENTS OF FINANCIAL POSITION As at December 31, 2020 and December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Assets</b>		
Investments (non-derivative financial assets)		-
Cash	54,390	77,728
Derivative assets:		
Options purchased, at fair value	7,384,072	6,546,940
Unrealized appreciation on forward currency contracts	141,615	115,444
Other assets	2,818	590
	7,582,895	6,740,702
<b>Liabilities</b>		
Derivative liabilities		
Options written, at fair value	473,541	323,448
Accrued liabilities	5,660	5,188
	479,201	328,636
<b>Total net assets attributable to holders of redeemable units</b>	<b>7,103,694</b>	<b>6,412,066</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>		
<b>Hedged Units</b>	<b>7,103,694</b>	<b>6,412,066</b>
<b>Redeemable units outstanding [note 6]</b>		
<b>Hedged Units</b>	<b>200,000</b>	<b>200,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>		
<b>Hedged Units</b>	<b>35.52</b>	<b>32.06</b>

## STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2020 and for the period from August 30, 2019 to December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Revenues</b>		
Interest income for distribution purposes	-	30
<b>Other changes in fair value of investments and derivatives</b>		
Net realized gain (loss) on options	904,050	7,550
Net realized gain (loss) on foreign currency contracts	582,073	20,961
Net realized gain (loss) on foreign exchange transactions	(51,668)	(367)
Net change in unrealized appreciation (depreciation) of options	(58,803)	223,135
Net change in unrealized appreciation (depreciation) of foreign currency contracts	26,171	115,444
	1,401,823	366,753
Foreign exchange gain (loss) on cash	49,108	(371)
	1,450,931	366,382
<b>Expenses [note 7]</b>		
Management fees	58,284	15,346
Transaction costs [note 3 and note 9]	10,044	1,887
HST expense	5,286	1,397
Independent Review Committee fees	1,506	164
Interest expense	20	-
	75,140	18,794
Expenses waived by manager	(1,506)	(164)
	73,634	18,630
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>1,377,297</b>	<b>347,752</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>		
<b>Hedged Units</b>	<b>1,377,297</b>	<b>347,752</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
<b>Hedged Units</b>	<b>6.50</b>	<b>2.06</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

## First Trust Cboe Vest U.S. Equity Buffer ETF - August

### STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the year ended December 31, 2020 and for the period from August 30, 2019 to December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	6,412,066	-
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	1,377,297	347,752
<b>Redeemable unit transactions [note 6]</b>		
Proceeds from issuance of units	12,441,550	6,064,344
Reinvested distributions	1,132,600	284,000
Redemption of units	(13,127,219)	(30)
	446,931	6,348,314
<b>Distributions to holders of redeemable units from:</b>		
Net investment income	-	-
Capital gains	(1,132,600)	(283,834)
Return of capital	-	(166)
	(1,132,600)	(284,000)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the year</b>	691,628	6,412,066
<b>Net assets attributable to holders of redeemable units, end of year</b>	7,103,694	6,412,066

See accompanying notes which are an integral part of these financial statements.

# First Trust Cboe Vest U.S. Equity Buffer ETF - August

## STATEMENTS OF CASH FLOW

For the year ended December 31, 2020 and for the period from August 30, 2019 to December 31, 2019

	December 31 2020 (\$)	December 31 2019 (\$)
<b>Cash flows from (used in) Operating Activities</b>		
Increase (Decrease) in net assets attributable to holders of redeemable units	1,377,297	347,752
Adjustments for:		
Net realized (gain) loss on options	(904,050)	(7,550)
Change in unrealized (appreciation) depreciation of options and foreign currency contracts	32,632	(338,579)
Other assets	(2,228)	(590)
Other liabilities	472	5,188
Purchases of options	(21,477,284)	(6,369,829)
Proceeds from the sale of options	21,635,492	377,022
	662,331	(5,986,586)
<b>Cash flows from (used in) Financing Activities</b>		
Amount received from the issuance of units	12,441,550	6,064,344
Amount paid on redemptions of units	(13,127,219)	(30)
Distributions paid to unitholders	-	-
	(685,669)	6,064,314
<b>Increase (Decrease) in cash for the year</b>	<b>(23,338)</b>	<b>77,728</b>
<b>Cash, beginning of year</b>	<b>77,728</b>	<b>-</b>
<b>Cash, end of year</b>	<b>54,390</b>	<b>77,728</b>
Interest received	-	30

See accompanying notes which are an integral part of these financial statements.

First Trust Cboe Vest U.S. Equity Buffer ETF – August  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to provide unitholders with returns (before fees, expenses and taxes) that match the price return of the SPDR® S&P 500® ETF Trust (the “Underlying ETF”) up to 14.71% cap (before fees, expenses and taxes), while providing a buffer against the first 10% (before fees, expenses and taxes) of the decrease in market price of the Underlying ETF, over a period of approximately one year from the third Friday of August of each year to on or about the third Friday of August of the following year (each, a “Target Outcome Period”). At the end of a Target Outcome Period a new cap will be established for the next Target Outcome Period. The buffer stays constant at 10% (before fees, expenses, and taxes) for the next Target Outcome Period.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy table presents information about the First Trust ETF assets measured at fair value on a recurring basis for the years ended December 31, 2020 and 2019:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Derivative assets	–	7,525,687	–	7,525,687
Derivative liabilities	–	(473,541)	–	(473,541)
<b>Total</b>	<b>–</b>	<b>7,052,146</b>	<b>–</b>	<b>7,052,146</b>
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Derivative assets	–	6,662,384	–	6,662,384
Derivative liabilities	–	(323,448)	–	(323,448)
<b>Total</b>	<b>–</b>	<b>6,338,936</b>	<b>–</b>	<b>6,338,936</b>

There have been no transfers from one Level to another for the years ended December 31, 2020 and 2019.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of the reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2020 and 2019:

Redeemable Units	Hedged Units
Beginning balance – August 30, 2019*	–
Redeemable units issued	200,001
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(1)
<b>Outstanding units – December 31, 2019</b>	<b>200,000</b>
Redeemable units issued	400,000
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(400,000)
<b>Outstanding units –December 31, 2020</b>	<b>200,000</b>

\* commencement of operations

First Trust Cboe Vest U.S. Equity Buffer ETF – August  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee	
Hedged Units	
	0.85%

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** – There were no net capital losses nor non-capital losses as at December 31, 2020.

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during years ended December 31, 2020 and 2019 are as follows:

Transaction Cost (\$)	
2020	2019
10,044	1,887

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the years ended December 31, 2020 and 2019, including amounts owing as at December 31, 2020 and 2019 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2020	2019	2020	2019
58,284	15,346	5,072	4,599

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020 and 2019, the First Trust ETF's market risk is affected by changes in actual market prices and interest rates. If the following index had increased (decreased) by 5% at December 31, 2020 and 2019, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020		As at December 31, 2019	
	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
S&P 500 Price Return Index (CAD-Hedged)	245,433	(245,433)	218,137	(218,137)

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020 and 2019:

Currency	As at December 31, 2020		As at December 31, 2019	
	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	150,553	2.12	60,247	0.94

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$1,506 (December 31, 2019 - \$602). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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First Trust Cboe Vest U.S. Equity Buffer ETF – August  
Notes to Financial Statements - Specific Information  
For the year ended December 31, 2020

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**Concentration Risk** – The table below summarizes the First Trust ETF’s concentration risk for the years ended December 31, 2020 and 2019:

Holdings	As a % of net assets attributable to holders of redeemable units	
	As at December 31, 2020	As at December 31, 2019
Options	97.28	97.06
Total	97.28	97.06

# First Trust Cboe Vest U.S. Equity Buffer ETF – August

## Notes to Financial Statements - Specific Information

### For the year ended December 31, 2020

#### SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Expiry Date	Strike Price (\$)	Currency	Number of Options	Underlying Interest on Equity Options	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Purchased Put Options—4.01%</b>								
SPDR® S&P® 500 ETF Trust	2021-08-20	339.49	USD	151	15,100	594,176	284,762	4.01
						<b>594,176</b>	<b>284,762</b>	<b>4.01</b>
<b>Purchased Call Options—99.94%</b>								
SPDR® S&P® 500 ETF Trust	2021-08-20	3.40	USD	151	15,100	6,678,109	7,099,310	99.94
						<b>6,678,109</b>	<b>7,099,310</b>	<b>99.94</b>
<b>Written Put Options—(2.40)%</b>								
SPDR® S&P® 500 ETF Trust	2021-08-20	305.54	USD	(151)	(15,100)	(369,974)	(170,251)	(2.40)
						<b>(369,974)</b>	<b>(170,251)</b>	<b>(2.40)</b>
<b>Written Call Options—(4.27)%</b>								
SPDR® S&P® 500 ETF Trust	2021-08-20	389.43	USD	(151)	(15,100)	(154,570)	(303,290)	(4.27)
						<b>(154,570)</b>	<b>(303,290)</b>	<b>(4.27)</b>
<b>Total options</b>						<b>6,747,741</b>	<b>6,910,531</b>	<b>97.28</b>
Transaction costs						<b>(1,503)</b>		
Unrealized appreciation on derivative - see Schedule 1							<b>141,615</b>	<b>1.99</b>
Other assets, less liabilities							<b>51,548</b>	<b>0.73</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>						<b>6,746,238</b>	<b>7,103,694</b>	<b>100.00</b>

