

2018 Annual Financial Statements

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 Short Duration High Yield Bond ETF (CAD-Hedged) • FSD, FSD.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 AlphaDEX[™] U.S. Financial Sector Index ETF • FHF First Trust AlphaDEX[™] U.S. Energy Sector Index ETF • FHE First Trust AlphaDEX[™] U.S. Consumer Discretionary Sector Index ETF • FHD 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 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 AlphaDEX[™] U.S. Utilities Sector Index ETF • FHU 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

As at December 31, 2018

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MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

First Trust AlphaDEX[™] Emerging Market Dividend ETF (CAD-Hedged) First Trust AlphaDEX[™] European Dividend Index ETF (CAD-Hedged) First Trust Senior Loan ETF (CAD-Hedged) First Trust Short Duration High Yield Bond ETF (CAD-Hedged) First Trust Canadian Capital Strength ETF First Trust Global Risk Managed Income Index ETF First Trust Tactical Bond Index ETF First Trust Value Line® Dividend Index ETF (CAD-Hedged) 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 Indxx Innovative Transaction and Process ETF First Trust International Capital Strength ETF (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

Deloitte.

Deloitte LLP Bay Adelaide East 8 Adelaide Street West Suite 200 Toronto ON M5H 0A9 Canada

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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 Short Duration High Yield Bond ETF (CAD-Hedged) First Trust Global Risk Managed Income Index ETF 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

(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 Value Line® Dividend Index ETF (CAD- Hedged)	December 31, 2018 and December 31, 2017	the years ended December 31, 2018 and December 31, 2017
First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)		
First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)		

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 Global Risk Managed Income Index ETF		
First Trust Senior Loan ETF (CAD-Hedged)		
First Trust Tactical Bond Index ETF		
First Trust Canadian Capital Strength ETF		
First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged)		
First Trust Short Duration High Yield Bond ETF (CAD-Hedged)		
First Trust Indxx Innovative Transaction and Process ETF	December 31, 2018 and December 31, 2017	the period March 23, 2018 to December 31, 2018
First Trust International Capital Strength ETF	December 31, 2018 and December 31, 2017	the period May 17, 2018 to December 31, 2018

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 aboved, 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 which comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not and will 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 and Those Charged with Governance 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.

Those charged with governance are responsible for overseeing the ETF's financial reporting process.

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 Chris Thatcher.

eloitte LLP

Chartered Professional Accountants Licensed Public Accountants Toronto, Ontario March 22, 2019

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

STATEMENTS OF FINANCIAL POSITION As at December 31, 2018 and December 31, 2017		
	December 31	December 3
	2018 (\$)	2017 (\$
Assets		
Investments (non-derivative financial assets)	4,377,306	9,919,445
Cash	27,370	64,473
Accrued dividend receivable	13,799	7,222
Derivative assets	9,858	50,074
Other assets	2,259 4,430,592	2,088
Liabilities	4,450,592	10,043,302
Accrued jabilities	6,668	11,680
Distributions payable to holders of redeemable units	12,506	27,759
Derivative liabilities	88,300	21,100
	107,474	39,439
Total net assets attributable to holders of redeemable units	4,323,118	10,003,863
Total Net Assets Attributable to Holders of Redeemable Units for each class	0.004.000	7 540 701
Common Class	2,891,989	7,513,780
Advisor Class	1,431,129	2,490,083
Redeemable units outstanding [note 6]	000.000	450.007
Common Class Advisor Class	200,600 99,399	450,600
Advisor Class Net assets attributable to holders of redeemable units per unit	99,099	149,399
Common Class	14.42	16.68
Advisor Class	14.40	16.67
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017		
	Desember 04	De service a d
	December 31 2018 (\$)	December 3 2017 (\$
Revenues	(+)	(
Dividends	273,974	221,245
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	103,293	537,692
Net realized gain (loss) on derivatives	(630,046)	69,78
Net realized gain (loss) on foreign exchange	859	4,131
	000	
Net change in unrealized appreciation (depreciation) of investments	(468,361)	322,62
Net change in unrealized appreciation (depreciation) of investments	(468,361)	(26,820
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives	(468,361) (128,516)	(26,820 1,128,658
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives	(468,361) (128,516) (848,797)	(26,820 1,128,658 4,332
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash	(468,361) (128,516) (848,797) 125	(26,820 1,128,658 4,332
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7]	(468,361) (128,516) (848,797) 125	(26,820 1,128,658 4,332 1,132,990
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees	(468,361) (128,516) (848,797) 125 (848,672)	(26,820 1,128,658 4,332 1,132,990 46,275
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees	(468,361) (128,516) (848,797) 125 (848,672) 44,767	(26,820 1,128,658 4,332 1,132,990 46,278 15,40
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees Transaction costs [note 3 and note 9]	(468,361) (128,516) (848,797) 125 (848,672) 44,767 16,939	(26,820 1,128,656 4,332 1,132,990 46,275 15,40 11,87
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees Transaction costs [note 3 and note 9] HST expense	(468,361) (128,516) (848,797) 125 (848,672) 44,767 16,939 13,682	(26,820 1,128,658 4,332 1,132,990 46,275 15,401 11,871 5,965
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees	(468,361) (128,516) (848,797) 125 (848,672) 44,767 16,939 13,682 5,842	(26,820 1,128,658 4,332 1,132,990 46,275 15,407 11,877 5,966 1,458
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees	(468,361) (128,516) (848,797) 125 (848,672) 44,767 16,939 13,682 5,842 1,107	(26,820 1,128,658 4,332 1,132,990 46,275 15,401 11,87 5,968 1,459 1,459 1,459
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense	(468,361) (128,516) (848,797) 125 (848,672) 44,767 16,939 13,682 5,842 1,107 15 82,352 (1,107)	(26,820 1,128,655 4,332 1,132,990 46,275 15,407 11,877 5,965 1,455 100 81,080 (1,455
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by the manager	(468,361) (128,516) (848,797) 125 (848,672) 44,767 16,939 13,682 5,842 1,107 15 82,352 (1,107) 81,245	(26,820 1,128,658 4,332 1,132,990 46,275 15,407 11,877 5,966 1,455 81,088 (1,455 79,627
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by the manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax	(468,361) (128,516) (848,797) 125 (848,672) 44,767 16,939 13,682 5,842 1,107 15 82,352 (1,107) 81,245 (929,917)	(26,820 1,128,656 4,332 1,132,990 46,275 15,407 15,407 11,877 5,966 1,455 100 81,080 (1,455 79,627 1,053,369
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by the manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes	(468,361) (128,516) (848,797) 125 (848,672) 44,767 16,939 13,682 5,842 1,107 15 82,352 (1,107) 81,245 (929,917) 28,259	(26,820 1,128,658 4,332 1,132,990 46,275 15,407 11,877 5,965 1,455 1,455 1,455 1,455 7,962 1,053,365 30,341
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by the manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units	(468,361) (128,516) (848,797) 125 (848,672) 44,767 16,939 13,682 5,842 1,107 15 82,352 (1,107) 81,245 (929,917)	(26,820 1,128,658 4,332 1,132,990 46,275 15,407 11,877 5,965 1,455 1,455 1,455 1,455 7,962 1,053,365 30,341
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by the manager Expenses waived by the manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units	(468,361) (128,516) (848,797) 125 (848,672) 44,767 16,939 13,682 5,842 1,107 15 82,352 (1,107) 81,245 (929,917) 28,259 (958,176)	(26,820 1,128,658 4,332 1,132,990 46,275 15,40 11,87 5,968 1,455 100 81,080 (1,455 79,62 1,053,366 30,34 1,023,028
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by the manager Expenses waived by the manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units for each class Common Class	(468,361) (128,516) (848,797) 125 (848,672) 44,767 16,939 13,682 5,842 1,107 15 82,352 (1,107) 81,245 (929,917) 28,259 (958,176) (768,941)	(26,820 1,128,658 4,332 1,132,990 46,275 15,401 11,877 5,965 1,455 1,053 81,080 (1,455 79,621 1,053,366 30,341 1,023,025 833,406
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by the manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders Increase (Decrease) in net assets attributable to holders Increase (Decrease) in net assets attributable to holders Increase	(468,361) (128,516) (848,797) 125 (848,672) 44,767 16,939 13,682 5,842 1,107 15 82,352 (1,107) 81,245 (929,917) 28,259 (958,176)	(26,820 1,128,655 4,333 1,132,990 46,275 15,40 11,87 5,965 1,455 (1,455 79,62 1,053,365 30,34 1,023,025 833,406
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by the manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders Increase (Decrease) in net assets attributab	(468,361) (128,516) (848,797) 125 (848,672) 44,767 16,939 13,682 5,842 1,107 15 82,352 (1,107) 81,245 (929,917) 28,259 (958,176) (768,941) (189,235)	(26,820 1,128,658 4,332 1,132,990 46,275 15,401 11,871 5,965 1,455 81,080 (1,455 79,621 1,053,365 30,341 1,023,028 833,400 189,622
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by the manager Increase (Decrease) in net assets attributable to holders of redeemable units for each class Common Class	(468,361) (128,516) (848,797) 125 (848,672) 44,767 16,939 13,682 5,842 1,107 15 82,352 (1,107) 81,245 (929,917) 28,259 (958,176) (768,941)	322,625 (26,820 1,128,656 4,332 1,132,990 46,275 15,401 11,871 5,965 1,455 1,455 1,455 30,341 1,053,366 30,341 1,023,028 833,406 189,622 2,40 1,97

On behalf of the Trustee, FT Portfolios Canada Co.

Director

..... Director

First Trust AlphaDEXTM Emerging Market Dividend ETF (CAD-Hedged) STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS For the years ended December 31, 2018 and 2017

	December 31	December 31	December 31	December 31
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
	Common	Common	Advisor	Adviso
	Class	Class	Class	Class
Net assets attributable to holders of redeemable units, beginning of year	7,513,780	7,918,042	2,490,083	709,808
increase (Decrease) in net assets attributable to holders of redeemable units	(768,941)	833,406	(189,235)	189,622
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	5,734,760	7,420,351	-	1,630,130
Redemption of units	(9,444,313)	(8,484,011)	(834,876)	(16
	(3,709,553)	(1,063,660)	(834,876)	1,630,114
Distributions to holders of redeemable units from:				
Net investment income	(132,088)	(99,687)	(34,843)	(16,126
Capital gains Return of capital	- (11,209)	- (74,321)	-	۔ (23,335
Actum of capital	(143,297)	(174,008)	(34,843)	(39,461
	(140,207)	(174,000)	(04,040)	(00,401)
increase (Decrease) in net assets attributable to holders of redeemable units for the year	(4,621,791)	(404,262)	(1,058,954)	1,780,275
Net assets attributable to holders of redeemable units, end of year	2,891,989	7,513,780	1,431,129	2,490,083
Net assets attributable to noticers of redeemable units, end of year	2,091,909	7,515,760	1,431,129	2,490,065
			December 31	December 31
		_	2018 (\$)	2017 (\$)
			Total	Total
Net assets attributable to holders of redeemable units, beginning of year			10,003,863	8,627,850
increase (Decrease) in net assets attributable to holders of redeemable units			(958,176)	1,023,028
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			5,734,760	9,050,481
Redemption of units			(10,279,189)	(8,484,027
			(4,544,429)	566,454
Distributions to holders of redeemable units from:				
Net investment income			(166,931)	(115,813
Capital gains			-	-
Return of capital			(11,209)	(97,656
			(178,140)	(213,469)
Increase (Decrease) in net assets attributable to holders of redeemable units for the year			(5,680,745)	1,376,013
Net assets attributable to holders of redeemable units, end of year			4,323,118	10,003,863

First Trust AlphaDEX[™] Emerging Market Dividend ETF (CAD-Hedged) STATEMENTS OF CASH FLOW For the years ended December 31, 2018 and 2017

	December 31	December 31
	2018 (\$)	2017 (\$
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(958,176)	1,023,028
Adjustments for:		
Net realized (gain) loss on sale of investments	(103,293)	(537,692
Change in unrealized (appreciation) depreciation of investments and derivatives	596,877	(295,805
Dividends receivable	(6,577)	24,316
Other assets	(171)	(1,545
Other liabilities	(5,012)	4,233
Purchases of investments	(11,965,889)	(15,371,764
Proceeds from the sale of investments	17,142,960	14,817,783
	4,700,719	(337,446
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	5,734,760	9,050,481
Amount paid on redemptions of units	(10,279,189)	(8,484,027
Distributions paid to unitholders	(193,393)	(194,053
	(4,737,822)	372,401
Increase (Decrease) in cash for the year	(37,103)	34,955
Cash, beginning of year	64,473	29,518
Cash, end of year	27,370	64,473
Dividends received, net of withholding taxes	239,138	215,220

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, 2018 and 2017:

	Financial Assets at Fair Value (\$) As at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Equities	4,377,306		_	4,377,306
Derivative assets	-	9,858	_	9,858
Derivative liabilities		(88,300)	_	(88,300)
Total	4,377,306	(78,442)	_	4,298,864
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	9,919,445	-		9,919,445
Derivative assets	-	50,074	_	50,074
Total	9,919,445	50,074	_	9,969,519

There have been no transfers from one Level to another for the years ended December 31, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Common Class	Advisor Class
Outstanding units – January 1, 2017	550,599	49,400
Redeemable units issued	450,001	100,000
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(550,000)	(1)
Outstanding units – December 31, 2017	450,600	149,399
Redeemable units issued	350,000	_
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(600,000)	(50,000)
Outstanding units – December 31, 2018	200,600	99,399

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 ¹			
0.65% 1.65%			

¹Includes a service fee of 1.00%

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2018 and 2017 were as follows:

Net Capital Losses (\$)		Non-Capital	Losses (\$)
2018	2017	2018	2017
910,940	790,163	_	_

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, 2018 and 2017 are as follows:

Transaction Cost (\$)			
2018 2017			
13,682 11,871			

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management Fee Expense		•	
(\$)		(\$)	
2018	2017	2018 2017	
44,767	46,275	2,196	5,345

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At Decembe	er 31, 2018	At December	31, 2017
Index	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
MSCI Emerging Markets Index (USD)	152,606	(152,606)	349,135	(349,135)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2018 and 2017:

	At Decembe	er 31, 2018	At Decembe	er 31, 2017
Currency	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	157,529	3.64	43,191	0.43

