



First Trust Nasdaq Cybersecurity ETF • CIBR

Annual Management Report of Fund Performance
December 31, 2025

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2025

First Trust Nasdaq Cybersecurity ETF (the “First Trust ETF”)

This annual management report of fund performance contains financial highlights but does not contain the complete audited annual financial statements of the First Trust ETF. All references to dollars contained herein are to Canadian dollars.

Securityholders may also contact us to request a copy of the First Trust ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosures relating to the First Trust ETF by calling 1-877-622-5552, by writing to us at FT Portfolios Canada Co., 40 King Street West, Suite 5102, Scotia Plaza, Box 312, Toronto, Ontario M5H 3Y2 or by visiting our web site at www.firsttrust.ca or SEDAR at www.sedarplus.ca.

Forward-looking Statements

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent beliefs regarding future events. By their nature, forward-looking statements are based on assumptions and are subject to inherent risks and uncertainties. There is significant risk that forward-looking statements will not prove to be accurate. Readers of this document should not place undue reliance on forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the expectations, estimates or intentions expressed or implied in the forward-looking statements. These factors include but are not limited to market and general economic conditions, interest rates, foreign currency exchange rates, the extent of industry sector exposure, the performance of the securities of the issuers held in the portfolio and regulatory developments and the risks detailed in the First Trust ETF's prospectus. The Manager does not undertake and specifically disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Investment Objective and Strategy

The fundamental investment objective of **First Trust Nasdaq Cybersecurity ETF** (the “First Trust ETF”) is to replicate, to the extent possible, the performance of an index of U.S. companies in the cybersecurity industry, initially the Nasdaq CTA Cybersecurity Index™.

The Nasdaq CTA Cybersecurity Index™ is designed to track the performance of companies engaged in the cybersecurity segment of the technology and industrials sectors. It includes companies primarily involved in the building, implementation, and management of security protocols applied to private and public networks, computers, and mobile devices in order to provide protection of the integrity of data and network operations.

Risk

The First Trust ETF provides exposure to its index by investing all or substantially all of its assets in an underlying U.S. index fund known as First Trust Nasdaq Cybersecurity ETF (the “Underlying Fund”), which is managed by the First Trust ETF’s portfolio advisor.

The risks associated with an investment in the First Trust ETF is discussed in the First Trust ETF’s most recent prospectus.

Results of Operations

General

The First Trust ETF’s net asset value as of December 31, 2025, was \$102,950,679 or \$56.88 per unit. The First Trust ETF’s net asset value as of December 31, 2024, was \$71,974,583 or \$52.92 per unit.

For the year ended December 31, 2025, the First Trust ETF paid total cash distributions of \$0.0200 per unit. In addition, the First Trust ETF declared cash distributions of \$0.1100 per unit for record date of December 31, 2025, with payment date of January 8, 2026. Lastly, the First Trust ETF also made a notional distribution per unit of \$0.3900 for the year ended December 31, 2025. This amount was reinvested in the First Trust ETF and not paid in cash to unitholders.

Investment Performance

For the year ended December 31, 2025, the First Trust ETF returned 7.72% compared to the S&P 500® Index (the “benchmark”) return of 12.35%. Unlike the benchmark, the First Trust ETF’s return is net of fees and expenses.

The First Trust ETF’s only holding, the Underlying Fund, held 32 equity securities as of December 31, 2025. The top ten equity holdings for the Underlying Fund accounted for 59.29% of the portfolio within the Underlying Fund.

The Underlying Fund underperformed the benchmark during the year primarily due to stock selection within the Information Technology sector. Within Information Technology, overweight positions to Infosys Limited, Palo Alto Networks, Inc., and Fortinet, Inc., contributed significantly to the underperformance. Sector allocations mitigated the underperformance, primarily due to an overweight position in Information Technology.

The Underlying Fund’s top five stocks by contribution to return were Broadcom Inc., Thales S.A., CrowdStrike Holdings, Inc., Cloudflare, Inc., and Cisco Systems, Inc. The Underlying Fund’s bottom five stocks by contribution to return were Infosys Limited, Booz Allen Hamilton Holding Corporation, Fortinet, Inc., Commvault Systems, Inc., and SentinelOne, Inc.