Schedule 1

Counterparty	Credit Rating of Counterparty*	Settlement Date	Currency	Amount		Currency	Amount Bought	Forward Rate	Current Rate	Appreciation (Depreciation) \$
				Sell	Sold					
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	5,333,231		CAD	6,930,000	0.770	0.786	141,615
										<b>141,615</b>

\* Commercial paper rating per Standard and Poor's Commercial Paper Guide

# First Trust Cboe Vest U.S. Equity Buffer ETF - November

## STATEMENT OF FINANCIAL POSITION As at December 31, 2020

	December 31 2020 (\$)
<b>Assets</b>	
Investments (non-derivative financial assets)	-
Cash	256,676
Derivative assets:	
Options purchased, at fair value	24,174,802
Unrealized appreciation on forward currency contracts	360,186
Other assets	2,081
	24,793,745
<b>Liabilities</b>	
Derivative liabilities	
Options written, at fair value	1,710,652
Accrued liabilities	16,799
	1,727,451
<b>Total net assets attributable to holders of redeemable units</b>	<b>23,066,294</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>	
<b>Hedged Units</b>	<b>23,066,294</b>
<b>Redeemable units outstanding [note 6]</b>	
<b>Hedged Units</b>	<b>700,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	
<b>Hedged Units</b>	<b>32.95</b>

## STATEMENT OF COMPREHENSIVE INCOME For the period from February 4, 2020 to December 31, 2020

	December 31 2020 (\$)
<b>Revenues</b>	
Interest income for distribution purposes	-
<b>Other changes in fair value of investments and derivatives</b>	
Net realized gain (loss) on options	1,058,140
Net realized gain (loss) on foreign currency contracts	465,838
Net realized gain (loss) on foreign exchange transactions	(17,831)
Net change in unrealized appreciation (depreciation) of options	131,223
Net change in unrealized appreciation (depreciation) of foreign currency contracts	360,186
	1,997,556
Foreign exchange gain (loss) on cash	6,287
	2,003,843
<b>Expenses [note 7]</b>	
Management fees	83,485
Transaction costs [note 3 and note 9]	12,087
HST expense	8,771
Independent Review Committee fees	2,127
Interest expense	401
	106,871
Expenses waived by manager	(2,127)
	104,744
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>1,899,099</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>	
<b>Hedged Units</b>	<b>1,899,099</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>	
<b>Hedged Units</b>	<b>5.31</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director



# First Trust Cboe Vest U.S. Equity Buffer ETF - November

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period from February 4, 2020 to December 31, 2020

	December 31 2020 (\$)
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	-
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	1,899,099
<b>Redeemable unit transactions [note 6]</b>	
Proceeds from issuance of units	27,520,821
Reinvested distributions	2,933,000
Redemption of units	(6,353,626)
	24,100,195
<b>Distributions to holders of redeemable units from:</b>	
Net investment income	-
Capital gains	(2,933,000)
Return of capital	-
	(2,933,000)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the period</b>	23,066,294
<b>Net assets attributable to holders of redeemable units, end of period</b>	23,066,294

See accompanying notes which are an integral part of these financial statements.

# First Trust Cboe Vest U.S. Equity Buffer ETF - November

## STATEMENT OF CASH FLOW

For the period from February 4, 2020 to December 31, 2020

	December 31 2020 (\$)
<b>Cash flows from (used in) Operating Activities</b>	
Increase (Decrease) in net assets attributable to holders of redeemable units	1,899,099
Adjustments for:	
Net realized (gain) loss on options	(1,058,140)
Change in unrealized (appreciation) depreciation of options and foreign currency contracts	(491,409)
Other assets	(2,081)
Other liabilities	16,799
Purchases of options	(40,518,804)
Proceeds from the sale of options	19,244,017
	(20,910,519)
<b>Cash flows from (used in) Financing Activities</b>	
Amount received from the issuance of units	27,520,821
Amount paid on redemptions of units	(6,353,626)
Distributions paid to unitholders	-
	21,167,195
<b>Increase (Decrease) in cash for the period</b>	<b>256,676</b>
<b>Cash, beginning of period</b>	<b>-</b>
<b>Cash, end of period</b>	<b>256,676</b>

See accompanying notes which are an integral part of these financial statements.

**First Trust Cboe Vest U.S. Equity Buffer ETF – November**  
**Notes to Financial Statements - Specific Information**  
**For the period ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to provide unitholders with returns (before fees, expenses and taxes) that match the price return of the SPDR® S&P 500® ETF Trust (the “Underlying ETF”) up to 13.72% cap (before fees, expenses and taxes), while providing a buffer against the first 10% (before fees, expenses and taxes) of the decrease in market price of the Underlying ETF, over a period of approximately one year from the third Friday of November of each year to on or about the third Friday of November of the following year (each, a “Target Outcome Period”). At the end of a Target Outcome Period a new cap will be established for the next Target Outcome Period. The buffer stays constant at 10% (before fees, expenses, and taxes) for the next Target Outcome Period.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy table presents information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended December 31, 2020:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Derivative assets	–	24,534,988	–	24,534,988
Derivative liabilities	–	(1,710,652)	–	(1,710,652)
<b>Total</b>	<b>–</b>	<b>22,824,336</b>	<b>–</b>	<b>22,824,336</b>

There have been no transfers from one Level to another for the period ended December 31, 2020.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of the reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the period ended December 31, 2020:

Redeemable Units	Hedged Units
Beginning balance – February 4, 2020*	–
Redeemable units issued	900,001
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(200,001)
<b>Outstanding units – December 31, 2020</b>	<b>700,000</b>

\*commencement of operations

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Hedged Units
0.85%

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** – There were no net capital losses nor non-capital losses as at December 31, 2020.

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the period ended December 31, 2020:

Transaction Cost (\$)
2020
12,087

First Trust Cboe Vest U.S. Equity Buffer ETF – November  
Notes to Financial Statements - Specific Information  
For the period ended December 31, 2020

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the period ended December 31, 2020, including amounts owing as at December 31, 2020 are as follows:

Management Fee Expense (\$)	Management Fee Payable (\$)
2020	2020
83,485	14,867

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020, the First Trust ETF's market risk is affected by changes in actual market prices and interest rates. If the following index had increased (decreased) by 5% at December 31, 2020, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020	
	5% Increase (\$)	5% Decrease (\$)
S&P 500 Price Return Index (CAD-Hedged)	773,874	(773,874)

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020:

Currency	As at December 31, 2020	
	Net Exposure (\$)	% Net Assets
United States Dollar	38,378	0.17

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$384. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**Concentration Risk** – The table below summarizes the First Trust ETF's concentration risk for the period ended December 31, 2020:

Holdings	As a % of net assets attributable to holders of redeemable units
	As December 31, 2020
Options	97.39
Total	97.39

First Trust Cboe Vest U.S. Equity Buffer ETF – November  
Notes to Financial Statements - Specific Information  
For the period ended December 31, 2020

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Expiry Date	Strike Price (\$)	Currency	Number of Options	Underlying Interest on Equity Options	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Purchased Put Options—6.28%</b>								
SPDR® S&P® 500 ETF Trust	2021-11-19	355.34	USD	485	48,500	1,824,458	1,449,944	6.28
						<b>1,824,458</b>	<b>1,449,944</b>	<b>6.28</b>
<b>Purchased Call Options—98.52%</b>								
SPDR® S&P® 500 ETF Trust	2021-11-19	3.56	USD	485	48,500	22,186,029	22,724,858	98.52
						<b>22,186,029</b>	<b>22,724,858</b>	<b>98.52</b>
<b>Written Put Options—(3.82)%</b>								
SPDR® S&P® 500 ETF Trust	2021-11-19	319.81	USD	(485)	(48,500)	(1,143,080)	(881,675)	(3.82)
						<b>(1,143,080)</b>	<b>(881,675)</b>	<b>(3.82)</b>
<b>Written Call Options—(3.59)%</b>								
SPDR® S&P® 500 ETF Trust	2021-11-19	404.09	USD	(485)	(48,500)	(531,266)	(828,977)	(3.59)
						<b>(531,266)</b>	<b>(828,977)</b>	<b>(3.59)</b>
<b>Total options</b>						<b>22,336,141</b>	<b>22,464,150</b>	<b>97.39</b>
Transaction costs						<b>(3,214)</b>		
Unrealized appreciation on derivative - see Schedule 1							<b>360,186</b>	<b>1.56</b>
Other assets, less liabilities							<b>241,958</b>	<b>1.05</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>						<b>22,332,927</b>	<b>23,066,294</b>	<b>100.00</b>

Schedule 1

Counterparty	Credit		Currency	Amount	Currency	Amount	Forward Rate	Current Rate	Appreciation (Depreciation)
	Rating of Counterparty*	Settlement Date							
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	8,611,667	CAD	11,190,000	0.770	0.786	228,668
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	5,186,963	CAD	6,700,000	0.774	0.786	97,792
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	3,980,270	CAD	5,100,000	0.780	0.786	33,726
									<b>360,186</b>

\* Commercial paper rating per Standard and Poor's Commercial Paper Guide

# First Trust Cboe Vest U.S. Equity Buffer ETF - February

## STATEMENT OF FINANCIAL POSITION As at December 31, 2020

	December 31 2020 (\$)
<b>Assets</b>	
Investments (non-derivative financial assets)	-
Cash	105,669
Derivative assets:	
Options purchased, at fair value	22,735,777
Unrealized appreciation on forward currency contracts	481,445
Other assets	210
	23,323,101
<b>Liabilities</b>	
Derivative liabilities:	
Options written, at fair value	883,102
Accrued liabilities	18,760
	901,862
<b>Total net assets attributable to holders of redeemable units</b>	<b>22,421,239</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>	
<b>Hedged Units</b>	<b>22,421,239</b>
<b>Redeemable units outstanding [note 6]</b>	
<b>Hedged Units</b>	<b>700,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	
<b>Hedged Units</b>	<b>32.03</b>