As at December 31, 2018, 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 \$1,575 (December 31, 2017 - \$432). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk - The table below summarizes the concentration risk for the years ended December 31, 2018 and 2017:

	As a % of net assets a redeema	ttributable to holders of ble units
Country	December 31, 2018	December 31, 2017
Brazil	30.28	24.00
Taiwan	12.92	12.36
India	7.72	5.64
China	6.98	10.15
Mexico	6.88	4.72
South Africa	6.81	9.60
Chile	6.02	8.12
Colombia	5.42	6.21
Luxembourg	3.57	3.91
Hong Kong	3.25	-
Monaco	3.18	2.33
Russia	2.21	2.95
Peru	1.71	2.85
Turkey	1.53	1.46
Netherlands	1.42	0.61
Philippines	0.68	1.44
United States	0.67	2.16
Indonesia		0.65
Total	101.25	99.16

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number of Shares	Average	Fair Value (\$)	% of Total
Brazil—30.28%	of Shares	Cost (\$)	Value (\$)	% OF TOTAL
Banco Santander (Brasil) SA, ADR	6,558	98,636	99,647	2.30
Braskem SA, ADR	2,847	97,980	95,069	2.20
Companhia Energetica de Minas Gerais-CEMIG SA, ADR	39,421	132,556	191,590	4.43
Companhia Paranaense de Energia	14,533	145,056	155,351	3.59
Cosan Ltd., Class 'A'	11,333	133,130	136,152	3.15
Embraer SA, ADR	3,429	97,275	103,596	2.40
Gerdau SA, ADR	24,421	130,944	125,357	2.90
Itau Unibanco Holding SA, ADR	10,729	122,323	133,876	3.10
Tim Participacoes SA, ADR	6,544	132,137	137,046	3.17
Vale SA, ADR	7,296	130,962	131,379	3.04
01/11- 0.000/		1,220,999	1,309,063	30.28
Chile—6.02% Banco de Chile, ADR	772	30,633	30,143	0.70
Banco Santander Chile, ADR	712	29,479	29,063	0.70
Compania Cervecerias Unidas SA, ADR	3,851	130,210	132,118	3.06
Latam Airlines Group SA, ADR	4,895	66,151	68,831	1.59
	-,000	256,473	260,155	6.02
China—6.98%				
Hollysys Automation Technologies Ltd.	4,953	134,790	118,400	2.74
NetEase Inc., ADR	205	65,824	65,872	1.52
Yirendai Ltd., ADR	8,017	176,323	117,656	2.72
		376,937	301,928	6.98
Colombia—5.42%				
Bancolombia SA, ADR	2,381	134,349	123,846	2.87
Ecopetrol SA	5,093	109,223	110,413	2.55
		243,572	234,259	5.42
Hong Kong—3.25%				
Seaspan Corp.	13,126	149,666	140,311	3.25
		149,666	140,311	3.25
India—7.72%				
Dr. Reddy's Laboratories Ltd., ADR	1,948	99,085	100,260	2.32
HDFC Bank Ltd., ADR	220	28,528	31,113	0.72
ICICI Bank Ltd., ADR	7,456	99,632	104,741	2.42
Infosys Technologies Ltd., ADR	7,519	93,378	97,722	2.26
Luxambaura 2 570/		320,623	333,836	7.72
Luxembourg—3.57% Ternium SA, ADR	4,170	164,694	154,277	3.57
	4,170	164,694	154,277	3.57
Mexico—6.88%		104,004	104,217	0.01
Banco Santander (Mexico) SA, ADR	7,961	66,033	66,949	1.55
Fomento Economico Mexicano SAB de CV, ADR	589	67,783	69,193	1.60
Grupo Aeroportuario del Centro Norte SAB de CV, ADR	614	29,963	31,869	0.74
Grupo Aeroportuario del Pacifico SAB de CV, ADR	311	30,768	34,624	0.80
Grupo Aeroportuario del Sureste SAB de CV, ADR	158	31,815	32,485	0.75
Grupo Televisa SA, ADR	3,638	65,867	62,480	1.44
		292,229	297,600	6.88
Monaco—3.18%				<u> </u>
GasLog Ltd.	6,114	144,151	137,389	3.18
		144,151	137,389	3.18
Netherlands—1.42%				
VEON Ltd., ADR	19,272	63,761	61,566	1.42
		63,761	61,566	1.42
Peru—1.71%				
Compania de Minas Buenaventura SA, Series 'B', ADR	3,339	65,616	73,937	1.71
·		65,616	73,937	1.71
Philippines—0.68%	4 000	04 404	20.262	0.00
PLDT Inc., ADR	1,006	34,191	29,363	0.68
Pueeia_2 21%		34,191	29,363	0.68
Russia—2.21% Mobile TeleSystems PJSC, ADR	10,004	108,196	95,602	2.21
100010 10009310113 F 300, ADN	10,004	108,196	95,602	2.21
South Africa—6.81%		100,130	33,302	2.21
AngloGold Ashanti Ltd., ADR	11,373	165,778	194,857	4.51
Gold Fields Ltd., ADR	7,192	34,772	34,561	0.80
Sasol Ltd., ADR	1,625	67,723	64,978	1.50
	1,020	268,273	294,396	6.81
		_,	,	

Taiwan—12.92%				
AU Optronics Corp., ADR	30,022	160,864	161,485	3.74
Chunghwa Telecom Co. Ltd., ADR	637	29,003	31,124	0.72
Silicon Motion Technology Corp., ADR	2,040	98,336	96,083	2.22
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	2,008	98,584	101,182	2.34
United Microelectronics Corp., ADR	69,024	185,993	168,675	3.90
		572,780	558,549	12.92
Turkey—1.53%				
Turkcell lletisim Hizmetleri AS, ADR	8,645	77,416	66,328	1.53
		77,416	66,328	1.53
United States-0.67%				
Yum China Holdings Inc.	628	30,977	28,747	0.67
		30,977	28,747	0.67
Total investments		4,390,554	4,377,306	101.25
Transaction costs		(2,512)		
Unrealized appreciation on derivatives - see Schedule 1			9,858	0.22
Unrealized depreciation on derivatives - see Schedule 1			(88,300)	(2.04)
Other assets, less liabilities			24,254	0.57
Total Net Assets Attributable to Holders of Redeemable Units		4,388,042	4,323,118	100.00

SCHEDULE OF INVESTMENT PORTFOLIO As at December 31, 2018

Schedule 1

	Credit								Appreciation
	Rating of	Settlement C	urrency	Amount C	urrency	Amount	Forward	Current	(Depreciation)
Counterparty	Counterparty*	Date	Sell	Sold	Buy	Bought	Rate	Rate	\$
Bank of New York Mellon (The), New York	A-1+	2019-01-31	CAD	800,000	USD	593,674	1.348	1.364	9,858
									9,858
Bank of New York Mellon (The), New York	A-1+	2019-01-31	USD	3,272,034	CAD	4,377,000	0.748	0.733	(86,530)
Bank of New York Mellon (The), New York	A-1+	2019-01-31	USD	430,138	CAD	585,000	0.735	0.733	(1,770)
									(88,300)

* Commercial paper rating per Stand and Poor's Commerical Paper Guide

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

	5.0.1	/
STATEMENTS OF FINANCIAL POSITION As at December 31, 2018 and December 31, 2017		
	December 31 2018 (\$)	December 3 2017 (\$
Assets	2010 (\$)	2011 (
nvestments (non-derivative financial assets)	15,533,366	26,625,655
Cash	124,165	189,869
Accrued dividend receivable	173,706	160,11
Other assets	4,164	2,85
	15,835,401	26,978,498
Liabilities		
Accrued liabilities	13,583	19,20
Distributions payable to holders of redeemable units	108,701	77,79
Derivative liabilities	462,433	54,33
	584,717	151,33
Total net assets attributable to holders of redeemable units	15,250,684	26,827,16
Total Net Assets Attributable to Holders of Redeemable Units for each class	-,,	-,- , -
Common Class	13,702,299	23,886,45
Advisor Class	1,548,385	2,940,71
Redeemable units outstanding [note 6]	1,040,000	2,340,715
	674 000	1 004 00
Common Class	674,022	1,024,02
Advisor Class	75,979	125,97
Net assets attributable to holders of redeemable units per unit	00.00	00.0
Common Class	20.33	23.3
Advisor Class	20.38	23.3
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017		
	December 31	December 3
	2018 (\$)	2017 (
Revenues		
Dividends	910,008	1,050,396
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	1,227,916	1,935,91
Net realized gain (loss) on derivatives	208,241	(592,02
Net realized gain (loss) on foreign exchange	26,437	(4,14)
Net change in unrealized appreciation (depreciation) of investments	(3,195,636)	737,35
Net change in unrealized appreciation (depreciation) of derivatives	(408,100)	(38,89)
	(1,231,134)	3,088,59
Foreign exchange gain (loss) on cash	2,073	(72
	(1,229,061)	3,087,87
Expenses [note 7]		, ,
Management fees	134,394	207,52
Transaction costs [note 3 and note 9]	20,207	23,23
Service fees	17,872	17,41
	15,745	19,88
HSLevnense	10,140	5,03
	3 537	
Independent Review Committee fees	3,537	
Independent Review Committee fees	-	
Independent Review Committee fees Interest expense	191,755	273,334
Independent Review Committee fees Interest expense	<u>191,755</u> (3,537)	273,334 (56,89
Independent Review Committee fees Interest expense Expenses waived by manager	191,755 (3,537) 188,218	273,334 (56,899 216,439
Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax	191,755 (3,537) 188,218 (1,417,279)	273,334 (56,899 216,439 2,871,430
Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes		273,334 (56,899 216,439 2,871,430 115,10
Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units	191,755 (3,537) 188,218 (1,417,279)	273,334 (56,899 216,439 2,871,430 115,10
Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units	191,755 (3,537) 188,218 (1,417,279) 90,447 (1,507,726)	273,33 (56,89 216,43 2,871,43 115,10 2,756,32
Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Common Class	191,755 (3,537) 188,218 (1,417,279) 90,447 (1,507,726) (1,354,721)	273,33 (56,89 216,43 2,871,43 115,10 2,756,32 2,592,79
Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Common Class	191,755 (3,537) 188,218 (1,417,279) 90,447 (1,507,726)	273,33 (56,89 216,43 2,871,43 115,10 2,756,32 2,592,79
Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Common Class	191,755 (3,537) 188,218 (1,417,279) 90,447 (1,507,726) (1,354,721)	273,33 (56,89 216,43 2,871,43 115,10 2,756,32 2,592,79
	191,755 (3,537) 188,218 (1,417,279) 90,447 (1,507,726) (1,354,721)	273,334 (56,89) 216,433 2,871,436 115,107 2,756,329 2,592,79 163,538
Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units for each class Common Class Advisor Class Increase (Decrease) in net assets attributable to holders of redeemable units per unit	191,755 (3,537) 188,218 (1,417,279) 90,447 (1,507,726) (1,354,721) (153,005)	233 273,334 (56,899 216,433 2,871,436 115,107 2,756,329 2,592,797 163,538 2,44 2,44 2,13

On behalf of the Trustee, FT Portfolios Canada Co.

..... Director

..... Director

First Trust AlphaDEXTM European Dividend Index ETF (CAD-Hedged) STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS For the years ended December 31, 2018 and 2017

	December 31	December 31	December 31	December 31
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
	Common	Common	Advisor	Advisor
	Class	Class	Class	Class
Net assets attributable to holders of redeemable units, beginning of year	23,886,452	26,462,714	2,940,715	1,643,870
Increase (decrease) in net assets attributable to holders of redeemable units	(1,354,721)	2,592,791	(153,005)	163,538
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	3,411,884	6,923,115	-	1,173,138
Redemption of units	(11,596,225)	(11,300,580)	(1,202,741)	(479)
·	(8,184,341)	(4,377,465)	(1,202,741)	1,172,659
Distributions to holders of redeemable units from:				
Net investment income	(645,061)	(681,437)	(36,581)	(29,552)
Capital gains	(0+0,001)	(001,407)	(00,001)	(20,002)
Return of capital	(30)	(110,151)	(3)	(9,800)
	(645,091)	(791,588)	(36,584)	(39,352)
In success (Desures) in wet seconds attribute his to halders of undesweeking units for the user	(40,404,452)	(2,576,262)	(1 202 220)	1 200 045
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	(10,184,153)	(2,576,262)	(1,392,330)	1,296,845
Net assets attributable to holders of redeemable units, end of year	13,702,299	23,886,452	1,548,385	2,940,715
			December 31	December 31
		-	2018 (\$) Total	2017 (\$) Total
Net assets attributable to holders of redeemable units, beginning of year			26,827,167	28,106,584
			,,	,,
Increase (decrease) in net assets attributable to holders of redeemable units			(1,507,726)	2,756,329
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			3.411.884	8.096.253
Redemption of units			(12,798,966)	(11,301,059)
			(9,387,082)	(3,204,806)
Distributions to be block of an descended with former				
Distributions to holders of redeemable units from: Net investment income			(691 640)	(710.000)
Capital gains			(681,642)	(710,989)
Capital gains Return of capital			(33)	- (119,951)
			(681,675)	(830,940)
			(,0)	(,510)
Increase (Decrease) in net assets attributable to holders of redeemable units for the period	d		(11,576,483)	(1,279,417)
Not access attributable to holders of radiomable units, and of year			15 250 694	06 007 467
Net assets attributable to holders of redeemable units, end of year See accompanying notes which are an integral part of these financial statements.			15,250,684	26,827,167

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

STATEMENTS OF CASH FLOW For the years ended December 31, 2018 and 2017		
	December 31 2018 (\$)	December 31 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(1,507,726)	2,756,329
Adjustments for:		
Net realized (gain) loss on sale of investments	(1,227,916)	(1,935,910)
Change in unrealized (appreciation) depreciation of investments and derivatives	3,603,736	(698,463)
Dividends receivable	(13,589)	(10,312)
Other assets	(1,307)	1,745
Other liabilities	(5,625)	(1,224)
Purchases of investments	(18,921,081)	(24,611,718)
Proceeds from the sale of investments	28,045,651	28,447,165
	9,972,143	3,947,612
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	3,411,884	8,096,253
Amount paid on redemptions of units	(12,798,966)	(11,301,059)
Distributions paid to unitholders	(650,765)	(842,629)
	(10,037,847)	(4,047,435)
Increase (Decrease) in cash for the year	(65,704)	(99,823)
Cash, beginning of year	189,869	289,692
Cash, end of year	124,165	189,869
Dividends received, net of withholding taxes	805,972	924,977

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.