The First Trust’s ETF’s exposure to the U.S. dollar detracted from its absolute performance during the year, as the U.S. dollar depreciated 4.65% against the Canadian dollar from December 31, 2024, to December 31, 2025.

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Recent Developments

The cybersecurity landscape in 2025 has been marked by an unprecedented surge in sophisticated attacks, rigorous regulatory enforcement, and a critical need for adaptive security solutions. The sheer volume and complexity of cyber-attacks intensified throughout the year, heavily influenced by the escalating use of artificial intelligence by malicious actors to craft advanced ransomware, deepfakes, and hyper-personalized phishing campaigns. While the CDK Global cyber-attack caused significant disruptions to car dealerships in mid-2024, major incidents in 2025 escalated in severity, including the International Criminal Court being hit by a sophisticated attack in June, a widespread cyberattack on UNFI disrupting the grocery supply chain, and the crippling ransomware attack on Jaguar Land Rover in September. Furthermore, the exposure of U.S. telecom wiretapping systems by the 'Salt Typhoon' actor underscores the immense financial and national security fallout, with IBM's 2024 Cost of Data Breach Report indicating the average cost of a U.S. data breach has now exceeded \$9.36 million. Organizations face relentless threats from corporate espionage, catastrophic client data loss, and unauthorized network access, particularly as more employees connect remotely and rely on vulnerable third-party SaaS integrations, bypassing traditional corporate firewalls, making dynamic and adaptive cybersecurity solutions an absolute necessity. This imperative is further amplified by new global and regional regulations, such as the EU's Digital Operational Resilience Act (DORA) and the AI Act which became applicable in February 2025, alongside proposed U.S. rules like CIRCIA now moving toward strict enforcement. Discussions about personal liability for CEOs in the event of cybersecurity breaches continue to reinforce security spending as a top corporate priority, moving cybersecurity from a "nice-to-have" to a "must-have". Lastly, the emergence of generative AI is profoundly reshaping every aspect of cybersecurity, presenting both unprecedented opportunities for enhanced threat detection, faster response times, and adaptive security measures, while simultaneously empowering attackers with more potent tools for highly effective attacks, demanding that all parties remain informed and agile to navigate this ever-changing landscape.

Related Party Transactions

FT Portfolios Canada Co. is the Manager of the First Trust ETF and is a Canadian affiliate of First Trust Advisors L.P., the investment advisor (the "Advisor") of the First Trust ETF.

Pursuant to terms of the declaration of trust of the First Trust ETF, the Manager provides or arranges for all management, administrative and other services required by the First Trust ETF. The Manager receives a management fee from the First Trust ETF. For further details, please see "Management Fees".

The Manager has retained the Advisor to provide certain services to the First Trust ETF pursuant to an investment advisory agreement. The Advisor receives advisory fees from the Manager out of the management fee.

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For the year ended December 31, 2025

Financial Highlights

The following tables show selected key financial information about the First Trust ETF and are intended to help you understand the First Trust ETF's financial performance for the five years ended December 31. This information is derived from the First Trust ETF's audited annual financial statements.

Net Asset Value per Unit

CIBR	2025	2024	2023	2022	2021 ^(a)
Net asset value, beginning of year ⁽¹⁾	\$52.92	\$41.48	\$30.55	\$39.00	\$30.39
Increase (Decrease) from operations:					
Total revenue	0.27	0.16	0.18	0.09	0.50
Total expenses	(0.13)	(0.10)	(0.08)	(0.07)	(0.16)
Realized gains (losses) for the year	2.09	0.30	(0.17)	0.75	4.29
Unrealized gains (losses) for the year	1.36	11.23	11.19	(8.45)	2.44
Total increase (decrease) from operations ⁽²⁾	\$3.59	\$11.59	\$11.12	\$(7.68)	\$7.07
Distributions:					
From income (excluding dividends)	(0.12)	-	(0.17)	(0.01)	(0.21)
From dividends	-	-	-	-	-
From capital gains	(0.39)	-	-	(0.16)	(0.11)
Return of capital	(0.01)	(0.13)	-	-	-
Total annual distributions ⁽³⁾	\$(0.52)	\$(0.13)	\$(0.17)	\$(0.17)	\$(0.32)
Net asset value, end of year ⁽⁴⁾	\$56.88	\$52.92	\$41.48	\$30.55	\$39.00