## STATEMENT OF COMPREHENSIVE INCOME For the period from February 25, 2020 to December 31, 2020

	December 31 2020 (\$)
<b>Revenues</b>	
Interest income for distribution purposes	-
<b>Other changes in fair value of investments and derivatives</b>	
Net realized gain (loss) on options	43,276
Net realized gain (loss) on foreign currency contracts	338,173
Net realized gain (loss) on foreign exchange transactions	4,165
Net change in unrealized appreciation (depreciation) of options	739,041
Net change in unrealized appreciation (depreciation) of foreign currency contracts	481,445
	1,606,100
Foreign exchange gain (loss) on cash	(8,498)
	1,597,602
<b>Expenses [note 7]</b>	
Management fees	65,791
HST expense	8,342
Transaction costs [note 3 and note 9]	6,607
Independent Review Committee fees	1,609
Interest expense	788
	83,137
Expenses waived by manager	(1,609)
	81,528
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>1,516,074</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>	
<b>Hedged Units</b>	<b>1,516,074</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>	
<b>Hedged Units</b>	<b>5.07</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust Cboe Vest U.S. Equity Buffer ETF - February

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period from February 25, 2020 to December 31, 2020

	December 31 2020 (\$)
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	-
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	1,516,074
<b>Redeemable unit transactions [note 6]</b>	
Proceeds from issuance of units	22,492,777
Reinvested distributions	1,428,000
Redemption of units	(1,587,612)
	22,333,165
<b>Distributions to holders of redeemable units from:</b>	
Net investment income	-
Capital gains	(1,428,000)
Return of capital	-
	(1,428,000)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the period</b>	22,421,239
<b>Net assets attributable to holders of redeemable units, end of period</b>	22,421,239

See accompanying notes which are an integral part of these financial statements.

# First Trust Cboe Vest U.S. Equity Buffer ETF - February

## STATEMENT OF CASH FLOW

For the period from February 25, 2020 to December 31, 2020

	December 31 2020 (\$)
<b>Cash flows from (used in) Operating Activities</b>	
Increase (Decrease) in net assets attributable to holders of redeemable units	1,516,074
Adjustments for:	
Net realized (gain) loss on options	(43,276)
Change in unrealized (appreciation) depreciation of options and foreign currency contracts	(1,220,486)
Other assets	(210)
Other liabilities	18,760
Purchases of options	(24,322,041)
Proceeds from the sale of options	3,251,683
	(20,799,496)
<b>Cash flows from (used in) Financing Activities</b>	
Amount received from the issuance of units	22,492,777
Amount paid on redemptions of units	(1,587,612)
Distributions paid to unitholders	-
	20,905,165
<b>Increase (Decrease) in cash for the period</b>	<b>105,669</b>
<b>Cash, beginning of period</b>	<b>-</b>
<b>Cash, end of period</b>	<b>105,669</b>

See accompanying notes which are an integral part of these financial statements.



**First Trust Cboe Vest U.S. Equity Buffer ETF – February**  
**Notes to Financial Statements - Specific Information**  
**For the period ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to provide unitholders with returns (before fees, expenses and taxes) that match the price return of the SPDR® S&P 500® ETF Trust (the “Underlying ETF”) up to 10.75% cap (before fees, expenses and taxes), while providing a buffer against the first 10% (before fees, expenses and taxes) of the decrease in market price of the Underlying ETF, over a period of approximately one year from the third Friday of February of each year to on or about the third Friday of February of the following year (each, a “Target Outcome Period”). At the end of a Target Outcome Period a new cap will be established for the next Target Outcome Period. The buffer stays constant at 10% (before fees, expenses, and taxes) for the next Target Outcome Period.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy table presents information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended December 31, 2020:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Derivative assets	–	23,217,222	–	23,217,222
Derivative liabilities	–	(883,102)	–	(883,102)
<b>Total</b>	<b>–</b>	<b>22,334,120</b>	<b>–</b>	<b>22,334,120</b>

There have been no transfers from one Level to another for the period ended December 31, 2020.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of the reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the period ended December 31, 2020:

Redeemable Units	Hedged Units
Beginning balance – February 25, 2020*	–
Redeemable units issued	750,001
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(50,001)
<b>Outstanding units – December 31, 2020</b>	<b>700,000</b>

\*commencement of operations

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Hedged Units
0.85%

**E. TAXATION (NOTE 8)**

**Tax loss carry-forwards** – There were no net capital losses nor non-capital losses as at December 31, 2020.

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the period ended December 31, 2020 are as follows:

Transaction Cost (\$)
2020
6,607

First Trust Cboe Vest U.S. Equity Buffer ETF – February  
Notes to Financial Statements - Specific Information  
For the period ended December 31, 2020

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the period ended December 31, 2020, including amounts owing as at December 31, 2020 are as follows:

Management Fee Expense (\$)	Management Fee Payable (\$)
2020	2020
65,791	16,602

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020, the First Trust ETF's market risk is affected by changes in actual market prices and interest rates. If the following index had increased (decreased) by 5% at December 31, 2020, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020	
	5% Increase (\$)	5% Decrease (\$)
S&P 500 Price Return Index (CAD-Hedged)	781,380	(781,380)

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020:

Currency	As at December 31, 2020	
	Net Exposure (\$)	% Net Assets
United States Dollar	(362,694)	(1.62)

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$(3,627). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**Concentration Risk** – The table below summarizes the First Trust ETF's concentration risk for the period ended December 31, 2020:

Holdings	As a % of net assets attributable to holders of redeemable units
	As at December 31, 2020
Options	97.46
Total	97.46

# First Trust Cboe Vest U.S. Equity Buffer ETF – February

## Notes to Financial Statements - Specific Information

### For the period ended December 31, 2020

#### SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Expiry Date	Strike Price (\$)	Currency	Number of Options	Underlying Interest on Equity Options	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Purchased Put Options—0.66%</b>								
SPDR® S&P® 500 ETF Trust	2021-02-19	333.49	USD	478	47,800	1,348,408	148,953	0.66
						<b>1,348,408</b>	<b>148,953</b>	<b>0.66</b>
<b>Purchased Call Options—100.74%</b>								
SPDR® S&P® 500 ETF Trust	2021-02-19	3.34	USD	478	47,800	20,903,225	22,586,824	100.74
						<b>20,903,225</b>	<b>22,586,824</b>	<b>100.74</b>
<b>Written Put Options—(0.25)%</b>								
SPDR® S&P® 500 ETF Trust	2021-02-19	300.14	USD	(478)	(47,800)	(751,503)	(56,682)	(0.25)
						<b>(751,503)</b>	<b>(56,682)</b>	<b>(0.25)</b>
<b>Written Call Options—(3.69)%</b>								
SPDR® S&P® 500 ETF Trust	2021-02-19	369.34	USD	(478)	(47,800)	(383,659)	(826,420)	(3.69)
						<b>(383,659)</b>	<b>(826,420)</b>	<b>(3.69)</b>
<b>Total options</b>						<b>21,116,471</b>	<b>21,852,675</b>	<b>97.46</b>
Transaction costs						<b>(2,837)</b>		
Unrealized appreciation on derivative - see Schedule 1							<b>481,445</b>	<b>2.15</b>
Other assets, less liabilities							<b>87,119</b>	<b>0.39</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>						<b>21,113,634</b>	<b>22,421,239</b>	<b>100.00</b>

Schedule 1

Counterparty	Credit Rating of Counterparty*	Settlement Date	Currency	Amount		Currency	Amount Bought	Forward Rate	Current Rate	Appreciation (Depreciation) \$
				Sold	Buy					
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	18,055,256	CAD	23,461,000	0.770	0.786	479,427	
Bank of New York Mellon (The), New York	A-1+	2021-01-15	CAD	680,000	USD	535,821	1.269	1.273	2,018	
									<b>481,445</b>	

\* Commercial paper rating per Standard and Poor's Commercial Paper Guide

# First Trust Cboe Vest U.S. Equity Buffer ETF - May

## STATEMENT OF FINANCIAL POSITION As at December 31, 2020

	December 31 2020 (\$)
<b>Assets</b>	
Investments (non-derivative financial assets)	-
Cash	29,850
Derivative assets:	
Options purchased, at fair value	1,861,721
Unrealized appreciation on forward currency contracts	33,984
Other assets	415
	1,925,970
<b>Liabilities</b>	
Derivative liabilities	
Options written, at fair value	241,708
Accrued liabilities	1,365
	243,073
<b>Total net assets attributable to holders of redeemable units</b>	<b>1,682,897</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units for each class</b>	
<b>Hedged Units</b>	<b>1,682,897</b>
<b>Redeemable units outstanding [note 6]</b>	
<b>Hedged Units</b>	<b>50,000</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	
<b>Hedged Units</b>	<b>33.66</b>

## STATEMENT OF COMPREHENSIVE INCOME For the period from May 21, 2020 to December 31, 2020

	December 31 2020 (\$)
<b>Revenues</b>	
Interest income for distribution purposes	-
<b>Other changes in fair value of investments and derivatives</b>	
Net realized gain (loss) on options	1,957
Net realized gain (loss) on foreign currency contracts	104,461
Net realized gain (loss) on foreign exchange transactions	(34)
Net change in unrealized appreciation (depreciation) of options	50,415
Net change in unrealized appreciation (depreciation) of foreign currency contracts	33,984
	190,783
Foreign exchange gain (loss) on cash	(2,377)
	188,406
<b>Expenses [note 7]</b>	
Management fees	8,409
Transaction costs [note 3 and note 9]	532
HST expense	679
Independent Review Committee fees	258
	9,878
Expenses waived by manager	(258)
	9,620
<b>Increase (Decrease) in net assets attributable to holders of redeemable units before tax</b>	<b>178,786</b>
<b>Withholding taxes</b>	
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>178,786</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for each class</b>	
<b>Hedged Units</b>	<b>178,786</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>	
<b>Hedged Units</b>	<b>3.58</b>

See accompanying notes which are an integral part of these financial statements.