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, 2018 and 2017:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2018					
	Level 1	Level 2	Level 3	Total		
Equities	15,533,366		_	15,533,366		
Derivative assets	-	-	_	_		
Derivative liabilities	-	(462,433)	_	(462,433)		
Total	15,533,366	(462,433)	_	15,070,933		
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2017					
	Level 1	Level 2	Level 3	Total		
Equities	26,625,655	-	_	26,625,655		
Derivative assets	-	-	_	_		
Derivative liabilities	_	(54,332)	_	(54,332)		
Total	26,625,655	(54,332)	_	26,571,323		

There have been no transfers from one Level to another for the years ended December 31, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Common Class	Advisor Class
Outstanding units – January 1, 2017	1,224,001	76,000
Redeemable units issued	300,021	50,000
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(500,000)	(21)
Outstanding units – December 31, 2017	1,024,022	125,979
Redeemable units issued	150,000	_
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(500,000)	(50,000)
Outstanding units – December 31, 2018	674,022	75,979

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 ¹			
0.60% 1.60%			

¹Includes a service fee of 1.00%

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2018 and 2017 were as follows:

Net Capital	Losses (\$)	Non-Capita	al Losses (\$)
2018	2017	2018	2017
323,531	1,155,920	_	_

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, 2018 and 2017 are as follows:

Transaction Cost (\$)			
2018 2017			
20,207 23,238			

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management		Management Fee Payable (\$)		
2018	2017	2018	2017	
134,394	207,527	7,939 12,534		

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At December 31, 2018		At December	31, 2017
Index	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
MSCI Europe Index (Local Currency)	631,378	(631,378)	1,411,109	(1,411,109)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2018 and 2017:

	At Decembe	r 31, 2018	At December 31, 2017		
Currency	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets	
United States Dollar	15,706,677	102.99	26,790,392	99.86	
Swiss Francs	(529,270)	(3.47)	(1,501,963)	(5.60)	
British Pound Sterling	(6,841,300)	(44.86)	(9,630,205)	(35.90)	
Euro	(6,919,076)	(45.37)	(12,380,712)	(46.15)	
Total	1,417,031	9.29	3,277,512	12.21	

As at December 31, 2018, 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 \$14,170 (December 31, 2017 - \$32,775). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk - The table below summarizes the concentration risk for the years ended December 31, 2018 and 2017:

	As a % of net assets at redeemal	
Country	December 31, 2018	December 31, 2017
United Kingdom	40.61	32.51
Netherlands	13.98	20.10
Spain	7.58	8.12
Luxembourg	6.19	0.77
France	5.95	3.94
Sweden	5.42	_
Italy	5.01	4.05
Ireland	4.38	1.67
Switzerland	3.37	5.56
Norway	3.25	2.27
Finland	2.86	_
Russia	2.54	4.10
Germany	0.71	7.12
Jersey, Channel Islands	_	1.74
Israel	_	3.39
Denmark	-	2.22
United States		1.69
Total	101.85	99.25

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

INTERNATIONAL EQUITES Filt and -2.89% Naka CYL, ADR 64.387 413.558 450.897 2.90 France-3.89% 5 5 5 5 5 France-3.89% 5 <		Number of Shares	Average Cost (\$)	Fair	% of Total	
Finance28% Subsection 54.05.87 2.05.87 2.05 Fance	INTERNATIONAL EQUITES	of Silares	COSI (\$)	Value (\$)	% OF TOLAT	
France-Ssiy statistic statistic statistic Somo SA, ADR 7,212 490,148 513,755 3.53 TOTAL AS, ADR 7,212 490,148 513,755 3.53 Germany-D71%		54,987	413,558	436,897	2.86	
Sand B., ADR 6.632 98.800 98.800 98.800 Semany—OrtAL, SA, ADR 7.212 482,880 98.9789 5.85 Germany—OrtAL 7.249 116,882 118,775 0.7 Terlam 116,882 118,775 0.7 Germany—OrtAL 116,882 118,775 0.7 Terlam 116,882 118,775 0.7 Sinte PLC, ADR 7,249 323,014 280,705 250,700 Iaiy—Oft - 66,414 667,776 4.33 Taiy ADR 17,765 750,663 753,462 5.0 Taixembourg—6,19% - 756,663 753,462 5.0 Acatombourg—6,19% 72,842 960,070 230,992 1.45 Acatombourg—6,19% 72,842 960,070 230,992 1.65 Nether Land—1.39% 6,10 100,770 450,723 6.10 Not Group MADR 72,842 100,770 450,723 6.10 Not Group MADR 72,852 102,723			413,558	436,897	2.86	
TOTAL SAAR 7.212 492,086 513,755 3.3. Germany-D-71% 595,059 996,799 5.9. Fereshius Modeal Care AG & Co. KGaA, ADR 2.460 116,852 100,778 0.7 Teinad-L.37% 7.249 323,031 290,788 1.7 CRH FLC, ADR 7.249 323,031 290,788 1.7 Sine PLC, ADR 1.7.76 756,083 761,982 5.0 Law-Soft% 755,083 761,982 5.0 5.0 Law-Soft% 756,083 761,982 5.0 5.0 Law-Soft% 752,852 5.0						
Bestand 96,789 99,789 99,789 Freesrum, Modial Care AG & Co. KGaA, ADR 2,460 116,852 108,773 0.7 Ireland–4,39% 72,49 52,201 28,773 0.7 Gen PLC, ADR 7,249 52,201 28,076 34,334 407,008 2.6 Bite PLC, ADR 17,735 759,663 763,862 66,777 67,73 Italy-A-50% En SPA, ADR 17,755 769,663 763,862 60 Italy-A-50% Trans 5A, ADR 17,755 769,663 763,862 60 Consentbourg50% Accondition 24,942 960,690 700,811 46 Accondition 72,642 717,724 461,228 30,0 01,01,00 70 Accondition 72,642 133,708 94,732 6,1 333,708 94,732 6,1 Accondition 72,642 108,073 30,0 10,101 10,000 70 70 70 70 70 70 70 70 70					2.58	
Germany-D-71% Freeman, Model (Gar AG & Co, KGaA, ADR 2.440 116,882 108,773 0.77 Teenanus Model (Gar AG & Co, KGaA, ADR 116,882 108,779 0.77 CRH PLC, ADR 7,249 323,031 200,785 1.7 Shire PLC, ADR 1,713 333,304 407,005 2.6 Teenanus Model (Gar AG & Co, KGaA, ADR 17,765 756,083 763,082 5.0 Teenanus Model (Gar AG & Co, KGaA, ADR 17,765 756,083 763,082 5.0 Lusenbourg-6.19% 756,083 763,082 5.0 763,082 5.0 AccolmMital 2.4,942 066,090 703,851 4.6 763,082 5.0 Netherland=13.98% AECON NV 72,052 572,774 401,203 3.0 100,101 120,700 0.7 NG Groop NV, ADR 2.642 120,803 106,803 101,101 120,700 0.7 100 7 100,877,004 37,040 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2.	TOTAL SA, ADR	7,212			3.37	
Presention Medical Care AG & Co. KGaA, ADR 2,460 116,852 108,778 0.77 Iteland—439's 7,249 522,001 267,678 1.7.7 Shre PLC, ADR 1,7,39 343,384 407,008 2.50 End PLC, ADR 1,7,75 756,083 763,982 5.60 End SPA, ADR 17,755 750,083 763,982 5.60 Terrand SA, ADR 24,942 396,705 236,882 1.55 Terrand SA, ADR 72,652 572,704 4.61,208 3.03 MG Groep NV, ADR 72,642 326,207 106,357 0.03 MG Groep NV, ADR 2,642 120,850 117,75 0.04,403 3.04 MG Groep NV, ADR 2,840 <td< td=""><td>Germany-0 71%</td><td></td><td>855,806</td><td>500,785</td><td>5.95</td></td<>	Germany-0 71%		855,806	500,785	5.95	
Intellined-439% Control Control <thcontrol< th=""> Control <thcontrol< th=""></thcontrol<></thcontrol<>	•	2,460	116,852	108,778	0.71	
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Isby-Bo1% Fiss PA AOR 17,765 756,083 763,962 5.0 Ers SPA AOR 17,765 756,083 763,962 5.0 Luxembourg-6.19% 24,942 966,999 703,831 4.66 Tenarts SA, ADR 2,24,22 306,700 230,892 1.5 Netherland—13.89% 2,832,705 984,723 66,11 AEGON IN 72,652 572,794 461,208 3.0 ING Greep IV, ADR 8,300 161,015 120,790 0.7 School Shell PLC, Class Y, ADR 8,300 161,015 120,790 0.7 Simicrohectrowics IV 2,242 120,820 120,837 0.8 Simicrohectrowics IV 2,244 306,800 130,209 117,752 722 2,132,223 13.8 Norway—3,25% 2,237,722 2,132,223 13.8 146,707 465,744 3.2.2 Spain-7,55% 2,547,724 456,744 3.2.2 155,57,94 2.5 Spain-7,55% 5,084 130,426 17,743	Shire PLC, ADR	1,713			2.67	
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Norway-3.25% 17,153 494,707 495,744 3.22 Equinor ASA, ADR 17,153 494,707 495,744 3.22 Russia - 2.54% 494,707 495,744 3.22 Russia - 2.54% 40,591 467,061 387,904 2.5 Spain - 7.58% 467,061 387,904 2.5 Banco Saltander SA, ADR 63,189 446,5076 386,470 2.5 Grifols SA, ADR 5,084 130,426 127,431 0.8 Telefonica SA, ADR 5,084 130,426 127,431 0.8 Telefonica SA, ADR 5,084 130,426 127,431 0.8 Sweden5.42% 1,423,874 1,155,319 7.65 Sweden5.42% 68,286 691,486 826,897 5.44 Switzerland3.37% 68,286 613,342 3.3 3.3 United Kingdom40.61% 4,382 508,062 513,342 3.3 3.3 United Kingdom40.61% 12,123 175,716 124,789 0.8 3.3		00,000			13.98	
Hobile 494,707 495,744 3.21 Russia—2.54% 400,591 467,061 387,904 2.5- Mobile feleSystems PJSC, ADR 467,061 387,904 2.5- Spain—7.68% 467,061 387,904 2.5- Banco Bilbao Vizcaya Argentaria SA, ADR 35,428 356,110 255,858 1.66 Banco Santarder SA, ADR 63,189 485,976 386,470 2.55 Grifols SA, ADR 5,084 130,426 127,431 0.8- Telefonica SA, ADR 33,383 451,362 385,560 2.55 Swedom—5.42% 1423,874 1,165,319 7.58 Swedom—5.42% 68,286 691,486 826,897 5.44 Switzeriand—3.37% 68,286 691,486 826,897 5.44 Swetis AG, ADR 5,036 245,290 261,118 1.77 Barclays PLC, ADR 5,036 245,290 261,118 1.77 Barclays PLC, ADR 14,199 714,635 735,059 4.85 BT CoupRLC, ADR	Norway—3.25%		, - ,	, - , -		
Russia – 2.54% 40,591 467,061 387,904 2.5. Mobile TeleSystems PJSC, ADR 467,061 387,904 2.5. Spain – 7.58% 35,428 356,110 255,858 1.66 Banco Bilbao Vizcaya Argentaria SA, ADR 35,428 356,110 255,858 1.66 Banco Santander SA, ADR 63,189 485,976 386,470 2.55 Grifols SA, ADR 50,084 130,426 127,431 0.8 Telefonkliebolaget LM Ericsson, Class B', ADR 68,286 691,486 826,897 5.44 Switzerland—3.37% Novartis AG, ADR 68,286 691,486 826,897 5.44 Switzerland—3.37% Sostaget State 5038,062 513,342 3.3 United Kingdom—40.61% 4,382 508,062 513,342 3.3 United Kingdom—40.61% 12,123 175,716 124,789 0.85 British American Tobacco PLC, ADR 16,430 945,405 714,627 4.66 British American Tobacco PLC, ADR 16,430 945,405 714,627 4	Equinor ASA, ADR	17,153	494,707	495,744	3.25	
Mobile TeleSystems PJSC, ADR 40,591 467,061 387,904 2.50 Spain—7.58% Banco Bilbao Vizcaya Argentaria SA, ADR 35,428 356,110 255,858 1.66 Banco Silbao Vizcaya Argentaria SA, ADR 63,189 485,976 386,470 2.50 Grifols SA, ADR 63,189 485,976 386,470 2.50 Carlot SA, ADR 5,084 130,426 127,431 0.84 Telefonica SA, ADR 5,084 130,426 127,431 0.84 Sweden—5.42% 1,423,874 1,455,319 7.55 Sweden—5.42% 691,486 826,897 5.44 Switzerland—3.37% 691,486 826,897 5.44 Novartis AG, ADR 4,382 508,062 513,342 3.3 United Kingdom—40.61% 4,382 508,062 513,342 3.3 British American Tobacco PLC, ADR 14,199 714,635 735,059 4.88 British American Tobacco PLC, ADR 14,199 714,635 735,059 4.88 British American Tobacco PLC, ADR			494,707	495,744	3.25	
467,061 387,904 2.5- Spain—7.58% 35,428 356,110 255,858 1.60 Banco Silbao Vizcaya Argentaria SA, ADR 35,428 366,110 255,858 1.60 Banco Santander SA, ADR 63,189 485,976 386,470 2.53 Grifols SA, ADR 5,084 130,426 127,431 0.84 Telefonaktiebolaget LM Ericsson, Class 'B', ADR 68,286 691,486 826,897 5.44 Sweden—5.42% 1,423,874 1,155,319 7.56 Switzerland—3.37% 68,286 691,486 826,897 5.44 Novartis AG, ADR 4,382 508,062 513,342 3.33 United Kingdom—40.61% 4,382 508,062 513,342 3.33 United Kingdom—40.61% 4,2363 12,123 175,716 124,789 0.85 Barclays PLC, ADR 12,123 175,716 124,789 0.85 British American Tobacco PLC, ADR 16,430 945,405 714,627 4.66 British American Tobacco PLC, ADR 14,199						
Spain—7.58% Second Silbao Vizcaya Argentaria SA, ADR 35,428 356,110 255,858 1.66 Banco Santander SA, ADR 63,189 485,976 386,470 2.55 Banco Santander SA, ADR 5,084 130,426 127,431 0.86 Telefónica SA, ADR 33,383 451,362 385,560 2.55 1,423,874 1,155,319 7.58 Sweden—5.42% Telefonica SA, ADR 68,286 691,486 826,897 5.44 Sweden—6.42% Telefonaktiebolaget LM Ericsson, Class 'B', ADR 68,286 691,486 826,897 5.44 Swetzerland—3.37% Noverlis AG, ADR 5,036 245,290 261,118 1.7' Gase 26,897 5.44 Suitzerland—3.37% Noverlis AG, ADR 5,036 245,290 261,118 1.7' Barclags PLC, ADR 5,036 245,290 261,118 1.7' Barclags PLC, ADR 14,199 714,635 </td <td>Mobile TeleSystems PJSC, ADR</td> <td>40,591</td> <td></td> <td></td> <td>2.54</td>	Mobile TeleSystems PJSC, ADR	40,591			2.54	
Banco Bilbao Vizcaya Argentaria SA, ADR 35,428 356,110 255,858 1.60 Banco Santander SA, ADR 63,189 448,976 336,470 2.53 Grifols SA, ADR 5,084 130,426 127,431 0.80 Telefonica SA, ADR 33,383 451,362 335,560 2.53 Sweden—5.42% 1,423,874 1,155,319 7.54 Telefonica SA, ADR 68,286 691,486 826,897 5.42 Switzerland—3.37% 68,286 691,486 826,897 5.42 Novartis AG, ADR 4,382 508,062 513,342 3.33 United Kingdom—40,61% 4,382 508,062 513,342 3.33 Ber PLC, ADR 5,036 245,290 261,118 1.77 Barclags PLC, ADR 14,199 714,635 736,059 4.83 BP PLC, ADR 14,199 714,635 736,059 4.83 BT Group PLC, ADR 14,839 744,627 4.66 BT Group PLC, ADR 14,839 745,626 264,566 <t< td=""><td></td><td></td><td>467,061</td><td>387,904</td><td>2.54</td></t<>			467,061	387,904	2.54	
Banco Santander SA, ADR 63,189 485,976 386,470 2.50 Grifolis SA, ADR 5,084 130,426 127,431 0.84 Telefonica SA, ADR 33,383 451,362 385,560 2.55 1,423,874 1,155,319 7.58 Sweden—5.42% 1,423,874 1,155,319 7.54 Telefonaktiebolaget LM Ericsson, Class 'B', ADR 68,286 691,486 826,897 5.44 Switzerland—3.37% Novartis AG, ADR 4,382 508,062 513,342 3.3 United Kingdom—40.61% 4,382 508,062 513,342 3.3 3.35 Derice ADR 5,036 245,290 261,118 1.7 Barclays PLC, ADR 5,036 245,290 261,118 1.7 Barclays PLC, ADR 14,199 714,635 735,059 4.86 British American Tobacco PLC, ADR 16,430 945,405 714,627 4.66 Diageo PLC, ADR 14,389 255,774 268,690 1.77 GlaxoSmithKline PLC, ADR 9,578	•	35.429	356 110	255 959	1.69	
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1,423,874 1,155,319 7.55 Sweden—5.42% 7 68,286 691,486 826,897 5.42 Felefonaktiebolaget LM Ericsson, Class 'B', ADR 68,286 691,486 826,897 5.42 Switzerland—3.37% Novartis AG, ADR 4,382 508,062 513,342 3.33 Jointed Kingdom—40.61% AstraZeneca PLC, ADR 5,036 245,290 261,118 1.7' Barclays PLC, ADR 12,123 175,716 124,789 0.82 BP PLC, ADR 14,199 714,635 735,059 4.88 Br Group PLC, ADR 16,430 945,405 714,627 4.68 BT Group PLC, ADR 13,899 255,774 268,890 1.76 Diageo PLC, ADR 9,578 493,938 499,630 3.22 HSBC Holdings PLC, ADR 9,576 493,938 499,630 3.22 HSBC Holdings PLC, ADR 4,714 278,546 264,566 1.77 Loyds Banking Group PLC, ADR 35,428					2.53	
Telefonaktiebolaget LM Ericsson, Class 'B', ADR 68,286 691,486 826,897 5.44 Switzerland—3.37%					7.58	
691,486 826,897 5.44 Switzerland—3.37%	Sweden-5.42%					
Switzerland—3.37% Novartis AG, ADR 4,382 508,062 513,342 3.33 United Kingdom—40.61% 5036 245,290 261,118 1.77 Barclays PLC, ADR 5,036 245,290 261,118 1.77 Barclays PLC, ADR 12,123 175,716 124,789 0.83 BP PLC, ADR 14,199 714,635 735,059 4.83 BT Group PLC, ADR 16,430 945,405 714,627 4.66 Diageo PLC, ADR 13,389 255,774 268,890 1.77 GlaxoSmithKline PLC, ADR 9,578 493,938 499,630 3.24 HSBC Holdings PLC, ADR 4,714 278,546 264,566 1.77 Lioyds Banking Group PLC, ADR 35,428 157,992 123,818 0.87	Telefonaktiebolaget LM Ericsson, Class 'B', ADR	68,286	691,486	826,897	5.42	
Novartis AG, ADR 4,382 508,062 513,342 3.33 United Kingdom-40.61% 5036 245,290 261,118 1.77 Barclays PLC, ADR 5,036 245,290 261,118 1.77 Barclays PLC, ADR 12,123 175,716 124,789 0.83 BP PLC, ADR 14,199 714,635 735,059 4.83 BT Group PLC, ADR 16,430 945,405 714,627 4.63 BT Group PLC, ADR 34,286 800,686 711,470 4.63 Diageo PLC, ADR 1,389 255,774 268,890 1.77 GlaxoSmithKline PLC, ADR 9,578 493,938 499,630 3.22 HSBC Holdings PLC, ADR 4,714 278,546 264,566 1.77 Lioyds Banking Group PLC, ADR 35,428 157,992 123,818 0.87			691,486	826,897	5.42	
508,062 513,342 3.33 United Kingdom-40.61%		4 000	500.000	540.040	0.07	
United Kingdom-40.61% AstraZeneca PLC, ADR 5,036 245,290 261,118 1.7 Barclays PLC, ADR 12,123 175,716 124,789 0.82 BP PLC, ADR 12,123 175,716 124,789 0.82 British American Tobacco PLC, ADR 16,430 945,405 714,627 4.66 BT Group PLC, ADR 34,286 800,686 711,470 4.66 Diageo PLC, ADR 1,389 255,774 268,890 1.76 BSC Holdings PLC, ADR 9,578 493,938 499,630 3.22 HSBC Holdings PLC, ADR 4,714 278,546 264,566 1.77 Lloyds Banking Group PLC, ADR 35,428 157,992 123,818 0.87	Novartis AG, ADR	4,382				
AstraZeneca PLC, ADR 5,036 245,290 261,118 1.7 Barclays PLC, ADR 12,123 175,716 124,789 0.8 BP PLC, ADR 14,199 714,635 735,059 4.8 British American Tobacco PLC, ADR 16,430 945,405 714,627 4.66 BT Group PLC, ADR 13,488 800,686 711,407 4.65 Diageo PLC, ADR 1,389 255,774 268,080 1.7 GlaxoSmithKline PLC, ADR 9,578 493,938 499,630 3.22 HSBC Holdings PLC, ADR 4,714 278,546 264,566 1.7 Lloyds Banking Group PLC, ADR 35,428 157,992 123,818 0.8	United Kingdom-40 64%		500,002	513,342	3.37	
Barclays PLC, ADR 12,123 175,716 124,789 0.83 BP PLC, ADR 14,199 714,635 735,059 4.83 British American Tobacco PLC, ADR 16,430 945,405 714,627 4.66 BT Group PLC, ADR 34,286 800,686 711,470 4.66 Diageo PLC, ADR 1,389 255,774 268,890 1.76 GlaxoSmithKline PLC, ADR 9,578 493,938 499,630 3.28 HSBC Holdings PLC, ADR 4,714 278,546 264,566 1.77 Lloyds Banking Group PLC, ADR 35,428 157,992 123,818 0.87	-	5.036	245,290	261,118	1.71	
BP PLC, ADR 14,199 714,635 735,059 4.83 British American Tobacco PLC, ADR 16,430 945,405 714,627 4.66 BT Group PLC, ADR 34,286 800,686 711,470 4.66 Diageo PLC, ADR 1,389 255,774 268,890 1.76 GlaxoSmithKline PLC, ADR 9,578 493,938 499,630 3.22 HSBC Holdings PLC, ADR 4,714 278,546 264,566 1.77 Lloyds Banking Group PLC, ADR 35,428 157,992 123,818 0.87					0.82	
British American Tobacco PLC, ADR 16,430 945,405 714,627 4.66 BT Group PLC, ADR 34,286 800,686 711,470 4.66 Diageo PLC, ADR 1,389 255,774 268,890 1.76 GlaxoSmithKline PLC, ADR 9,578 493,938 499,630 3.26 HSBC Holdings PLC, ADR 4,714 278,546 264,566 1.77 Lloyds Banking Group PLC, ADR 35,428 157,992 123,818 0.87					4.82	
BT Group PLC, ADR 34,286 800,686 711,470 4.65 Diageo PLC, ADR 1,389 255,774 268,890 1.76 GlaxoSmithKline PLC, ADR 9,578 493,938 499,630 3.26 HSBC Holdings PLC, ADR 4,714 278,546 264,566 1.77 Lloyds Banking Group PLC, ADR 35,428 157,992 123,818 0.87					4.69	
Diageo PLC, ADR 1,389 255,774 268,890 1.76 GlaxoSmithKline PLC, ADR 9,578 493,938 499,630 3.26 HSBC Holdings PLC, ADR 4,714 278,546 264,566 1.77 Lloyds Banking Group PLC, ADR 35,428 157,992 123,818 0.87					4.67	
GlaxoSmithKline PLC, ADR 9,578 493,938 499,630 3.24 HSBC Holdings PLC, ADR 4,714 278,546 264,566 1.77 Lloyds Banking Group PLC, ADR 35,428 157,992 123,818 0.87					1.76	
HSBC Holdings PLC, ADR 4,714 278,546 264,566 1.73 Lloyds Banking Group PLC, ADR 35,428 157,992 123,818 0.83	•				3.28	
Lloyds Banking Group PLC, ADR 35,428 157,992 123,818 0.87					1.73	
					0.81	
	National Grid PLC, ADR	7,503	530,103	491,464	3.22	