(a) For the years prior to February 17, 2021, represent returns for the First Trust ETF based on the First Trust ETF's investment objective prior to the change in investment objective which occurred on February 17, 2021.

(1) This information is provided as at December 31 of the years shown and is prepared under IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB").

(2) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the year.

(3) Distributions were paid in cash or reinvested in additional units of the First Trust ETF, or both. Non-cash distributions are reinvested in additional units of the First Trust ETF and subsequently consolidated. Neither the number of units held by the unitholder, nor the net asset per unit of the First Trust ETF change as a result of any non-cash distributions.

(4) This table is not intended to be a reconciliation of beginning to ending net asset value per unit.

Ratios and Supplemental Data

CIBR	2025	2024	2023	2022	2021 ^(a)
Net asset value (000's)	\$102,951	\$71,975	\$37,747	\$26,276	\$32,757
Number of units outstanding	1,810,000	1,360,000	910,000	860,000	840,000
Management expense ratio ⁽¹⁾	0.75%	0.75%	0.76%	0.76%	0.76%
Management expense ratio before waivers or absorption	0.76%	0.77%	0.78%	0.78%	0.78%
Trading expense ratio ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.02%
Portfolio turnover rate ⁽³⁾	14.18%	6.06%	8.03%	42.90%	148.99%

(a) For the years prior to February 17, 2021, represent returns for the First Trust ETF based on the First Trust ETF's investment objective prior to the change in investment objective which occurred on February 17, 2021.

(1) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year, including the First Trust ETF's proportionate share of the MER of the Underlying Fund in which the First Trust ETF has invested, and is expressed as an annualized percentage of daily average net asset value during the year.

(2) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the year. This includes the First Trust ETF's proportionate share of the commissions of Underlying Fund in which the First Trust ETF has invested.

(3) The First Trust ETF's portfolio turnover rate indicates how actively the First Trust ETF's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the First Trust ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher a First Trust ETF's portfolio turnover rate in a year, the greater the trading cost payable by the First Trust ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between high turnover rate and the performance of a First Trust ETF.

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Management Fees

The First Trust ETF will pay the Manager a management fee of 0.15% based on the average daily NAV of the First Trust ETF. The management fee, plus applicable taxes including HST, will be accrued daily and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

The First Trust ETF's management fee will also bear the management fee of the Underlying Fund.