On behalf of the Trustee,  
FT Portfolios Canada Co.



..... Director



..... Director

# First Trust Cboe Vest U.S. Equity Buffer ETF - May

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period from May 21, 2020 to December 31, 2020

	December 31 2020 (\$)
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	-
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	178,786
<b>Redeemable unit transactions [note 6]</b>	
Proceeds from issuance of units	1,504,141
Reinvested distributions	235,000
Redemption of units	(30)
	1,739,111
<b>Distributions to holders of redeemable units from:</b>	
Net investment income	-
Capital gains	(235,000)
Return of capital	-
	(235,000)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units for the period</b>	1,682,897
<b>Net assets attributable to holders of redeemable units, end of period</b>	1,682,897

See accompanying notes which are an integral part of these financial statements.

# First Trust Cboe Vest U.S. Equity Buffer ETF - May

## STATEMENT OF CASH FLOW

For the period from May 21, 2020 to December 31, 2020

	December 31 2020 (\$)
<b>Cash flows from (used in) Operating Activities</b>	
Increase (Decrease) in net assets attributable to holders of redeemable units	178,786
Adjustments for:	
Net realized (gain) loss on options	(1,957)
Change in unrealized (appreciation) depreciation of options and foreign currency contracts	(84,399)
Other assets	(415)
Other liabilities	1,365
Purchases of options	(1,765,335)
Proceeds from the sale of options	197,694
	(1,474,261)
<b>Cash flows from (used in) Financing Activities</b>	
Amount received from the issuance of units	1,504,141
Amount paid on redemptions of units	(30)
Distributions paid to unitholders	-
	1,504,111
<b>Increase (Decrease) in cash for the period</b>	<b>29,850</b>
<b>Cash, beginning of period</b>	<b>-</b>
<b>Cash, end of period</b>	<b>29,850</b>

See accompanying notes which are an integral part of these financial statements.

**First Trust Cboe Vest U.S. Equity Buffer ETF – May  
Notes to Financial Statements - Specific Information  
For the period ended December 31, 2020**

**A. INVESTMENT OBJECTIVE (NOTE 1)** – The First Trust ETF seeks to provide unitholders with returns (before fees, expenses and taxes) that match the price return of the SPDR® S&P 500® ETF Trust (the “Underlying ETF”) up to 15.35% cap (before fees, expenses and taxes), while providing a buffer against the first 10% (before fees, expenses and taxes) of the decrease in market price of the Underlying ETF, over a period of approximately one year from the third Friday of May of each year to on or about the third Friday of May of the following year (each, a “Target Outcome Period”). At the end of a Target Outcome Period a new cap will be established for the next Target Outcome Period. The buffer stays constant at 10% (before fees, expenses, and taxes) for the next Target Outcome Period.

**B. FAIR VALUE MEASUREMENT (NOTE 5)** - The following fair value hierarchy table presents information about the First Trust ETF assets measured at fair value on a recurring basis for the period ended December 31, 2020:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Derivative assets	–	1,895,705	–	1,895,705
Derivative liabilities	–	(241,708)	–	(241,708)
<b>Total</b>	<b>–</b>	<b>1,653,997</b>	<b>–</b>	<b>1,653,997</b>

There have been no transfers from one Level to another for the period ended December 31, 2020.

The First Trust ETF did not hold any Level 3 instruments at the beginning of, during, or at the end of the reporting period.

**C. REDEEMABLE UNITS (NOTE 6)** - The First Trust ETF issued (redeemed) the following units during the period ended December 31, 2020:

Redeemable Units	Hedged Units
Beginning balance – May 21, 2020*	–
Redeemable units issued	50,001
Redeemable units issued on reinvestments	–
Redeemable units redeemed	(1)
<b>Outstanding units – December 31, 2020</b>	<b>50,000</b>

\*commencement of operations

**D. MANAGEMENT FEES AND EXPENSES (NOTE 7)** - Below is the current annual management fee charged to the First Trust ETF:

Annual Management Fee
Hedged Units
0.85%

**E. TAXATION (NOTE 8)**

*Tax loss carry-forwards* – There were no net capital losses nor non-capital losses as at December 31, 2020.

**F. COMMISSION (NOTE 9)** - Total commissions and other transaction costs paid or payable to dealers by the First Trust ETF for its portfolio transactions during the period ended December 31, 2020 are as follows:

Transaction Cost (\$)
2020
532

First Trust Cboe Vest U.S. Equity Buffer ETF – May  
Notes to Financial Statements - Specific Information  
For the period ended December 31, 2020

**G. RELATED PARTY INFORMATION (NOTE 10)** - The total management fees earned by the Manager for the period ended December 31, 2020, including amounts owing as at December 31, 2020 are as follows:

Management Fee Expense (\$)	Management Fee Payable (\$)
2020	2020
8,409	1,207

**H. FINANCIAL RISK MANAGEMENT (NOTE 11)**

**Market risk** - As at December 31, 2020, the First Trust ETF's market risk is affected by changes in actual market prices and interest rates. If the following index had increased (decreased) by 5% at December 31, 2020, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	As at December 31, 2020	
	5% Increase (\$)	5% Decrease (\$)
S&P 500 Price Return Index (CAD-Hedged)	45,354	(45,354)

**Currency risk** - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2020:

Currency	As at December 31, 2020	
	Net Exposure (\$)	% Net Assets
United States Dollar	17,888	1.06

As at December 31, 2020, if the exchange rate between the Canadian Dollar and the other currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by \$179. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**Concentration Risk** – The table below summarizes the First Trust ETF's concentration risk for the period ended December 31, 2020:

Holdings	As a % of net assets attributable to holders of redeemable units
	As December 31, 2020
Options	96.26
Total	96.26



# First Trust Cboe Vest U.S. Equity Buffer ETF – May

## Notes to Financial Statements - Specific Information

### For the period ended December 31, 2020

#### SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2020

	Expiry Date	Strike Price (\$)	Currency	Number of Options	Underlying Interest on Equity Options	Average Cost (\$)	Fair Value (\$)	% of Total
<b>Purchased Put Options—1.23%</b>								
SPDR® S&P® 500 ETF Trust	2021-05-21	291.97	USD	39	3,900	158,748	20,637	1.23
						<b>158,748</b>	<b>20,637</b>	<b>1.23</b>
<b>Purchased Call Options—109.39%</b>								
SPDR® S&P® 500 ETF Trust	2021-05-21	2.92	USD	39	3,900	1,558,528	1,841,084	109.39
						<b>1,558,528</b>	<b>1,841,084</b>	<b>109.39</b>
<b>Written Put Options—(0.76)%</b>								
SPDR® S&P® 500 ETF Trust	2021-05-21	262.77	USD	(39)	(3,900)	(105,290)	(12,777)	(0.76)
						<b>(105,290)</b>	<b>(12,777)</b>	<b>(0.76)</b>
<b>Written Call Options—(13.60)%</b>								
SPDR® S&P® 500 ETF Trust	2021-05-21	336.79	USD	(39)	(3,900)	(42,153)	(228,931)	(13.60)
						<b>(42,153)</b>	<b>(228,931)</b>	<b>(13.60)</b>
<b>Total options</b>						<b>1,569,833</b>	<b>1,620,013</b>	<b>96.26</b>
Transaction costs						(234)		
Unrealized appreciation on derivative - see Schedule 1							33,984	2.02
Other assets, less liabilities							28,900	1.72
<b>Total Net Assets Attributable to Holders of Redeemable Units</b>						<b>1,569,599</b>	<b>1,682,897</b>	<b>100.00</b>

Schedule 1

Counterparty	Credit Rating of Counterparty*	Settlement Date	Currency	Amount		Currency	Amount	Forward Rate	Current Rate	Appreciation (Depreciation)
				Sell	Sold					
Bank of New York Mellon (The), New York	A-1+	2021-01-15	USD	1,279,821		CAD	1,663,000	0.770	0.786	33,984
										<b>33,984</b>

\* Commercial paper rating per Standard and Poor's Commercial Paper Guide

**First Trust Exchange-Traded Funds**  
**Notes to Financial Statements**  
**For the year ended December 31, 2020**

**1. GENERAL INFORMATION**

The following First Trust exchange-traded funds (each, a “First Trust ETF” and collectively, the “First Trust ETFs”) are continuously distributed exchange-traded mutual funds established as trusts formed on the dates noted below under the laws of the Province of Ontario pursuant to a declaration of trust last amended on May 7, 2020. The units of the First Trust ETFs are listed for trading on the Toronto Stock Exchange (“TSX”), except for some of the Hedged Units<sup>1</sup> of the AlphaDEX™ U.S. Sector Funds and the Units<sup>2</sup> of the Target Outcome Funds.