Total Net Assets Attributable to Holders of Redeemable Units		16,763,286	15,250,684	100.00
Other assets, less liabilities			179,751	1.19
Unrealized depreciation on derivatives - see Schedule 1			(462,433)	(3.04)
Transaction costs		(10,817)		
Total investments		16,774,103	15,533,366	101.85
		6,808,772	6,194,012	40.61
WPP PLC, ADR	10,383	959,219	776,783	5.09
Vodafone Group PLC, ADR	9,331	347,516	245,602	1.61
Smith & Nephew PLC, ADR	5,382	271,842	274,650	1.80
Rio Tinto PLC, ADR	8,577	501,429	567,668	3.72
RELX Group	4,779	130,681	133,878	0.88

SCHEDULE OF INVESTMENT PORTFOLIO As at December 31, 2018 Schedule 1

	Credit								Appreciation
	Rating of	Settlement C	urrency	Amount C	urrency	Amount	Forward	Current	(Depreciation)
Counterparty	Counterparty*	Date	Sell	Sold	Buy	Bought	Rate	Rate	\$
Bank of New York Mellon (The), New York	A-1+	2019-01-31	CHF	380,338	CAD	515,000	0.739	0.719	(14,270)
Bank of New York Mellon (The), New York	A-1+	2019-01-31	EUR	4,416,269	CAD	6,724,300	0.657	0.638	(195,399)
Bank of New York Mellon (The), New York	A-1+	2019-01-31	GBP	3,929,087	CAD	6,589,000	0.596	0.574	(252,764)
									(462,433)

* Commercial paper rating per Stand and Poor's Commerical Paper Guide

First Trust Senior Loan ETF (CAD-Hedged)