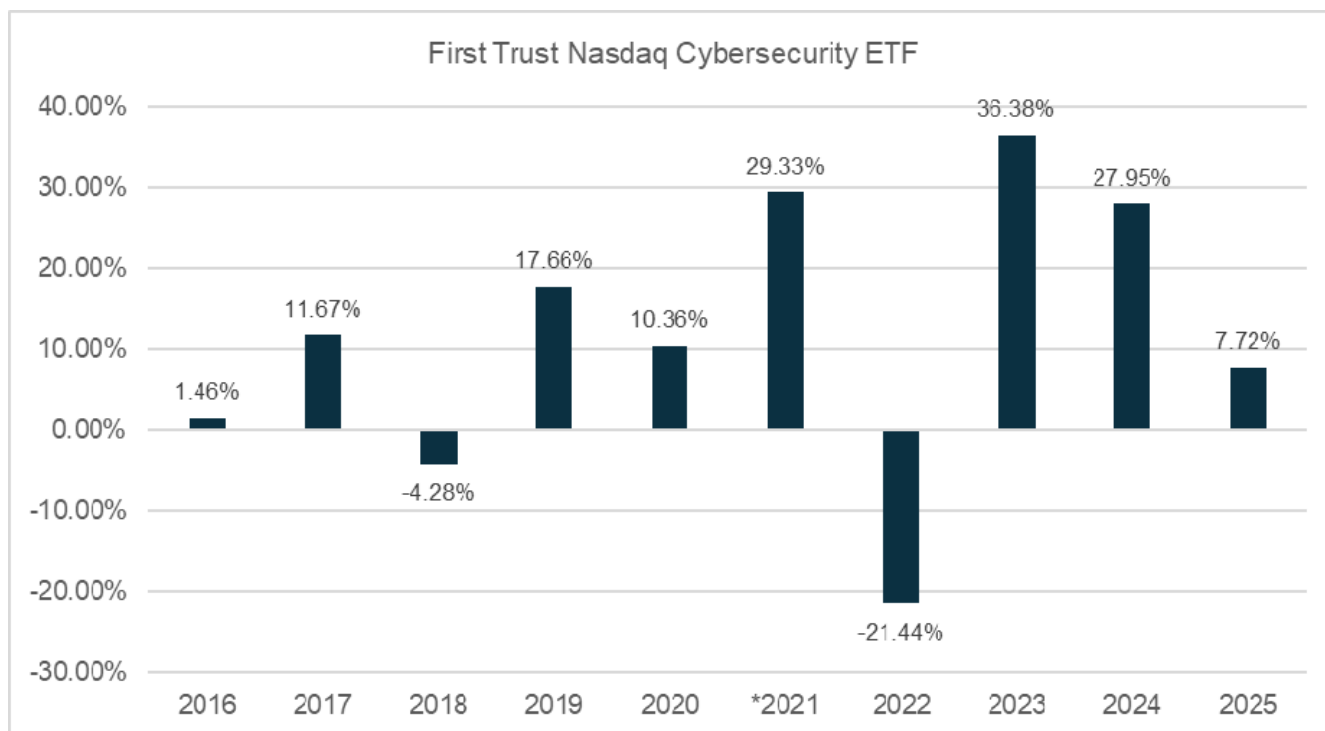
Past Performance

General

The past performance information shown assumes that all distributions made by the First Trust ETF in the years shown were reinvested in additional securities of the First Trust ETF. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the First Trust ETF has performed in the past does not necessarily indicate how it will perform in the future.

Year by Year Returns

The bar chart below shows the First Trust ETF's performance for the years ended December 31 and illustrates how the investment fund's performance has changed from year to year. The chart also shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



**For the years prior to February 17, 2021, represent returns for the First Trust ETF based on the First Trust ETF's investment objective prior to the change in investment objective which occurred on February 17, 2021.*

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Annual Compound Returns

The table below shows the First Trust ETF's annual compound total return since inception and for the years ended December 31, 2025. The annual compound return is compared to the returns of the relevant benchmark; however, the First Trust ETF's return is net of fees and expenses. See Results of Operations section of this report for further information regarding the current year performance of the First Trust ETF relative to the benchmark.

Returns	1-year	3-year	5-year	10-year	Since Inception
First Trust Nasdaq Cybersecurity ETF	7.72%	23.42%	13.82%	10.40%	10.65%
S&P 500® Index	12.35%	23.48%	16.11%	14.67%	15.87%

S&P 500® Index is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

Summary of Investment Portfolio

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's holdings as at December 31, 2025. This summary of portfolio holdings may change due to ongoing portfolio transactions of the First Trust ETF. Daily and quarterly updates are available at www.firsttrust.ca.

Holdings	% of ETF Total Net Asset Value
First Trust Nasdaq Cybersecurity ETF	99.91%
Cash and Cash Equivalents	0.29%
Other Assets, Less Liabilities	-0.20%
Total	100.00%

Portfolio Breakdown

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

Breakdown	% of ETF Total Net Asset Value
Exchange-Traded Fund	99.91%
Cash and Cash Equivalents	0.29%
Other Assets, Less Liabilities	-0.20%
Total	100.00%

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