First Trust ETFs	Ticker Symbols	Inception Date
<b>Actively Managed Funds</b>		
First Trust Canadian Capital Strength ETF	FST, FST.A	November 30, 2001
First Trust Senior Loan ETF (CAD-Hedged)	FSL, FSL.A	August 28, 2013
First Trust International Capital Strength ETF	FINT	May 17, 2018
<b>Target Outcome Funds<sup>2</sup></b>		
First Trust Cboe Vest U.S. Equity Buffer ETF – August	AUGB.F	August 30, 2019
First Trust Cboe Vest U.S. Equity Buffer ETF – November	NOVB.F	February 4, 2020
First Trust Cboe Vest U.S. Equity Buffer ETF – February	FEBB.F	February 25, 2020
First Trust Cboe Vest U.S. Equity Buffer ETF – May	MAYB.F	May 21, 2020
<b>Income Funds</b>		
First Trust Value Line® Dividend Index ETF (CAD-Hedged)	FUD, FUD.A	May 15, 2013
First Trust Global Risk Managed Income Index ETF	ETP, ETP.A	July 23, 2014
First Trust Tactical Bond Index ETF	FTB	June 19, 2015
<b>AlphaDEX™ Dividend Funds</b>		
First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)	FDE, FDE.A	May 15, 2013
First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)	EUR, EUR.A	February 4, 2014
<b>AlphaDEX™ U.S. Sector Funds</b>		
First Trust AlphaDEX™ U.S. Financial Sector Index ETF	FHF	October 30, 2014
First Trust AlphaDEX™ U.S. Energy Sector Index ETF	FHE	October 30, 2014
First Trust AlphaDEX™ U.S. Consumer Discretionary Sector Index ETF	FHD	October 30, 2014
First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF	FHC	October 30, 2014
	FHC.F	December 8, 2017
First Trust AlphaDEX™ U.S. Health Care Sector Index ETF	FHH	October 30, 2014
	FHH.F	December 8, 2017
First Trust AlphaDEX™ U.S. Materials Sector Index ETF	FHM	October 30, 2014
First Trust AlphaDEX™ U.S. Industrials Sector Index ETF	FHG	October 30, 2014
	FHG.F	December 8, 2017
First Trust AlphaDEX™ U.S. Technology Sector Index ETF	FHQ	October 30, 2014
	FHQ.F	December 8, 2017
First Trust AlphaDEX™ U.S. Utilities Sector Index ETF	FHU	October 30, 2014
<b>Specialty Funds</b>		
First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)	FSR	September 29, 2016
First Trust Indxx Innovative Transaction and Process ETF	BLCK	March 23, 2018

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# First Trust Exchange-Traded Funds

## Notes to Financial Statements

### For the year ended December 31, 2020

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<sup>1</sup>The Hedged Units of the AlphaDEX™ U.S. Sector Funds were qualified for distribution by a prospectus last renewed on June 5, 2020. As of the date of these annual financial statements, four of the AlphaDEX™ U.S. Sector Funds have offered Hedged Units to the public effective December 8, 2017 (i.e. FHC.F, FHH.F, FHG.F, FHQ.F).

<sup>2</sup>The Units of the Target Outcome Funds: First Trust Cboe Vest U.S. Equity Buffer ETF – August were qualified for distribution by a prospectus last renewed on August 13, 2020, First Trust Cboe Vest U.S. Equity Buffer ETF – November, and First Trust Cboe Vest U.S. Equity Buffer ETF – February were qualified for by prospectuses dated January 7, 2020, and February 12, 2020 and amended on February 4, 2020, and February 25, 2020 respectively. As of the date of these annual financial statements, the Target Outcome Funds have not offered any Units to the public (i.e. AUGB, NOVB, FEBB).

FT Portfolios Canada Co. (the “Manager”) is also the trustee and promoter of the First Trust ETFs. First Trust Advisors L.P., an affiliate of the Manager, is the Portfolio Advisor of the First Trust ETFs. CIBC Mellon Trust Company is the custodian of the assets of the First Trust ETFs.

The address of the Manager is 40 King Street West, Suite 5102, Scotia Plaza, Box 312, Toronto, Ontario M5H 3Y2. The financial statements were authorized for issuance by the board of directors on March 15, 2021.

## 2. BASIS OF PRESENTATION

The information provided in these financial statements and notes thereto is as at December 31, 2020 with comparatives as at December 31, 2019 and for the year ended December 31, 2020 with comparatives for the year ended December 31, 2019.

These annual financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### Financial instruments

#### (i) Classification

##### Financial Assets

A First Trust ETF classifies its investments in debt and equity securities and open-ended investment funds based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

These financial assets are managed and their performance is evaluated on a fair value basis. A First Trust ETF also manages these financial assets with the objective of realizing cash flows through sales. A First Trust ETF has not taken the option to irrevocably designate any of its equity securities at fair value through other comprehensive income (“FVOCI”). Consequently, these financial assets are mandatorily measured at FVTPL.

##### Financial Liabilities

A First Trust ETF makes short sales in which a borrowed security is sold in anticipation of a future decline in its market value or used as an arbitrage strategy.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition are a part of a portfolio of identified financial

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## First Trust Exchange-Traded Funds

### Notes to Financial Statements

### For the year ended December 31, 2020

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instruments that a First Trust ETF manages together and have recent actual pattern of short term profit-taking. All derivatives and short positions are included in this category and mandatorily measured at FVTPL.

#### **Hedge Accounting**

A First Trust ETF does not apply hedge accounting to any of its derivative positions.

#### **(ii) Financial assets and financial liabilities at amortized cost**

The financial assets and liabilities measured at amortized cost include cash collateral posted on derivative positions, accrued income, due to and from brokers and other short-term receivables and payables.

At each reporting date, a First Trust ETF measures the loss allowance on cash collateral held, amounts due from broker, accrued income and other short term receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, a First Trust ETF measures the loss allowance at an amount equal to the 12 month expected credit losses. Given the short-term nature of the receivables and the high credit quality, a First Trust ETF has determined that the expected credit loss allowances are not material.

#### **(iii) Recognition and measurement**

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, which is the date on which the First Trust ETFs become a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially recognized at fair value, with transaction costs recognized in the statement of comprehensive income. Financial assets or financial liabilities not at FVTPL are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Subsequent to initial recognition, financial assets and liabilities at FVTPL are measured at fair value. Net realized gain (loss) on sale of investments and net change in unrealized appreciation (depreciation) of investments arising from changes in their fair value are included in the statement of comprehensive income for the period in which they arise. Dividend or interest earned on financial assets at fair value through profit or loss and dividend or interest expense on the financial liabilities at fair value through profit or loss are disclosed in a separate line item in the statement of comprehensive income. Fair value is determined in the manner described in item (v) below.

#### **(iv) Derecognition**

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the First Trust ETF has transferred substantially all risks and rewards of ownership.

Financial liabilities at FVTPL are derecognized when the obligation specified in the contract is discharged, cancelled, or expired.

Net realized gain (loss) on sale of investments and derivatives are determined on a weighted average cost basis.

#### **(v) Fair value measurement**

For the majority of First Trust ETFs, investments in listed securities are measured at fair value, which is determined in reference to their quoted close prices on the principal securities exchange on which the issue is traded. The change in the difference between the fair value and average cost is included in the statement of comprehensive income as unrealized appreciation (depreciation) on investments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the

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## First Trust Exchange-Traded Funds

### Notes to Financial Statements

#### For the year ended December 31, 2020

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close of trading on the reporting date. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

Forward foreign exchange contracts are valued at the current market value thereof on the valuation date. The value of these forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. A First Trust ETF uses a variety of methods and makes assumptions that are based on market conditions existing at each year-end date. Valuation techniques used for non-standardized financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the First Trust ETF may use internally developed models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Valuation models are used primarily to value unlisted equity and debt securities for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the First Trust ETF holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

IFRS 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgment, considering factors specific to the asset or liability. The following shows financial instruments recognized at fair value, categorized between those whose fair value is based on:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The determination of what constitutes "observable" requires significant judgment by the First Trust ETF. The First Trust ETF considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

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## First Trust Exchange-Traded Funds

### Notes to Financial Statements

#### For the year ended December 31, 2020

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Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the First Trust ETFs determine whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The carrying values of cash, other assets, other liabilities and the First Trust ETFs' obligation for net assets attributable to holders of redeemable units approximate their fair values due to their short-term nature.

See Note 5 for additional details related to the First Trust ETFs' fair value measurements.

#### **Cash**

Cash consists of cash on deposit and bank overdraft.

#### **Receivable for portfolio securities sold and Payable for portfolio securities purchased**

Receivable for portfolio securities sold and Payable for portfolio securities purchased are recorded on the statement of financial position at the amount to be received or delivered.

#### **Net assets attributable to holders of redeemable units per unit**

First Trust ETFs under the AlphaDEX™ U.S. Sector Funds currently have two classes of redeemable units in issue: Units and Hedged Units. However, the Hedged Units have not offered any securities to the public yet, except for First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF, First Trust AlphaDEX™ U.S. Health Care Sector Index ETF, First Trust AlphaDEX™ U.S. Technology Sector Index ETF, and First Trust AlphaDEX™ U.S. Industrials Sector Index ETF (See note 1 – The First Trust ETFs). Since the AlphaDEX™ U.S. Sector ETFs will seek to hedge their U.S. dollar currency exposure only in respect of the Hedged Units, all of the gains or losses associated with any hedging transactions in that regard will be solely for the account of the Hedged Units.