	December 31	December
	2018 (\$)	2017 (
Assets		
nvestments (non-derivative financial assets)	77,895,576	127,790,54
Cash	4,720,788	14,580,34
Accrued interest receivable	296,879	496,60
Receivable for portfolio securities sold	7,120,842	2,220,55
Derivative assets	45,594	705,57
Other assets	20,777	22,57
	90,100,456	145,816,19
Liabilities	70 500	100.0
Accrued liabilities	79,583	122,6
Payable for portfolio securities purchased	1,354,266	5,406,7
Distributions payable to holders of redeemable units	699,701	433,92
Derivative liabilities	1,787,141	
	3,920,691	5,963,35
Total net assets attributable to holders of redeemable units	86,179,765	139,852,84
Total Net Assets Attributable to Holders of Redeemable Units for each class Common Class	95 097 174	120 602 00
Advisor Class	85,087,174 1,092,591	138,693,98 1,158,86
Redeemable units outstanding [note 6]	1,032,031	1,100,00
Common Class	4,690,010	7,190,01
Advisor Class	59,990	59,99
Net assets attributable to holders of redeemable units per unit		
Common Class	18.14	19.2
Advisor Class	18.21	19.3
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017		
	December 24	December
	December 31 2018 (\$)	December 2017 (
Revenues	December 31 2018 (\$)	December 2017
		2017
Interest income for distribution purposes	2018 (\$)	2017
Interest income for distribution purposes Other changes in fair value of investments and derivatives	2018 (\$) 6,333,460	2017 9,289,60
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments	2018 (\$) 6,333,460 (417,722)	2017 9,289,60 (8,517,35
nterest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives	2018 (\$) 6,333,460 (417,722) (7,613,686)	2017 9,289,60 (8,517,35 11,536,75
nterest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024)	2017 9,289,60 (8,517,35 11,536,75 9,077,12
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914	2017 9,289,60 (8,517,35 11,536,75 9,077,12 (13,408,60
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120)	2017 9,289,60 (8,517,38 11,536,75 9,077,12 (13,408,60 (647,22
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178)	2017 9,289,60 (8,517,38 11,536,75 9,077,12 (13,408,60 (647,22 7,330,30
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178) 458,762	2017 9,289,60 (8,517,38 11,536,75 9,077,12 (13,408,60 (647,22 7,330,30 (918,03
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178)	2017 9,289,60 (8,517,38 11,536,75 9,077,12 (13,408,60 (647,22 7,330,30
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7]	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178) 458,762 327,584	2017 9,289,60 (8,517,35 11,536,75 9,077,12 (13,408,60 (647,22 7,330,33 (918,03 6,412,27
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178) 458,762 327,584 998,810	2017 9,289,60 (8,517,32 11,536,75 9,077,12 (13,408,60 (647,22 7,330,30 (918,03 6,412,27 1,683,82
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178) 458,762 327,584 998,810 106,533	2017 9,289,60 (8,517,38 11,536,74 9,077,12 (13,408,60 (647,22 7,330,33 (918,03 6,412,23 1,683,82 199,58
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Independent Review Committee fees	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178) 458,762 327,584 998,810 106,533 18,577	2017 9,289,60 (8,517,32 11,536,72 9,077,12 (13,408,60 (647,22 7,330,33 (918,02 6,412,22 1,683,82 199,56 38,70
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Independent Review Committee fees	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178) 458,762 327,584 998,810 106,533 18,577 5,763	2017 9,289,60 (8,517,33 11,536,75 9,077,11 (13,408,60 (647,22 7,330,30 (918,02 6,412,22 1,683,82 199,54 38,70 5,84
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Independent Review Committee fees Service fees	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178) 458,762 327,584 998,810 106,533 18,577 5,763 1,129,683	2017 9,289,60 (8,517,33 11,536,75 9,077,12 (13,408,60 (647,22 7,330,30 (918,02 6,412,22 1,683,82 199,58 38,77 5,84 1,927,90
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Independent Review Committee fees Service fees	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178) 458,762 327,584 998,810 106,533 18,577 5,763 1,129,683 (18,577)	2017 9,289,60 (8,517,32 11,536,75 9,077,12 (13,408,60 (647,22 7,330,33 (918,03 6,412,27 1,683,82 199,55 38,70 5,84 1,927,96 (38,70
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Independent Review Committee fees Service fees Expenses waived by the manager	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178) 458,762 327,584 998,810 106,533 18,577 5,763 1,129,683	2017 9,289,60 (8,517,32 11,536,77 9,077,12 (13,408,60 (647,22 7,330,33 (918,02 6,412,22) 1,683,82 199,55 38,70 5,58 1,927,90 (38,70 (38,70) 1,889,22
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178) 458,762 327,584 998,810 106,533 18,577 5,763 1,129,683 (18,577) 1,111,106	2017 9,289,60 (8,517,32 11,536,77 9,077,12 (13,408,60 (647,22 7,330,33 (918,02 6,412,22) 1,683,82 199,55 38,70 5,58 1,927,90 (38,70 (38,70) 1,889,22
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Independent Review Committee fees Service fees Expenses waived by the manager Increase (Decrease) in net assets attributable to holders of redeemable units	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178) 458,762 327,584 998,810 106,533 18,577 5,763 1,129,683 (18,577) 1,111,106	2017 9,289,60 (8,517,33 11,536,75 9,077,12 (13,408,60 (647,22 7,330,30 (918,02 6,412,22 1,683,82 199,58 38,77 5,84 1,927,90
Interest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Independent Review Committee fees Service fees Expenses waived by the manager Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units for each class	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178) 458,762 327,584 998,810 106,533 18,577 5,763 1,129,683 (18,577) 1,111,106 (783,522)	2017 9,289,60 (8,517,32 11,536,72 9,077,12 (13,408,60 (647,22 7,330,33 (918,03 6,412,23 1,683,82 199,56 38,77 5,58 1,927,90 (38,77 1,889,22 4,523,02
nterest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Independent Review Committee fees Service fees Expenses waived by the manager Increase (Decrease) in net assets attributable to holders of redeemable units for each class Common Class	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178) 458,762 327,584 998,810 106,533 18,577 5,763 1,129,683 (18,577) 1,111,106 (783,522) (762,318)	2017 9,289,60 (8,517,33 11,536,7 9,077,11 (13,408,60 (647,22 7,330,33 (918,02 6,412,2 ² 1,683,82 199,56 38,70 5,84 1,927,90 (38,70 1,889,22 4,523,00 4,502,66
nterest income for distribution purposes Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Wanagement fees HST expense Astronomittee fees Service fees Expenses waived by the manager Increase (Decrease) in net assets attributable to holders of redeemable units for each class Common Class Advisor Class	2018 (\$) 6,333,460 (417,722) (7,613,686) (598,024) 4,611,914 (2,447,120) (131,178) 458,762 327,584 998,810 106,533 18,577 5,763 1,129,683 (18,577) 1,111,106 (783,522) (762,318)	2017 9,289,6 (8,517,3 11,536,7 9,077,1 (13,408,6 (647,2 7,330,3 (918,0 6,412,2 1,683,8 199,5 38,7 5,8 1,927,9 (38,7 1,889,2 4,523,0 4,502,6

On behalf of the Trustee, FT Portfolios Canada Co.

In

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..... 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, 2018 and 2017

	December 31	December 31	December 31	December 31
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$
	Common	Common	Advisor	Adviso
	Class	Class	Class	Class
Net assets attributable to holders of redeemable units, beginning of year	138,693,986	149,762,199	1,158,860	1,175,359
Increase (Decrease) in net assets attributable to holders of redeemable units	(762,318)	4,502,686	(21,204)	20,335
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	8,660,739	82,287,423	-	
Reinvested distributions	15,008		-	
Redemption of units	(56,255,072)	(90,052,668)	-	(193
	(47,579,325)	(7,765,245)	-	(193
Distributions to holders of redeemable units from: Net investment income	(5.264.050)	(7 207 052)	(45.065)	(26.641
Capital gains	(5,264,959)	(7,287,852)	(45,065)	(36,641
Return of capital	(210)	(517,802)	-	
	(5,265,169)	(7,805,654)	(45,065)	(36,641
	(0,200,100)	(1,000,001)	(10,000)	(00,011
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	(53,606,812)	(11,068,213)	(66,269)	(16,499
Net assets attributable to holders of redeemable units, end of year	85,087,174	138,693,986	1,092,591	1,158,860
			December 31 2018 (\$)	December 3 ⁻ 2017 (\$
		-	Total	Total
Net assets attributable to holders of redeemable units, beginning of year			139,852,846	150,937,558
Increase (Decrease) in net assets attributable to holders of redeemable units			(700 500)	4,523,021
			(783,522)	4,525,021
			(783,522)	4,525,021
Redeemable unit transactions [note 6]				
Redeemable unit transactions [note 6] Proceeds from issuance of units			8,660,739	
Redeemable unit transactions [note 6] Proceeds from issuance of units Reinvested distributions				82,287,423
Redeemable unit transactions [note 6] Proceeds from issuance of units Reinvested distributions			8,660,739 15,008	82,287,423 (90,052,861
Redeemable unit transactions [note 6] Proceeds from issuance of units Reinvested distributions Redemption of units			8,660,739 15,008 (56,255,072)	82,287,423 (90,052,861
Redeemable unit transactions [note 6] Proceeds from issuance of units Reinvested distributions Redemption of units Distributions to holders of redeemable units from:			8,660,739 15,008 (56,255,072) (47,579,325)	82,287,423 (90,052,861 (7,765,438
Redeemable unit transactions [note 6] Proceeds from issuance of units Reinvested distributions Redemption of units Distributions to holders of redeemable units from: Net investment income			8,660,739 15,008 (56,255,072)	82,287,423 (90,052,861 (7,765,438
Redeemable unit transactions [note 6] Proceeds from issuance of units Reinvested distributions Redemption of units Distributions to holders of redeemable units from: Net investment income Capital gains			8,660,739 15,008 (56,255,072) (47,579,325) (5,310,024)	82,287,423 (90,052,861 (7,765,438 (7,324,493
Redeemable unit transactions [note 6] Proceeds from issuance of units Reinvested distributions Redemption of units Distributions to holders of redeemable units from: Net investment income Capital gains			8,660,739 15,008 (56,255,072) (47,579,325) (5,310,024) - (210)	82,287,423 (90,052,861 (7,765,438 (7,324,493 (517,802
Redeemable unit transactions [note 6] Proceeds from issuance of units Reinvested distributions			8,660,739 15,008 (56,255,072) (47,579,325) (5,310,024)	4,523,521 82,287,423 - (90,052,861 (7,765,438 (7,324,493 - (517,802 (7,842,295
Redeemable unit transactions [note 6] Proceeds from issuance of units Reinvested distributions Redemption of units Distributions to holders of redeemable units from: Net investment income Capital gains			8,660,739 15,008 (56,255,072) (47,579,325) (5,310,024) - (210)	82,287,423 - (90,052,861 (7,765,438 (7,324,493 - (517,802

First Trust Senior Loan ETF (CAD-Hedged)

STATEMENTS OF CASH FLOW For the years ended December 31, 2018 and 2017		
	December 31 2018 (\$)	December 31 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(783,522)	4,523,021
Adjustments for:		
Net realized (gain) loss on sale of investments	417,722	8,517,355
Change in unrealized (appreciation) depreciation of investments and derivatives	(2,164,794)	14,055,824
Interest receivable	199,723	62,668
Other assets	1,801	(7,448)
Other liabilities	(43,096)	2,426
Purchases of investments	(187,069,941)	(576,719,920)
Proceeds from the sale of investments	232,206,330	563,404,805
	42,764,223	13,838,731
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	8,660,739	82,287,423
Amount paid on redemptions of units	(56,255,072)	(90,052,861)
Distributions paid to unitholders	(5,029,445)	(7,921,413)
	(52,623,778)	(15,686,851)
Increase (Decrease) in cash for the year	(9,859,555)	(1,848,120)
Cash, beginning of year	14,580,343	16,428,463
Cash, end of year	4,720,788	14,580,343
Interest received	6,533,183	9,352,271

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks is 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, 2018 and 2017:

	Financial Assets at Fair Value (\$) As at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Bonds and Senior Loans	-	77,848,317	-	77,848,317
Equities	-	-	47,259	47,259
Derivative assets		45,594		45,594
Derivative liabilities	-	(1,787,141)	-	(1,787,141)
Total	-	76,106,770	47,259	76,154,029
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Bonds and Senior Loans	_	127,790,540	_	127,790,540
Equities	_	_	_	_
Derivative assets	_	705,574	_	705,574
Total	_	128,496,114	_	128,496,114

There have been no transfers from one Level to another for the years ended December 31, 2018 and 2017. All fair value measurements above are recurring. The reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented below.

Redeemable Units	December 31, 2018	December 31, 2017
Beginning Balance	-	-
Purchases	49,465	_
Sales	_	_
Net Transfers	_	_
Realized Gains (Losses)	_	_
Change in Unrealized Appreciation (Depreciation)	(2,206)	_
Ending Balance	47,259	_

As at December 31, 2018, Level 3 investments were not significant to the First Trust ETF. 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.

The Level 3 investment is valued using a broker quote received through a service provider which is indicative of fair value. The unobservable input used to value the security is the broker quote. The effect of a change in input by 5% increase/decrease will increase/decrease fair value by \$2,363 (December 31, 2017 – \$nil).

C. REDEEMABLE UNITS (NOTE 6) - The First Trust ETF issued (redeemed) the following units during the years ended December 31, 2018 and 2017:

Redeemable Units	Common Class	Advisor Class
Outstanding units – January 1, 2017	7,640,000	60,000
Redeemable units issued	4,200,010	_
Redeemable units issued on reinvestments	-	_
Redeemable units redeemed	(4,650,000)	(10)
Outstanding units – December 31, 2017	7,190,010	59,990
Redeemable units issued	450,000	_
Redeemable units issued on reinvestments	-	_
Redeemable units redeemed	(2,950,000)	_
Outstanding units – December 31, 2018	4,690,010	59,990

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 ¹		
0.85% 1.35%		

¹Includes a service fee of 0.50%

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2018 and 2017 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2018 2017		2018	2017
10,869,375	3,253,723	_	_

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, 2018 and 2017 are as follows:

Transaction Cost (\$)		
2018 2017		

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
998,810	1,683,828	67,979	106,085

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, 2018 and 2017:

		At December 31, 2018				
	Less than 1 year (\$)	1-3 years (\$)	3-5 years (\$)	>5 years (\$)	Total (\$)	
High Yield Bonds and Senior Loans	379,634	2,273,483	18,431,374	56,763,826	77,848,317	
Total	379,634	2,273,483	18,431,374	56,763,826	77,848,317	
		At December 31, 2017				
	Less than 1 year (\$)	1-3 years (\$)	3-5 years (\$)	>5 years (\$)	Total (\$)	
High Yield Bonds and						
Senior Loans	6,093,266	6,989,027	50,454,394	64,253,853	127,790,540	
Total	6,093,266	6,989,027	50,454,394	64,253,853	127,790,540	

At December 31, 2018, the weighted average duration of the First Trust ETF was 0.36 years (December 31, 2017 – 0.41 years). If interest rates increased or decreased by 1% at December 31, 2018, with all other variables remaining constant, net assets would have decreased or increased by approximately \$778,483 (December 31, 2017 - \$1,277,905). 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, 2018 and 2017:

	As a % of net assets attributable to holders of redeemable units		
Debt Securities by S&P Rating	December 31, 2018	December 31, 2017	
BBB+	-	-	
BBB	-	-	
BBB-	5.34	0.73	
BB+	3.03	3.52	
BB	7.26	6.45	
BB-	12.82	18.96	
B+	22.12	22.99	
В	27.35	22.76	
В-	11.21	12.22	
CCC+	0.26	0.44	
CCC	0.28	1.43	
CCC-	-	0.60	
CC	-	-	
С	-	-	
D	0.62	1.27	
NR	0.03	_	

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2018 and 2017:

	At December 31, 2018		At December 31, 2017	
Currency	Net Exposure (\$) % Net Assets		Net Exposure (\$)	% Net Assets
United States Dollar	(542,295)	(0.63)	(494,438)	(0.35)

As at December 31, 2018, 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 \$5,423 (December 31, 2017 - \$4,944). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk - The table below summarizes the concentration risk for the years ended December 31, 2018 and 2017:

	As a % of net assets attributable to holders of redeemable units		
Sector	December 31, 2018	December 31, 2017	
Health Care	31.06	32.73	
Consumer Discretionary	17.17	14.80	
Information Technology	14.75	13.05	
Financials	8.44	8.04	
Industrials	7.41	5.55	
Communication Services	5.21	1.53	
Energy	3.07	4.98	
Materials	2.25	1.98	
Consumer Staples	1.02	8.72	
Total	90.39	91.38	

Below are the First Trust ETF's breakdown by geographic exposure as at December 31, 2018 and 2017:

	As a % of net assets attributable to holders of redeemable units		
Country	December 31, 2018 December 31, 20		
United States	82.83	83.36	
Canada	5.60	6.77	
United Kingdom	0.69	0.06	
Ireland	0.56	-	
Spain	0.27	0.16	
Netherlands	0.23	0.12	
Luxembourg	0.21	-	
France	-	0.91	
Total	90.39	91.38	

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

			Number	Average	Fair	
F			of Shares	Cost (\$)	Value (\$)	% of Total
Equities - 0.05% Ascent Resources - Marcellus LLC			11,973	49,070	47,132	0.05
Ascent Resources - Marcellus LLC, Warrants			3,100	395	127	0.00
				49,465	47,259	0.05
	Par Value USD	Coupon Rate/Yield	Maturity Date	Average Cost (\$)	Fair Value (\$)	% of Total
High Yield Bonds - 2.34%						
CSC Holdings LLC, Callable	177,000	5.500%	15-May-26	229,341	228,350	0.27
JDA Escrow LLC / JDA Bond Finance Inc., Callable MPH Acquisition Holdings LLC, Callable	164,000 500,000	7.375% 7.125%	15-Oct-24 01-Jun-24	218,430 669,226	226,132 638,231	0.26 0.74
Nexstar Escrow Corp., Callable	250,000	5.625%	01-Jun-24 01-Aug-24	331,774	319,969	0.74
Sinclair Television Group Inc., Callable	250,000	5.625%	01-Aug-24	332,467	320,822	0.37
SPX FLOW Inc., Callable	97,000	5.625%	15-Aug-24	124,621	125,803	0.15
TRI Pointe Holdings Inc.	125,000	5.875%	15-Jun-24	171,933	152,945	0.18
Carrier Lasma 90.00%				2,077,792	2,012,252	2.34
Senior Loans - 88.00% 1011778 B.C. ULC	108,505	3.250%	15-Feb-24	140,882	140,848	0.16
21st Century Oncology Inc.	936,991	7.125%	16-Jan-23	1,143,202	1,148,065	1.33
Advantage Sales & Marketing Inc.	259,712	4.250%	23-Jul-21	278,023	311,420	0.36
Advanz Pharma Corp.	341,759	6.500%	06-Sep-24	441,331	443,890	0.52
Air Medical Group Holdings Inc.	122,596	4.250%	28-Apr-22	155,904	155,913	0.18
Air Medical Group Holdings Inc.	126,556	5.250%	14-Mar-25	155,443	160,185	0.19
Air Methods Corp.	711,541	4.500%	21-Apr-24	935,068	764,624	0.89
Akorn Inc.	359,155	6.500%	16-Apr-21	375,960	395,320	0.46
Akzonobel Specialty Chemicals (Starfruit)	99,000	3.250%	01-Oct-25	127,125	129,073	0.15
Albertson's LLC AlixPartners LLP	550,505	3.750%	22-Jun-23	740,208	712,092	0.82
Alliant Holdings Intermediate LLC	988,671 390,023	2.750% 2.750%	04-Apr-24 09-May-25	1,237,400 500,959	1,293,814 502,140	1.50 0.58
Amwins Group Inc.	1,367,768	3.750%	25-Jan-24	1,753,349	1,780,915	2.07
Applied Systems Inc.	319,291	4.000%	13-Sep-24	394,625	414,463	0.48
Applied Systems Inc.	182,885	8.000%	13-Sep-25	222,836	242,808	0.28
Aristocrat Technologies	96,711	1.750%	19-Oct-24	123,428	126,420	0.14
Ascent Resources Marcellus Holdings LLC	16,667	7.500%	30-Mar-23	21,076	22,725	0.03
Asurion LLC	886,862	3.000%	04-Aug-22	1,130,564	1,160,584	1.35
Asurion LLC	117,000	6.500%	31-Jul-25	149,493	157,633	0.18
Avast Software BV (Sybil)	148,101	3.500%	30-Sep-23	195,090	195,212	0.23
Beacon Roofing Supply Inc.	63,616	2.250%	02-Jan-25	79,060	82,420	0.10
Berlin Packaging LLC	700,606	3.000%	07-Nov-25	898,845	898,399	1.05
Cablevision (CSC Holdings Inc.)	112,270 209,661	2.250% 2.500%	17-Jul-25 25-Jan-26	145,404 260,292	145,072 273,944	0.17 0.32
Cablevision (CSC Holdings Inc.) Caesars Resort Collection LLC	1,841,362	2.500%	23-Jan-20 22-Dec-24	2,301,041	2,409,679	2.80
CCC Information Services Inc.	451,429	4.000%	26-Apr-24	599,152	583,935	0.68
CDRH Parent Inc. (Healogics Inc.)	1,041,206	5.250%	01-Jul-21	1,112,572	1,279,309	1.48
Century Link (Qwest)	332,308	2.750%	31-Jan-25	428,546	422,364	0.49
Change Healthcare Holdings LLC	1,351,000	3.750%	01-Mar-24	1,760,200	1,745,249	2.03
CHG Healthcare Services Inc.	556,574	4.000%	07-Jun-23	712,666	727,543	0.84
Cineworld Group PLC (Crown)	393,025	2.500%	05-Feb-25	492,812	506,151	0.59
CityCenter Holdings LLC	877,870	3.000%	18-Apr-24	1,151,504	1,132,121	1.31
ClubCorp Holdings Inc.	1,456,692	2.750%	18-Sep-24	1,844,609	1,871,006	2.17
Concentra Inc. (MJ Acquisitions Corp.)	428,182	2.750%	01-Jun-22	561,347	558,250	0.65
Cumulus Media New Holdings Inc.	133,296	5.500%	15-May-22	171,294	169,920	0.20
Duff & Phelps Corp. (Deerfield Dakota) Dupage Medical Group (Midwest Physician)	1,067,247 850,973	4.250% 3.500%	13-Feb-25	1,366,211	1,375,357	1.61
Dynatrace LLC	734,134	3.250%	15-Aug-24 22-Aug-25	1,068,312 956,899	1,115,278 968,414	1.29 1.13
Endo Luxembourg Finance Co. I SARL	1,556,478	5.000%	29-Apr-24	2,064,487	2,008,033	2.33
Envision Healthcare Corp.	726,661	3.750%	10-Oct-25	936,319	922,237	1.07
Financial & Risk US Holdings Inc. (Refinitiv)	275,114	3.750%	01-Oct-25	356,260	356,806	0.41
Garda World Security Corp.	335,753	4.500%	26-May-24	426,474	435,833	0.50
Gates Global LLC	926,579	3.750%	31-Mar-24	1,188,112	1,198,947	1.39
GFL Environmental Inc.	500,686	4.000%	31-May-25	666,328	636,030	0.74
Golden Nugget Inc.	584,236	3.500%	04-Oct-23	736,490	765,696	0.89
GoodRX Inc.	280,343	3.000%	15-Oct-25	362,044	367,893	0.43
Gray Television Inc.	497,925	2.500%	01-Nov-25	650,651	655,493	0.76
Grifols Worldwide Operations USA Inc.	177,300	2.250%	31-Jan-25	222,380	231,797	0.27
H.B. Fuller Co.	137,568	2.000%	20-Oct-24	180,095	176,258	0.20
HUB International Ltd.	407,695	3.000%	25-Apr-25	515,074	524,408	0.61

Other assets, less liabilities						
Unrealized depreciation on derivatives - see Schedule 1					(1,787,141) 10,025,736	(2.07) 11.63
Unrealized appreciation on derivatives - see Schedule 1					45,594	0.05
					, ,	
Total investments				78,373,909	77,895,576	90.39
				76,246,652	75,836,065	88.00
Westinghouse Electric (Brookfield WEC Holdings Inc.)	218,239	4.500%	31-Jul-25	283,961	287,992	0.33
Vistra Operations Co. LLC	714,263	2.000%	31-Dec-25	912,674	936,243	1.09
Vistra Operations Co. LLC	756,258	2.250%	14-Dec-23	953,223	990,289	1.15
Vistra Operations Co. LLC	196,008	2.000%	04-Aug-23	256,501	257,405	0.30
VICI Properties (Caesars) Virgin Media Finance PLC	626,429 70,000	2.000% 2.500%	20-Dec-24 15-Jan-26	804,866 88,559	814,716 90,296	0.95 0.10
Vertafore Inc.	925,036	3.250%	15-Jun-25	1,190,958	1,196,951	1.39
Verscend Holding Corp.	140,007	4.500%	27-Aug-25	182,439	184,448	0.21
Versant Health (Wink Holdco Inc.)	787,460	4.000%	02-Dec-24	1,007,979	1,016,452	1.17
Valeant Pharmaceuticals International Inc.	1,956,734	3.000%	01-Jun-25	2,518,211	2,545,941	2.97
USI. Inc. of New York	1,121,827	3.000%	15-May-24	1,500,094	1,441,541	1.67
U.S. Renal Care Inc.	755,643	5.250%	30-Dec-22	992,234	979,507	1.14
TransDigm Inc.	277,008	2.500%	30-May-25	357,118	356,014	0.41
Toys "R" US-Delaware Inc.	240,027	9.750%	25-Apr-20	295,701	157,289	0.18
Toys "R" US-Delaware Inc.	567,509	5.250%	25-May-18	720,459	379,634	0.00
Tempo Acquisition LLC	446,312	3.000%	00-Feb-24 01-May-24	592,115	581,886	0.68
SUSE (Marcel Lux IV SARL) Team Health Inc.	140,507 1,118,751	3.250% 3.750%	30-Sep-25 06-Feb-24	184,183 1,463,655	183,668 1,361,222	0.21 1.58
Surgery Center Holdings Inc.	826,418	4.250%	31-Aug-24	1,089,213	1,071,115	1.24
Station Casinos Inc (Red Rocks)	355,459	3.250%	08-Jun-23	465,818	464,824	0.54
Stars Group Holdings BV (Amaya)	1,399,307	3.500%	10-Jul-25	1,830,890	1,841,886	2.14
SS&C European Holdings SARL	1,386,194	2.250%	16-Apr-25	1,786,635	1,781,705	2.06
Sotera Health Holdings LLC (Sterigenics)	1,197,575	4.000%	15-May-22	1,592,130	1,562,715	1.81
Sinclair Television Group Inc.	540,375	2.250%	03-Jan-24	723,696	698,990	0.81
Scientific Games International Inc.	220,951	2.750%	14-Aug-24	289,522	282,359	0.32
Science Applications International Corp.	56,135	1.750%	31-Oct-25	73,186	72,996	0.08
RP Crown Parent (JDA Software Group)	1,295,892	4.000% 3.750%	12-Oct-23	1,654,594	1,700,685	1.97
Riverbed Technology Inc. Rodan & Fields LLC	48,665	4.250%	24-Apr-22 15-Jun-25	62,593	60,874	0.07
Reynolds Group Holdings Inc. Riverbed Technology Inc.	739,924 781,587	2.750% 4.250%	05-Feb-23 24-Apr-22	946,299 1,019,163	959,638 1,004,144	1.11 1.16
Reece International Pty Ltd. (Hamilton)	55,559	2.000%	02-Jul-25	71,832	72,435	0.08
Realogy Corp.	498,744	3.000%	08-Feb-25	654,331	643,436	0.75
Quikrete Holdings Inc.	1,555,038	2.750%	15-Nov-23	2,050,241	2,018,128	2.34
Qlik Technologies (Project Alpha Intermediate Holding Inc.)	225,714	4.500%	26-Apr-24	303,058	295,819	0.34
Pharmaceutical Product Development Inc. (PPDI)	398,969	3.500%	18-Aug-22	519,503	516,077	0.60
Peabody Energy Corp.	77,077	2.750%	31-Mar-25	97,847	101,806	0.12
Parexel International Corp.	1,250,969	2.750%	27-Sep-24	1,574,215	1,539,176	1.78
Packers Holdings LLC	488,139	4.000%	04-Dec-24	623,060	643,083	0.75
Ortho-Clinical Diagnostics Inc.	1,181,701	3.250%	31-May-25	1,527,833	1,492,764	1.73
MultiPlan Inc (MPH Acquisition Holdings LLC)	949,000	3.750%	07-Jun-23	1,277,901	1,224,318	1.42
Multi-Color Corp.	65,406	2.000%	30-1100-24 31-Oct-24	85,263	84,660	0.01
Misys Financial Software Ltd. (Almonde Inc.) Mitchell International Inc.	1,022,140 398,997	4.500% 3.250%	13-Jun-24 30-Nov-24	1,323,888 517,064	1,296,755 523,947	0.61
Micro Focus International (MA Financeco LLC)	757,899	2.500%	21-Jun-24	955,171 1 323 888	961,397 1 296 755	1.12 1.51
MGM Growth Properties Operating Partnership L.P.	69,643	2.000%	23-Mar-25	89,150	90,832	0.11
Messer Industries USA Inc.	141,004	2.500%	30-Sep-25	180,076	182,233	0.21
Mallinckrodt International Finance SA	193,204	3.750%	24-Feb-25	243,553	242,756	0.28
Mallinckrodt International Finance SA	193,194	3.500%	24-Sep-24	241,767	241,330	0.28
Lumileds (Bright Bidco BV)	508,902	4.500%	30-Jun-24	650,258	580,120	0.67
Lotus Midstream (Centurion Pipeline Company LLC)	222,812	3.250%	30-Sep-25	290,638	288,972	0.34
Level 3 Financing Inc.	512,127	2.250%	22-Feb-24	672,679	662,451	0.77
Las Vegas Sands LLC	398,997	1.750%	27-Mar-25	517,759	518,914	0.60
Kronos Inc.	378,266	3.000%	01-Nov-23	494,053	489,726	0.57
RB Holding Corp. (Arby's / Inspire Brands)	126,124	4.250%	18-Jan-25	157,361	163,833	0.19
	489,906	3.250%	06-Aug-22	612,585	647,918	0.7
Ineos US Finance LLC Informatica Corp.	91,414	2.000%	31-Mar-24	117,496	117,623	0.14