The Target Outcome Funds: First Trust Cboe Vest U.S. Equity Buffer ETF – August, First Trust Cboe Vest U.S. Equity Buffer ETF – November, First Trust Cboe Vest U.S. Equity Buffer ETF – February and First Trust Cboe Vest U.S. Equity Buffer ETF – May currently have two classes of redeemable units in issue: Units and Hedged Units. However, the Units have not offered any securities to the public yet. Since the Target Outcome Funds will seek to hedge their U.S. dollar currency exposure only in respect of the Hedged Units, all of the gains or losses associated with any hedging transactions in that regard will be solely for the account of the Hedged Units.

The majority of the First Trust ETFs not under AlphaDEX™ U.S. Sectors Funds nor Target Outcome Funds have two classes of redeemable units in issue: Common Class and Advisor Class. For AlphaDEX™ U.S. Sector Funds and Target Outcome Funds, four funds currently have two classes of redeemable units in issue: Units and Hedged Units (i.e. First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF, First Trust AlphaDEX™ U.S. Health Care Sector Index ETF, First Trust AlphaDEX™ U.S. Technology Sector Index ETF, and First Trust AlphaDEX™ U.S. Industrials Sector Index ETF). First Trust International Capital Strength ETF (“FINT”), First Trust Tactical Bond Index ETF (“FTB”), First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged) (“FSR”), and First Trust Indxx Innovative Transaction and Process ETF (“BLCK”) have only one class of redeemable units called Units (See note 1 table –The First Trust ETFs). These classes of redeemable units are the most subordinate classes of financial instruments in First Trust ETFs and rank pari passu in all material respects and have the same terms and conditions other than differences in management fee rate where the Advisor Class pays additional amount for service fees (See note 7 – Management Fees and Expenses).

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## First Trust Exchange-Traded Funds

### Notes to Financial Statements

#### For the year ended December 31, 2020

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A separate net asset value is calculated for each class of Units of the First Trust ETFs. The net asset value of a particular class of unit is computed by calculating the value of the class' proportionate share of the assets and liabilities of the First Trust ETF common to all series less direct expenses attributable only to that class. The net asset value is divided by the number of units outstanding for each class on the day of valuation to compute net asset value per unit. Other expenses are allocated proportionately to each series based upon the relative net asset value of each class. Expenses are accrued daily.

Dividends are distributed according to the dividend policy discussed in the respective simplified prospectuses of the First Trust ETFs. Income not distributed is included in net assets attributable to holders of redeemable shares.

#### **Investment income**

The "Interest income for distribution purposes" shown on the statement of comprehensive income represents the coupon interest received by the First Trust ETFs accounted for on a straight-line basis. The First Trust ETFs do not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight-line basis.

Dividend income is recognized on the ex-dividend date in the statement of comprehensive income within dividend income, gross of withholding taxes, when the First Trust ETF's right to receive payments is established.

The First Trust ETFs generally incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the statement of comprehensive income.

#### **Foreign currencies**

The Manager considers the currency of the primary economic environment in which the First Trust ETFs operate to be the Canadian dollar as this is the currency which, in the Manager's opinion, most faithfully represents the economic effects of underlying transactions, events and conditions. Furthermore, the Canadian dollar is the currency in which the First Trust ETFs measure its performance and also issues and redeems its redeemable shares.

Investments purchased or sold in foreign currencies are translated into Canadian dollars using the exchange rate prevailing on the trade date. Income on foreign investments is recorded at gross, withholding taxes are shown separately as a line item, and are translated at the rate of exchange on the dates of such transactions. The fair values of investments and other assets and liabilities in foreign currencies are translated at the period-end exchange rates.

#### **Increase (decrease) in net assets attributable to holders of redeemable units per unit**

Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations by class divided by the average units outstanding per class during the period.

#### **Transaction costs**

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities are presented as a separate line item in the statement of comprehensive income in the period incurred.

First Trust Senior Loan ETF (CAD-Hedged) ("FSL") typically does not incur transaction costs because this First Trust ETFs invests in senior loans and high yield bonds. Transaction costs are not incurred on the purchase and sale of senior loans and high yield bonds.

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## First Trust Exchange-Traded Funds

### Notes to Financial Statements

### For the year ended December 31, 2020

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#### **Forward foreign exchange currency agreements**

Some of the First Trust ETFs may purchase forward foreign exchange currency agreements to hedge assets and liabilities denominated in foreign currencies.

The value of the forward foreign exchange currency agreements is the gain or loss that would be realized if, on the valuation date, the position in the forward contract was closed out in accordance with its terms. The unrealized gains or losses on the forward contract are reported as part of the net change in unrealized appreciation or depreciation of derivatives in the statement of comprehensive income until it is closed out or partially settled.

Valuations of derivative instruments are carried out daily, using normal exchange reporting sources for exchange-traded derivatives and specific broker enquiry for over-the-counter derivatives.

Upon the closing out of the instrument, any gain or loss on forward foreign exchange currency agreements is disclosed in the statement of comprehensive income as net realized (loss) gain on foreign exchange.

Forward contracts entered into by the First Trust ETFs represent a firm commitment to buy or sell an underlying asset, or currency at a specified value and point in time based upon an agreed or contracted quantity.

#### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the First Trust ETF currently has a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

#### **Critical accounting estimates and assumptions**

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Manager of the First Trust ETFs has made in preparing these financial statements. Actual results may differ from these estimates.

#### **Fair value of securities not quoted in an active market**

The fair value of such securities not quoted in an active market may be determined by the First Trust ETFs using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. The First Trust ETF would exercise judgment and estimates on the quantity and quality of pricing sources used. Where no market data is available, the First Trust ETF may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The determination of what constitutes 'observable' requires significant judgment by the Manager of the First Trust ETFs. The Manager of the First Trust ETFs considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 5 for further information about the fair value measurement of the First Trust ETFs' financial instruments.

#### **Flex Options**

FLEX Options are customized equity or index option contracts that trade on an exchange, but provide investors with the ability to customize key contract terms like exercise prices, styles and expiration dates. FLEX Options are guaranteed for settlement by the Options Clearing Corporation ("OCC").



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## First Trust Exchange-Traded Funds

### Notes to Financial Statements

### For the year ended December 31, 2020

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Each Target Outcome Fund will purchase and sell call and put FLEX Options based on the performance of the Underlying ETF. The FLEX Options that each Target Outcome Fund will hold that reference the Underlying ETF will give each Target Outcome Fund the right to receive or deliver shares of the Underlying ETF on the option expiration date at a strike price, depending on whether the option is a put or call option and whether each Target Outcome Fund purchases or sells the option. The FLEX Options held by each Target Outcome Fund are European style options, which are exercisable at the strike price only on the FLEX Option expiration date.

#### **4. FORWARD FOREIGN EXCHANGE CURRENCY AGREEMENTS**

Certain First Trust ETFs may enter into forward foreign exchange currency agreements to minimize the impact of changes in the Canadian-U.S. foreign exchange rate or Canadian-CHF/EUR/GBP foreign exchange rates on the First Trust ETFs' net asset value. The typical duration for a forward contract is one month but some contracts may be for longer periods up to six months. Bank of New York Mellon is the counterparty to all forward contracts of the First Trust ETFs except for FSL for which Canadian Imperial Bank of Commerce is the counterparty.

*The forward foreign exchange currency agreements, as applicable, are shown in the Notes to Financial Statements - Specific Information under Schedule of Portfolio Investments for each First Trust ETF.*

#### **5. FAIR VALUE MEASUREMENT**

Valuation techniques and inputs used for the fair value measurements categorized within Level 2 of the fair value hierarchy is given below:

##### **Unlisted debt securities**

Unlisted debt securities are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices.

##### **Senior loans**

The senior loans in which the First Trust ETF invest are not listed on any securities exchange or board of trade. Senior loans are typically bought and sold by institutional investors in individually negotiated private transactions that function in many respects like an over-the-counter secondary market, although typically no formal market-makers exist. This market, while having grown substantially in the past several years, generally has fewer trades and less liquidity than the secondary market for other types of securities. Some senior loans have few or no trades, or trade infrequently, and information regarding specific senior loans may not be widely available or may be incomplete. Accordingly, determinations of the fair value of senior loans may be based on infrequent and dated information. Because there is less reliable, objective data available, judgment and estimates play a greater role in valuation of senior loans than for other types of securities. Senior loans with readily available quotations are valued at fair value using the current bid price quotations provided by a prominent pricing service. Senior loans for which current quotations are not readily available are valued at fair value as determined by the Portfolio Advisor Pricing Committee. The Pricing Committee prices the assets if a price is unavailable from the pricing service.

##### **Forward foreign exchange currency contracts**

The value of the forward foreign exchange currency agreements is the gain or loss that would be realized if, on the valuation date, the position in the forward contract was closed out in accordance with its terms. The most significant observable input is the forward foreign currency exchange rate.