78,373,909

86,179,765

100.00

Total Net Assets Attributable to Holders of Redeemable Units

SCHEDULE OF INVESTMENT PORTFOLIO As at December 31, 2018 Schedule 1

	Credit Rating of	Settlement C	urrency	Amount C	urrency	Amount	Forward	Current (Appreciation Depreciation)
Counterparty	Counterparty*	Date	Sell	Sold	Buy	Bought	Rate	Rate	\$
Bank of New York Mellon (The), New York	A-1+	1/31/2019	CAD	3,700,000	USD	2,745,744	1.348	1.364	45,594
									45,594
Bank of New York Mellon (The), New York	A-1+	1/31/2019	USD	67,578,680	CAD	90,400,000	0.748	0.733	(1,787,141)
									(1,787,141)

 * Commercial paper rating per Stand and Poor's Commerical Paper Guide

First Trust Short Duration High Yield Bond ETF (CAD-Hedged)

STATEMENTS OF FINANCIAL POSITION As at December 31, 2018 and December 31, 2017		
	December 31	December 31
	2018 (\$)	2017 (\$
Assets		
Investments (non-derivative financial assets)	12,408,059	17,942,360
Cash	1,355,772	1,642,630
Accrued interest receivable	160,311	236,065
Receivable for portfolio securities sold	28,803	97,608
Derivative assets	-	99,575
Other assets	700	1,457
	13,953,645	20,019,695
Liabilities		
Accrued liabilities	27,219	33,478
Payable for portfolio securities purchased	84,759	148,363
Distributions payable	138,200	71,695
Derivative liabilities	273,804	-
Tatal wat assats atteile dala la ta baldana af vadasmala unita	523,982	253,536
Total net assets attributable to holders of redeemable units Net assets attributable to holders of redeemable units per class	13,429,663	19,766,159
Advisor Class	9,004,652	11,721,793
Common Class	4,425,011	8,044,366
Redeemable units outstanding [note 6]	4,423,011	0,044,300
Advisor Class	504,440	604,440
Common Class	224,171	374,171
Net assets attributable to holders of redeemable units per unit	224,171	574,171
Advisor Class	17.85	19.39
Common Class	19.74	21.50
	10.14	21.00
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017		
	December 31	December 31
D	2018 (\$)	2017 (\$
Revenues Interest income for distribution purposes	1,067,297	1,296,626
	1,007,297	1,290,020
Other changes in fair value of investments and derivatives	(04.070)	(404 444
Net realized gain (loss) on sale of investments	(21,672)	(101,111
Net realized gain (loss) on derivatives	(1,142,833)	1,340,413
Net realized gain (loss) on foreign exchange	(37,057)	341
Net change in unrealized appreciation (depreciation) of investments	215,649	(1,172,616
Net change in unrealized appreciation (depreciation) of derivatives		
Net change in unrealized appreciation (depreciation) of derivatives	(373,379)	(112,330
	(291,995)	1,251,323
Foreign exchange gain (loss) on cash	(291,995) 101,910	1,251,323 (15,819
Foreign exchange gain (loss) on cash	(291,995)	1,251,323 (15,819
Foreign exchange gain (loss) on cash Expenses [note 7]	(291,995) 101,910 (190,085)	1,251,323 (15,819 1,235,504
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees	(291,995) 101,910 (190,085) 149,644	1,251,323 (15,819 1,235,504 190,375
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees	(291,995) 101,910 (190,085) 149,644 55,733	1,251,323 (15,819 1,235,504 190,375 67,982
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees HST expense	(291,995) 101,910 (190,085) 149,644 55,733 21,250	1,251,323 (15,819 1,235,504 190,375 67,982 28,955
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees	(291,995) 101,910 (190,085) 149,644 55,733 21,250 2,775	1,251,323 (15,819 1,235,504 190,375 67,982 28,955 4,378
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees HST expense Independent Review Committee fees	(291,995) 101,910 (190,085) 149,644 55,733 21,250 2,775 229,402	1,251,323 (15,819 1,235,504 190,375 67,982 28,955 4,378 291,690
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees HST expense	(291,995) 101,910 (190,085) 149,644 55,733 21,250 2,775 229,402 (2,775)	1,251,323 (15,819 1,235,504 190,375 67,982 28,955 4,378 291,690 (4,378
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees HST expense Independent Review Committee fees Expenses waived by manager	(291,995) 101,910 (190,085) 149,644 55,733 21,250 2,775 229,402 (2,775) 226,627	1,251,323 (15,819 1,235,504 190,375 67,982 28,955 4,378 291,690 (4,378 287,312
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees HST expense Independent Review Committee fees Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax	(291,995) 101,910 (190,085) 149,644 55,733 21,250 2,775 229,402 (2,775) 226,627 (416,712)	1,251,323 (15,819 1,235,504 190,375 67,982 28,955 4,378 291,690 (4,378 287,312 948,192
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees HST expense Independent Review Committee fees Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes	(291,995) 101,910 (190,085) 149,644 55,733 21,250 2,775 229,402 (2,775) 226,627 (416,712) (211)	1,251,323 (15,819 1,235,504 190,375 67,982 28,955 4,378 291,690 (4,378 287,312 948,192 321
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees HST expense Independent Review Committee fees Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units	(291,995) 101,910 (190,085) 149,644 55,733 21,250 2,775 229,402 (2,775) 226,627 (416,712)	1,251,323 (15,819 1,235,504 190,375 67,982 28,955 4,378 291,690 (4,378 287,312 948,192 321
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees HST expense Independent Review Committee fees Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units	(291,995) 101,910 (190,085) 149,644 55,733 21,250 2,775 229,402 (2,775) 226,627 (416,712) (211) (416,501)	1,251,323 (15,819 1,235,504 190,375 67,982 28,955 4,378 291,690 (4,378 287,312 948,192 321 947,871
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees HST expense Independent Review Committee fees Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Advisor Class	(291,995) 101,910 (190,085) 149,644 55,733 21,250 2,775 229,402 (2,775) 226,627 (416,712) (211) (416,501) (307,474)	1,251,323 (15,819 1,235,504 190,375 67,982 28,955 4,378 291,690 (4,378 287,312 948,192 321 947,871 570,479
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees HST expense Independent Review Committee fees Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Correase (Decrease) in net assets attributable to holders of redeemable units Correase (Decrease) in net assets attributable to holders of redeemable units Common Class	(291,995) 101,910 (190,085) 149,644 55,733 21,250 2,775 229,402 (2,775) 226,627 (416,712) (211) (416,501)	1,251,323 (15,819 1,235,504 190,375 67,982 28,955 4,378 291,690 (4,378 287,312 948,192 321 947,871 570,479
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees HST expense Independent Review Committee fees Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units for each class Advisor Class Common Class Increase (Decrease) in net assets attributable to holders of redeemable units per unit	(291,995) 101,910 (190,085) 149,644 55,733 21,250 2,775 229,402 (2,775) 226,627 (416,712) (211) (416,501) (307,474) (109,027)	1,251,323 (15,819 1,235,504 190,375 67,982 28,955 4,378 291,690 (4,378 287,312 948,192 321 947,871 570,479 377,392
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees HST expense Independent Review Committee fees Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Common Class	(291,995) 101,910 (190,085) 149,644 55,733 21,250 2,775 229,402 (2,775) 226,627 (416,712) (211) (416,501) (307,474)	1,251,323 (15,819 1,235,504 190,375 67,982 28,955 4,378 291,690 (4,378 287,312 948,192 321 947,871

On behalf of the Trustee, FT Portfolios Canada Co.

.....

.....

..... Director

..... Director

First Trust Short Duration High Yield Bond ETF (CAD-Hedged)

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

For the years ended December 31, 2018 and 2017

For the years ended becember 51, 2016 and 2017				
	December 31	December 31	December 31	December 31
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
	Advisor	Advisor	Common	Common
	Class	Class	Class	Class
Net assets attributable to holders of redeemable units, beginning of year	11,721,793	15,666,138	8,044,366	7,993,468
Increase (decrease) in net assets attributable to holders of redeemable				
units	(307,474)	570,479	(109,027)	377,392
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	-	28,177	-	1,189,070
Reinvested distributions	16	266,558	-	160,295
Redemption of units	(1,890,024)	(4,010,902)	(3,175,215)	(1,102,242
	(1,890,008)	(3,716,167)	(3,175,215)	247,123
Distributions to holders of redeemable units from:				
Net investment income	(510 650)	(215 667)	(225 112)	(105 702
Capital gains	(519,659)	(215,667) (582,990)	(335,113)	(185,703 (387,914
Return of capital	-	(382,990)	-	(307,914
	(519,659)	(798,657)	(335,113)	(573,617
	X	,		
Increase (Decrease) in net assets attributable to holders of redeemable				
units for the year	(2,717,141)	(3,944,345)	(3,619,355)	50,898
Net assets attributable to holders of redeemable units, end of year	9,004,652	11,721,793	4,425,011	8,044,366
······, ·····, ·····, ·····, ·····,	-,	, ,	.,,.	-,,
			December 31	December 3
		-	2018 (\$)	2017 (\$
Not assate attributable to belders of redeemable units beginning of year			Total 19,766,159	Tota 23,659,606
Net assets attributable to holders of redeemable units, beginning of year			19,700,159	23,059,000
Increase (decrease) in net assets attributable to holders of redeemable uni	ts		(416,501)	947,871
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			-	1,217,247
Reinvested distributions			16	426,853
Redemption of units	(5,065,239)	(5,113,144		
·			(5,065,223)	(3,469,044
Distributions to holders of redeemable units from:			(054, 770)	(101.070
Net investment income			(854,772)	(401,370
Capital gains Return of capital			-	(970,904
Retuil of capital			(854,772)	(1,372,274
			(004,772)	(1,012,214
Increase (Decrease) in net assets attributable to holders of redeemable uni	(6,336,496)	(3,893,447		
Net assets attributable to holders of redeemable units, end of year			13,429,663	19,766,159
See accompanying notes which are an integral part of these financial statements	S.		, ,,	, ,

First Trust Short Duration High Yield Bond ETF (CAD-Hedged)

STATEMENTS OF CASH FLOW For the years ended December 31, 2018 and 2017

	December 31 2018 (\$)	December 31 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(416,501)	947,871
Adjustments for:		
Net realized (gain) loss on investments	21,672	101,111
Change in unrealized (appreciation) depreciation of investments and derivatives	157,730	1,284,946
Interest receivable	75,754	55,033
Dividends receivable	-	498
Other assets	757	6,096
Other liabilities	(6,259)	(9,528)
Purchases of investments	(14,049,419)	(23,286,439)
Proceeds from the sale of investments	19,782,898	26,680,786
	5,566,632	5,780,374
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	-	1,217,247
Amount paid on redemptions of units	(5,065,239)	(5,113,144)
Distributions paid to unitholders	(788,251)	(962,626)
	(5,853,490)	(4,858,523)
Increase (Decrease) in cash for the year	(286,858)	921,851
Cash, beginning of year	1,642,630	720,779
Cash, end of year	1,355,772	1,642,630
Interest received	1,143,262	1,351,338
Dividends received, net of withholding taxes	-	498

First Trust Short Duration High Yield Bond ETF (CAD-Hedged) Notes to Financial Statements - Specific Information For the year ended December 31, 2018

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks is to provide unitholders with a high level of current income by investing primarily in a diversified portfolio of below investment grade debt securities as rated by Moody's Investor Services, Inc. (Ba1 or below), Standard & Poor's (BB+ or below) or a similar rating by a designated rating organization (as defined in NI 81-102). As a secondary objective, the First Trust ETF will seek capital appreciation.

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, 2018 and 2017:

	Financial Assets at Fair Value (\$) As at December 31, 2018					
	Level 1	Level 1 Level 2 Level 3 Tota				
Bonds and Senior Loans	_	12,408,059	1	12,408,059		
Derivative liabilities	_	(273,804)	-	(273,804)		
Total	_	12,134,255		12,134,255		
	Financial Assets at Fair Value (\$) As at December 31, 2017					
	Level 1	Level 2	Level 3	Total		
Bonds and Senior Loans	_	17,942,360	_	17,942,360		
Derivative assets	_	99,575	_	99,575		
Total	_	18,041,935	_	18,041,935		

There have been no transfers from one Level to another for the years ended December 31, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Common Class	Advisor Class
Outstanding units – January 1, 2017	370,823	808,162
Redeemable units issued	54,639	1,435
Redeemable units issued on reinvestments	-	_
Redeemable units redeemed	(51,291)	(205,157)
Outstanding units – December 31, 2017	374,171	604,440
Redeemable units issued	-	_
Redeemable units issued on reinvestments	-	_
Redeemable units redeemed	(150,000)	(100,000)
Outstanding units – December 31, 2018	224,171	504,440

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 ¹		
0.85% 1.35%		

¹Includes a service fee of 0.50%

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2018 and 2017 were as follows:

Net Capital Losses (\$)		Non-Capit	al Losses (\$)
2018 2017		2018	2017
463,732	—	_	_

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, 2018 and 2017 are as follows:

Transaction Cost (\$)		
2018 2017		

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)		
2018	2017	2018	2017	
149,644	190,375	9,927	14,287	

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, 2018 and 2017:

	At December 31, 2018				
	Less than 1 year (\$)	1-3 years (\$)	3-5 years (\$)	>5 years (\$)	Total (\$)
High Yield Bonds and Senior Loans	48,556	666,292	3,643,475	8,049,736	12,408,059
Total	48,556	666,292	3,643,475	8,049,736	12,408,059
	At December 31, 2017				
	Less than 1 year (\$)	1-3 years (\$)	3-5 years (\$)	>5 years (\$)	Total (\$)
High Yield Bonds and Senior Loans	213,991	858,097	7,558,186	9,312,086	17,942,360
Total	213,991	858,097	7,558,186	9,312,086	17,942,360

At December 31, 2018, the weighted average duration of the First Trust ETF was 2.90 years (December 31, 2017 – 2.52 years). If interest rates increased or decreased by 1% at December 31, 2018, with all other variables remaining constant, net assets would have decreased or increased by approximately \$124,081 (December 31, 2017 - \$179,424). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

First Trust Short Duration High Yield Bond ETF (CAD-Hedged) Notes to Financial Statements - Specific Information For the year ended December 31, 2018