##### **Options**

Options are classified as level 1 when they are exchange traded and prices are readily available on the market. When the options do not trade and prices are not readily available, they are priced by a third-party pricing service that uses an options pricing model to price the options. The option pricing model utilizes, as inputs, observable

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## First Trust Exchange-Traded Funds

### Notes to Financial Statements

### For the year ended December 31, 2020

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traded prices of other options with similar or nearby strike prices and expiration dates. Since the inputs to the option pricing model are observable, the options are classified into level 2. FLEX Options are normally valued using a model-based price provided by a third-party pricing vendor. On days when a trade in a FLEX Option occurs, the trade price will be used to value such FLEX Options in lieu of the model price.

*The fair value hierarchy classifications of assets and liabilities are discussed in the Notes to Financial Statements - Specific Information for each First Trust ETF, where applicable.*

#### **6. REDEEMABLE UNITS**

Many of the First Trust ETFs have two classes of redeemable units in issue: Common Class and Advisor Class (See note 1 – The First Trust ETFs). The only difference between these units is the service fee component of the management fee payable by a First Trust ETF in respect of the units of each class (as described under “Management Fees and Expenses” – See note 7). Accordingly, the net asset value per unit of each class may not be the same as a result of the different fees allocable to each class of units.

The majority of the AlphaDEX™ U.S. Sector Funds currently have one class of redeemable units called Units. The Hedged Units have not offered any securities to the public yet, except for First Trust AlphaDEX™ U.S. Consumer Staples Sector Index ETF, First Trust AlphaDEX™ U.S. Health Care Sector Index ETF, First Trust AlphaDEX™ U.S. Technology Sector Index ETF, and First Trust AlphaDEX™ U.S. Industrials Sector Index ETF). FINT, FTB, FSR, BLCK have also only one class of redeemable units called Units (See note 1 – The First Trust ETFs).

The Target Outcome Funds: First Trust Cboe Vest U.S. Equity Buffer ETF–August, First Trust Cboe Vest U.S. Equity Buffer ETF–November, First Trust Cboe Vest U.S. Equity Buffer ETF–February and First Trust Cboe Vest U.S. Equity Buffer ETF–May currently have one class of redeemable units called Hedged Units (See note 1 – The First Trust ETFs).

Units of each of the First Trust ETFs are being issued and sold on a continuous basis and there is no maximum number of units that may be issued. The Units of the First Trust ETFs are Canadian dollar denominated. The First Trust ETFs are listed on the TSX and an investor is able to buy or sell Units of the First Trust ETFs on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Units.

Investors that redeem Units prior to the distribution record date for any distribution will not be entitled to receive that distribution.

#### **7. MANAGEMENT FEES AND EXPENSES**

Each First Trust ETF will pay the Manager a management fee and, in respect of the Advisor Class, an additional amount for a service fee based on the average daily net asset value (“NAV”) of the applicable First Trust ETF.

The management fee, plus applicable taxes, including HST, are 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.

**Advisor Class Service Fee:** The Manager pays to registered dealers a service fee equal to 1.00% per annum of the NAV of the Advisor Class in respect of all First Trust ETFs, other than First Trust Global Risk Managed Income Index ETF (“ETP”), FSL, and 0.50% per annum of the NAV of the Advisor Class in respect of ETP, FSL, for each Advisor Class unit held by clients of the registered dealer, plus any applicable taxes. The service fee will be calculated and accrued daily and paid quarterly at the end of each calendar quarter.

In addition to the payment of the management fee, each First Trust ETF is responsible for the costs and expenses incurred in complying with National Instrument 81-107 Independent Review Committee for Investment Funds (including any expenses related to the implementation and on-going operation of an independent review committee), brokerage expenses and commissions, income and withholding taxes as well as all other applicable taxes, including

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## First Trust Exchange-Traded Funds

### Notes to Financial Statements

### For the year ended December 31, 2020

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HST, the costs of complying with any new governmental or regulatory requirement introduced after the First Trust ETFs were established and extraordinary expenses and, in the discretion of the Manager, any costs associated with the printing and distribution of any documents that the securities regulatory authorities require be sent or delivered to investors in the First Trust ETF. The Manager is responsible for all other costs and expenses of the First Trust ETFs, including fees payable to the Portfolio Advisor, Custodian, Valuation Agent, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers retained by the Manager.

*The management fees charged are discussed in the Notes to Financial Statements - Specific Information for each First Trust ETF.*

## 8. TAXATION

### Income taxes

The First Trust ETFs are trusts and registered investments under Provisions of the Income Tax Act (Canada) (the "Tax Act") and are expected to meet the requirements to be mutual fund trusts under the provisions of the Tax Act. The First Trust ETFs will generally not be subject to tax under Part I of the Act in respect of its net income or net realized capital gain in each taxation year to the extent that such net income and net realized capital gain are paid or payable in the year to the unitholders.

### Distributions

Cash distributions on Units of a First Trust ETF are paid primarily out of dividends or distributions and other income or gains received by the First Trust ETF less the expenses of the First Trust ETF but may also consist of non-taxable amounts including return of capital, which may be paid in the Manager's sole discretion. To the extent that the expenses of a First Trust ETF exceed the income generated by such First Trust ETF in any given month, quarter or year, as the case may be, it is not expected that a monthly distribution will be paid. As a result of the higher management fees on the Advisor Class, any such cash distributions on the Advisor Class are expected to be less than the distributions payable on the Common Class. Non-cash distributions are reinvested back to the First Trust ETFs.

Distributions of sufficient net realized capital gains (reduced by loss carryforwards, if any) are made, on record date, after December 15 but on or before December 31 to ensure that the First Trust ETF will not be liable for income taxes.

### Tax loss carryforwards

The non-capital losses for income tax purposes may be carried forward for 20 years. The net capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years.

*The net capital losses and non-capital losses, as applicable, are discussed in the Notes to Financial Statements - Specific Information for each First Trust ETF.*

## 9. COMMISSIONS

Total commissions and other transaction costs paid or payable to dealers by the First Trust ETFs for their portfolio transactions, where applicable, are discussed in the Specific Information for each First Trust ETF. Note that FSL typically does not incur transaction costs because this First Trust ETF invests in senior loans and bonds (see Note 3 - Significant Accounting Policies, under Transaction Costs).

## 10. RELATED PARTY INFORMATION

The Manager is responsible for the management and administration of the First Trust ETFs. In consideration for the services provided by the Manager, the First Trust ETFs pay management fees (see note 7 – Management Fees and Expenses).

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# First Trust Exchange-Traded Funds

## Notes to Financial Statements

### For the year ended December 31, 2020

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*The total management fees earned by the Manager including amounts owing where applicable, are discussed in the Notes to Financial Statements - Specific Information for each First Trust ETF.*

#### **11. FINANCIAL RISK MANAGEMENT**

The First Trust ETFs are exposed to a number of risks due to the nature of their activities and as further set out in its prospectus. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The First Trust ETFs' objective in managing these risks is the protection and enhancement of share value.

*The financial risk management (market risk, interest rate risk, credit risk, currency risk, liquidity risk, and concentration risk) as applicable, are discussed in the Notes to Financial Statements - Specific Information for each First Trust ETF.*

##### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The investments of the First Trust ETFs are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the First Trust ETFs is determined by the fair value of the financial instruments. The Portfolio Advisor moderates this risk through a careful selection of securities within specified limits and the First Trust ETFs' market price risk is moderated through diversification of the investment portfolio. The Portfolio Advisor monitors the First Trust ETFs' overall market positions on a daily basis and positions are maintained within established ranges.

ETP, FSR, FTB, and BLCK, hold Underlying ETFs. Thus, they are indirectly exposed to the market risk through the investments held by the Underlying ETFs in their investment portfolio.

For the years ended December 31, 2020 and 2019, the overall market exposures relate to the First Trust ETFs' investments in securities.

##### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Certain First Trust ETFs are exposed to interest rate risk as they invest in listed debt securities bearing interest at fixed and floating interest rates. Other financial assets and liabilities exposed to interest rate risk include borrowings which are invested at long term interest rates and cash and bank balances which are invested at short term interest rates. The Portfolio Advisors manage the First Trust ETFs' exposure to interest rate risk on a daily basis in accordance with the First Trust ETFs' investment objectives and policies. The First Trust ETFs' overall exposure to interest rate risk is monitored closely by the Portfolio Advisors.

Interest rate risk arises on interest-bearing financial instruments. The majority of the First Trust ETFs', except FSL, FTB, and ETP, financial assets and liabilities are non-interest bearing. As a result, the majority of the First Trust ETFs' are not subject to significant amounts of interest rate risks due to fluctuations in the prevailing level of market interest rates.

FSL, FTB, and ETP, invest in interest-bearing securities. The income of these First Trust ETFs may be affected by changes in interest rates relevant to particular securities or as a result of the Portfolio Advisor being unable to secure similar returns on the expiry or sale of securities. In addition, the price of interest-bearing securities will also fluctuate with interest rate changes. FSL holds senior loans that have an interest rate reset period of approximately 30 - 90 days. As a result, this First Trust ETF is not exposed to a significant risk, relative to a fixed rate fund, that the NAV will fluctuate due to changes in the prevailing levels of market interest rates. FTB and ETP hold various exchange traded funds (the "Underlying ETFs") that invest in interest bearing securities, some of which are fixed rate. As a

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## First Trust Exchange-Traded Funds

### Notes to Financial Statements

#### For the year ended December 31, 2020

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result, the price of the Underlying ETFs may fluctuate due to changes in the prevailing levels of market interest rates.

ETP, FSR, and FTB hold Underlying ETFs. There is no look-through of the financial risks. Thus, they are indirectly exposed to the interest rate risk through the investments held by the Underlying ETFs in their investment portfolio.

As noted above, the fair value of the senior loans have very little interest rate sensitivity due to their floating interest rate. High yield bonds, by contrast, typically have a fixed interest rate and are subject to greater interest rate sensitivity.

#### **Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will cause a loss by failing to discharge its obligations. The First Trust ETFs are exposed to credit risk on its debt instruments, derivative assets, cash and cash equivalents and other short-term trade receivables.

The First Trust ETFs, except FTB, ETP, and FSL, had no significant investments in debt instruments and/or derivatives as of December 31, 2020, as applicable.

FTB and ETP - The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by Underlying ETFs. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. For more information regarding the credit risk of underlying funds, refer to the Underlying ETFs' financial statements available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

FSL - The value of senior loans is affected by the creditworthiness of borrowers and by general economic and specific industry conditions. If this First Trust ETF acquires a senior loan from another lender, for example, by acquiring a participation, this First Trust ETF may also be subject to credit risk with respect to that lender. As at December 31, 2020, the maximum credit risk exposure of this First Trust ETF is \$41,420,345 (December 31, 2019 - \$58,946,149).

ETP, FSR, and FTB hold Underlying ETFs. There is no look-through of the financial risks. Thus, they are indirectly exposed to the credit risk through the investments held by the Underlying ETFs in their investment portfolio.

#### **Currency risk**

Many of the First Trust ETFs hold assets and liabilities, including cash, short-term investments, equities, fixed income instruments and currency-based derivative contracts that are denominated in foreign currencies. These First Trust ETFs are therefore exposed to currency risk, as the value of the securities denominated in another currency fluctuates due to changes in exchange rates.

The currency risk will typically be hedged by entering into foreign currency forward contracts if required, however some moderate currency exposure may be assumed if deemed to be beneficial to the First Trust ETFs.

ETP, FSR, FTB, and BLCK hold other Underlying ETFs. There is no look-through of the financial risks. Thus, they are indirectly exposed to the currency risk through the investments held by the Underlying ETFs in their investment portfolio.

ETP, FTB, and First Trust Canadian Capital Strength ETF ("FST") are Canadian funds therefore they have insignificant currency risk as at December 31, 2020.

#### **Liquidity risk**

Liquidity risk is defined as the risk that the First Trust ETFs may not be able to settle or meet their obligation. The First Trust ETFs are exposed to daily cash redemptions of redeemable units. Therefore, the First Trust ETFs invest

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## First Trust Exchange-Traded Funds

### Notes to Financial Statements

### For the year ended December 31, 2020

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the majority of the assets in investments that are traded in the active market and can be readily disposed. In addition, the First Trust ETFs retain sufficient cash and cash equivalent positions to maintain liquidity.

FSL invests substantial portions of its assets in lower-quality debt issued by companies that are highly leveraged. Lower-quality debt tends to be less liquid than higher-quality debt. Moreover, smaller debt issues tend to be less liquid than larger debt issues. If the economy experiences a sudden downturn, or if the debt markets for such companies become distressed, these First Trust ETFs may have particular difficulty selling their assets in sufficient amounts, at reasonable prices and in a sufficiently timely manner to raise the cash necessary to meet any potentially heavy exchange or redemption requests by unitholders of these First Trust ETFs.

#### **Concentration Risk**

Concentration risk indicates the relative sensitivity of the First Trust ETFs' performance to developments affecting a particular industry or geographical location. Concentration of risk also arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Portfolio Advisor monitors concentration risk through diversification and a thorough understanding of each investment in the portfolio.

#### **Specific Risks associated with Target Outcome Funds**

**Buffered Loss Risk.** There can be no guarantee that the First Trust ETF will be successful in its strategy to buffer against Underlying ETF losses if the fair value of the Underlying ETF decreases over the Target Outcome Period by 10% or less. A unitholder may lose their entire investment. The First Trust ETF's strategy seeks to deliver returns that match the Underlying ETF (up to the cap), while limiting downside losses, if units are bought on the day on which the First Trust ETF enters into the FLEX Options and held until those FLEX Options expire at the end of each Target Outcome Period. In the event an investor purchases units after the date on which the FLEX Options were entered into or sells units prior to the expiration of the FLEX Options, the buffer that the First Trust ETF seeks to provide may not be available.

**Capped Upside Risk.** The First Trust ETF's strategy seeks to provide returns that match those of the Underlying ETF for First Trust ETF units purchased on the first day of a Target Outcome Period and held for the entire Target Outcome Period, subject to a pre-determined upside cap. If an investor does not hold its First Trust ETF units for an entire Target Outcome Period, the returns realized by that investor may not match those the First Trust ETF seeks to achieve. If the Underlying ETF experiences gains during a Target Outcome Period, the First Trust ETF will not participate in those gains beyond the cap. In the event an investor purchases Fund units after the first day of a Target Outcome Period and the First Trust ETF has risen in value to a level near to the cap, there may be little or no ability for that investor to experience an investment gain on their First Trust ETF units.

**FLEX Options Correlation Risk.** The FLEX Options held by the First Trust ETF will be exercisable at the strike price only on their expiration date. Prior to the expiration date, the value of the FLEX Options will be determined based upon market quotations or using other recognized pricing methods. The value of the FLEX Options prior to the expiration date may vary because of related factors other than the value of the Underlying ETF. Factors that may influence the value of the FLEX Options, other than changes in the value of the Underlying ETF, may include interest rate changes, changing supply and demand, decreased liquidity of the FLEX Options and changing volatility levels of the Underlying ETF.

**FLEX Options Liquidity Risk.** The FLEX Options are listed on an exchange; however, no one can guarantee that a liquid secondary trading market will exist for the FLEX Options. In the event that trading in the FLEX Options is limited or absent, the value of the First Trust ETF's FLEX Options may decrease. In a less liquid market for the FLEX Options, liquidating the FLEX Options may require the payment of a premium (for written FLEX Options) or acceptance of a discounted price (for purchased FLEX Options) and may take longer to complete. A less liquid trading market may adversely impact the value of the FLEX Options and First Trust ETF units and result in the First Trust ETF being unable to achieve its investment objective. The trading in FLEX Options may be less deep and

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## First Trust Exchange-Traded Funds

### Notes to Financial Statements

### For the year ended December 31, 2020

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liquid than the market for certain other securities. FLEX Options may be less liquid than certain non-customized options. In a less liquid market for the FLEX Options, the liquidation of a large number of options may more significantly impact the price. A less liquid trading market may adversely impact the value of the FLEX Options and the value of the investor's investment.

**FLEX Options Risk.** The OCC may be unable or unwilling to perform its obligations under the FLEX Options contracts. Additionally, FLEX Options may be less liquid than other exchange-traded options. The value of the FLEX Options prior to their expiration date may vary because of factors other than fluctuations in the value of the Underlying ETF, such as an increase in interest rates, a change in the actual and perceived volatility of the stock market and the Underlying ETF and the remaining time to expiration. Additionally, the value of the FLEX Options does not increase or decrease at the same rate as the Underlying ETF or its underlying securities. FLEX Option prices may be highly volatile and may fluctuate substantially during a short period of time. Trading FLEX Options involves risks different from, or possibly greater than, the risks associated with investing directly in securities.

**FLEX Options Valuation Risk.** The FLEX Options held by the First Trust ETF will be exercisable at the strike price only on their expiration date. Prior to the expiration date, the value of the FLEX Options will be determined based upon market quotations or using other recognized pricing methods. The value of the FLEX Options prior to the expiration date may vary because of related factors other than the value of the Underlying ETF. During periods of reduced market liquidity or in the absence of readily available market quotations for the holdings of the First Trust ETF, the ability of the First Trust ETF to value the FLEX Options becomes more difficult and the judgment of the First Trust ETF's Portfolio Advisor may play a greater role in the valuation of the First Trust ETF's holdings due to reduced availability of reliable objective pricing data.

**Target Outcome Period Risk.** The First Trust ETF's investment strategy is designed to deliver returns that match the Underlying ETF if First Trust ETF units are bought on the day on which the First Trust ETF enters into the FLEX Options (i.e., the first day of a Target Outcome Period) and held until those FLEX Options expire at the end of the Target Outcome Period. In the event an investor purchases First Trust ETF units after the first day of a Target Outcome Period or sells units prior to the expiration of the Target Outcome Period, the value of that investor's investment in First Trust ETF units may not be buffered against a decline in the value of the Underlying ETF and may not participate in a gain in the value of the Underlying ETF up to the cap for the investor's investment period.

## 12. CAPITAL MANAGEMENT

The First Trust ETFs' capital are the net assets, representing unitholders' equity. The First Trust ETFs' objectives when managing capital is to safeguard the First Trust ETFs' ability to continue as a going concern in order to provide returns for unitholders, maximize unitholder value and maintain financial strength.

The First Trust ETFs are not subject to any externally imposed capital requirements.

## 13. SECURITIES LENDING

A First Trust ETF may, in compliance with National Instrument 81-102, Investment Funds lend portfolio securities to third parties pursuant to the terms of a securities lending agreement between the First Trust ETF and a securities lending agent under which: (i) the borrower will pay to the First Trust ETF a negotiated securities lending fee and will make compensation payments to the First Trust ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the First Trust ETF will receive collateral security equal to at least 102% of the value of the portfolio securities loaned. The securities lending agent for a First Trust ETF will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis.

During the years ended December 31, 2020 and December 31, 2019, there were no securities lending done by the First Trust ETFs.

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