	As a % of net assets attributable to holders of redeemable units		
Debt Securities by S&P Rating	December 31, 2018	December 31, 2017	
BBB+	-	-	
BBB	-	-	
BBB-	1.47	1.16	
BB+	2.84	2.07	
BB	12.88	8.44	
BB-	10.03	15.97	
B+	17.21	12.58	
В	17.37	13.96	
B-	14.43	20.52	
CCC+	15.24	9.53	
CCC	-	5.47	
CCC-	0.56	0.80	
CC	-	-	
D	0.36	0.26	
NR	-	-	

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2018 and 2017:

	At December 31, 2018		At Decembe	er 31, 2017
Currency	Net Exposure (\$) % Net Assets		Net Exposure (\$)	% Net Assets
United States Dollar	(420,205)	(3.13)	(83,726)	(0.42)

As at December 31, 2018, 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 \$4,202 (December 31, 2017 - \$837). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk - The table below summarizes the concentration risk as at December 31, 2018 and 2017:

	As a % of net assets attributable to holders of redeemable units		
Sector	December 31, 2018	December 31, 2017	
Health Care	25.09	26.01	
Consumer Discretionary	17.09	26.74	
Communication Services	16.45	2.37	
Information Technology	11.02	7.48	
Industrials	7.85	9.46	
Energy	4.35	7.48	
Consumer Staples	4.16	5.32	
Materials	2.87	5.04	
Financials	2.38	0.23	
Other	1.13	0.64	
Total	92.39	90.77	

First Trust Short Duration High Yield Bond ETF (CAD-Hedged) Notes to Financial Statements - Specific Information For the year ended December 31, 2018

Below are the First Trust ETF's breakdown by geographic exposure as at December 31, 2018 and 2017:

	As a % of net assets at redeema	
Country	December 31, 2018	December 31, 2017
United States	85.23	79.62
Canada	5.38	5.68
Ireland	0.88	3.31
Netherlands	0.91	0.43
France	_	0.08
Mexico	_	1.33
United Kingdom	_	0.33
Total	92.39	90.77

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

Par Value USD RataVited Maturity Date Average Cost(s) Par Value (s) % of Tota Canada—1 176. 102.000 5.0005. 15.002.43 403.02 452.02 1.0 Ditrage Tota Cost, Date Tota Tota Cost, Catable 20.000 5.0007. 15.400.24 40.02 40.02 40.02 1.0 Based The Index Tota Cost, Catable 20.000 5.0075. 15.400.24 70.000 41.600 0.0 3.000 3.000 3.000 3.000 3.000 3.000 3.000 3.000 3.000 3.000 3.000 3.000 3.000 3.000 3.000 3.000 3.000 5.000 4.000 0.000 1.000 0.000 1.000 0.000 1.000 0.000 1.000 0.000 1.000 0.000 1.000 0.000 1.000 0.000 1.000 0.000 1.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 <th></th> <th></th> <th>Coupon</th> <th></th> <th></th> <th></th> <th></th>			Coupon				
Canada - 2195 Control Status Status <thstatus< th=""> <ths< th=""><th></th><th>Par Value USD</th><th>-</th><th>Maturity Date</th><th>Average Cost (\$)</th><th>Fair Value (\$)</th><th>% of Total</th></ths<></thstatus<>		Par Value USD	-	Maturity Date	Average Cost (\$)	Fair Value (\$)	% of Total
101178 B.C. LLC / Wer Ref Drance Inc., Calable 132,000 5.007% 15 Gea.25 196.240 12.02 5.007% 15 Gea.25 196.240 12.02 5.007% 15 Gea.25 196.240 5.2 3.0 3.000 5.627% 15 June 2 3.000 5.007% 10 June 2 11 June 2	DOMESTIC BONDS						
Assure Privance Corp., Calable 32,000 8.007%, 60 Sep24 41,502 41,502 41,502 41,502 41,502 41,502 41,502 41,502 41,502 41,502 41,502 41,502 41,502 41,502 41,502 41,502 42,478 43,511 228,497 42,478 43,511 228,497 42,478 43,500 53,577 43,500 53,577 43,500 53,577 43,500 53,577 43,500 53,577 43,500 53,577 43,500 53,577 43,500 53,577 43,500 53,577 43,500 53,577 43,500 55,577 116,000 55,577 116,000 55,577 116,000 55,577 116,000 55,577 116,000 55,577 117,42 49,9 55,200 64 55,200 64 65,200 64 65,200 64 65,200 64 65,200 64 65,200 64 65,200 64 65,200 64 65,200 64 65,200 64 65,200 64 65,200							
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Bitche Eric, Auchioners Inc., Catable 25,00 5.375% 15-Jan -25 33.000 33.277 12. MTERNATIONAL BOXDS Bernads31% - - - - - - - - - - - 1.00 0.0 0.87% 15-Bel -24 77.706 41.989 0.0 0.00 5.70% 0.1-Jag -22 127.555 116.000 0.00 0.00 5.70% 0.1-Jag -22 127.555 116.000 0.00 <							0.31
Pack 11 23,497 21 Bernulo-31% Witherbord Intrustona LS, Calabo 60,000 9,87% 15-Feb.24 77,708 41,980 0.3 Loamshorg-0.68% 77,708 41,980 0.3 118,090 0.6 Mainterhord International Frances SA Mainterhood CB LLC, Catable 00,000 5.70% 01-Jung 22 12,525 118,090 0.6 Mainterhord International Frances SA Mainterhood CB LLC, Catable 07,000% 30,58p-26 12,119 12,124 0.9 Mined Kinggom-0.49% 70,000% 15-0c1/2 64,640 65,620 0.4 Accas Meetisine Histing BV, Catable 57,00% 15-Jun -25 113,061 00,0139 0.7 American Ave & Manufacturing Inc, Catable 50,000 6,20% 1-Jun -25 113,061 00,139 0.7 Mainter Gabali Inc, Catable 50,000 6,20% 1-Jun -25 113,061 00,139 0.7 BA Fricols Inc, Catable 50,000 5,20% 1-Jun -25 44,849 62,512 0.0 Bare Gabali Inc, Catable 50,000							
INTERNATIONAL BONDS Bernuda-0.1% Constrained in the intervational LL, Calable 50.00 9.87%, 15-Feb-24 77.708 41,980 0.3 Linenboarg-0.8%, individual of the intervational CB LLC, Calable 00.000 5.75%, 01-Lag 22 127.255 118.090 0.0 Nether Landson - 0.1%, intervational CB LLC, Calable 00.000 5.75%, 01-Lag 22 127.255 118.090 0.0 Nether Landson - 0.1%, intervational CB LLC, Calable 00.000 5.75%, 01-Lag 22 127.157 121.19 121.742 0.0 Acces Neterrand Helding BV, Calable 00.000 6.00%, 15-Cot.24 64.490 68.800 0.4 Virgin Media Finance CAL 0.000 6.20%, 15-Cot.24 64.490 68.800 0.4 Virgin Media Finance Calable 0.000 6.20%, 01-Lag 23 113.651 100.130 0.7 American Media Shared-Calable 0.000 6.20%, 01-Lag 23 0.4 0.2 0.4 0.2 0.2 0.4 0.2 0.2 0.4 0.2 0.2 0.2 0.2 0.2 0.2 0.2 0.2 0.2 <t< td=""><td>Ritchie Bros. Auctioneers Inc., Callable</td><td>25,000</td><td>5.375%</td><td>15-Jan-25</td><td></td><td></td><td>0.24 2.18</td></t<>	Ritchie Bros. Auctioneers Inc., Callable	25,000	5.375%	15-Jan-25			0.24 2.18
Weatherford International Lid., Calable 90.00 9.875% 15-Feb-24 77,708 41,890 0.3 Lasenboarg-0.83%	INTERNATIONAL BONDS				234,011	233,457	2.10
Trans Trans <th< td=""><td>Bermuda—0.31%</td><td></td><td></td><td></td><td></td><td></td><td></td></th<>	Bermuda—0.31%						
Lueshourg – 0.8% 91.4ug 22 127.025 116.090 0.6 Netherland – 0.9% 127.025 110.090 0.6 Accan Needmand Hoding EV, Calable 97.000 7.000% 30.54p-28 123.110 121.742 0.9 United Kingdom – 0.4% 120.110 121.742 0.9 123.110 121.742 0.9 Accan Needmand Hoding EV, Calable 50.000 6.000% 116-Oct 24 04.649 65.200 0.4 Accan Needmand Hoding EV, Calable 50.000 6.207% 15.1un 25 110.531 101.139 0.7 Accent Reveal Reveal CL, Calable 50.000 6.207% 15.1un 25 110.5361 100.139 0.7 Accent Reveal Revea	Weatherford International Ltd., Callable	50,000	9.875%	15-Feb-24			0.31
Natine conditional Finance SA / Malinekrodt GB LLC, Catable 100,000 5750% 01-Aug.22 127,525 110,000 0.8 Nather and Midding BV, Catable 7000% 30-Sep.26 122,179 127,722 0.9 Virgin Media Finance PLC, Catable 50,000 6,000% 15-Oct 24 64,649 66,820 0.4 United Mingdom—0.49%	Luxembeurg 0.000/				77,708	41,980	0.31
Networksdow 127,825 118,090 0.8 Acca Neerland Holding BV, Calable 87,000 7,000% 30.58p;26 123,119 121,742 0.9 United Kingdom0.49%, Virgin Modia Finnene PLC, Calable 60,00% 15-Oct.24 66,649 66,520 0.4 United State83.95%, And C Entratiment Holding Inc., Calable 83,000 5,700% 15-Jun-25 63,851 62,373 0.4 Add Entratiment Holding Inc., Calable 83,000 5,700% 15-Jun-25 63,851 62,373 0.4 Add Entratiment Holding Inc., Calable 83,000 5,200% 0.1-Apr.25 63,851 62,373 0.4 Berly Gao Inc., Calable 83,000 5,200% 0.1-Apr.25 40,174 38,243 0.2 Berly Gao Inc., Calable 83,000 5,000% 10.1-Apr.25 40,174 38,342 0.2 Consign Entrational Inc., Calable 100,000 5,000% 10.1-Apr.25 40,174 38,243 0.2 Consign Entrational Inc., Calable 100,000 5,000% 10.1-Apr.25 30,30 12,374	-	100 000	5 750%	01-Aug-22	127 525	118 090	0.88
Acce Needman Holding EV. Calable 97.000 70.00% 39.5ep.20 122.119 121.742 0.9 United function-0.49%. Virgi Media Filmane PLC, Calable 50.00 6.00% 15.0cb-24 64.649 65.820 0.4 United State8.99%.		,					0.88
United Kingdom – 4.4%. 122.119 121.72 0.9 Virgin Media Finance PLC, Callable 50,000 6,000% 15-Oci-24 44,649 65,820 0.4 Virgin Media Finance PLC, Callable 83,000 5,750% 15-Jun-25 113,651 100,139 0.7 Arcetican Aké & Manufacturing Inc., Callable 83,000 6,250% 01-Apr-25 24,886 52,120 0.1 BAG Foods Inc., Callable 30,000 6,250% 01-Apr-25 42,886 22,120 0.7 Bary Global Inc., Callable 30,000 6,250% 01-Apr-25 40,178 38,243 0.2 Bord Gaming Corp., Callable 180,000 6,375% 01-Apr-25 40,178 38,243 0.2 Bord Gaming Corp., Callable 170,000 6,500% 15-Apr-25 46,610 0.4 400 7.536% 14-Apr-26 246,610 239,018 1.7 Constellation Merge Sub Inc., Callable 170,000 6,500% 15-Apr-26 216,776 209,456 1.5 Constellation Merge Sub Inc., Callable 270,000 <td>Netherlands—0.91%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Netherlands—0.91%						
United Kingdom – 4.4%, Vrigh Media Finance PLC, Calabile 50,000 6,00%, 6,00%, 15-Oct-24 64,649 65,820 0.4 United States – 58,9%, ANC Entertainment Hokings Inc., Calabile 83,000 6,750%, 15-Jun-25 113,651 100,139 0.7 Anteraca Av& Mundterfurg Inc., Calabile 83,000 6,260%, 15-Apr-25 42,866 25,120 0.1 Astinead Capital Inc., Calabile 30,000 6,260%, 16-Apr-25 42,866 25,120 0.7 Berry Ghoal Inc., Calabile 30,000 5,260%, 16-Apr-26 30,340 132,595 0.0 Brinker International Inc., Calabile 100,000 6,376%, 01-Apr-26 130,340 132,595 0.0 Consellation Marges Calabile 100,000 5,76%, 01-Apr-26 130,340 132,595 0.0 Consellation Marges Calabile 100,000 5,76%, 01-Apr-26 130,340 132,595 0.0 Consellation Marges Calabile 107,000 5,76%, 01-Apr-27 06,046 15,567 Consellation Marges Calabile 170,000 </td <td>Alcoa Nederland Holding BV, Callable</td> <td>87,000</td> <td>7.000%</td> <td>30-Sep-26</td> <td></td> <td></td> <td>0.91</td>	Alcoa Nederland Holding BV, Callable	87,000	7.000%	30-Sep-26			0.91
Virgin Kesia Finance PLC, Calable 90,000 6.000% 15-Cc-24 9.649 95,820 0.4 United States—63.98% AdX 5.750% 15,1un-25 63,951 62,373 0.4 AdX CE interlinemer Holdings Inc., Calable 83,000 5.750% 15,Aup-25 63,951 62,373 0.4 Arhend Capital Inc., Calable 20,000 4.125% 15,Aup-25 40,173 38,243 0.2 Bory Global Inc., Calable 77,010 77 38,243 0.2 77,71 38,340 2.5 0.4 77,71 38,340 2.5 0.4 77,71 38,340 2.5 0.4 77,71 38,340 2.5 0.4 0.000 5.05% 01-Aup-25 24,661 12,3961 0.7 0.000 5.05% 01-Aup-25 24,670 2.39,018 1.7 Consellation Merger Sub Inc., Calable 170,000 5.75% 01-Aup-25 24,670 2.39,018 1.7 Cores Arterings LLG / CRC Invignes Haftbarder Finance Inc., Calable 170,000 5.50% 15-Aup-26 216,680 3	Linited Kingdom 0.400/				123,119	121,742	0.91
Chine 94,649 65,820 0.4 ANC Entratinment Holdings Inc., Catable 83,000 6,250%, 01-Apr.25 113,851 100,139 0.7 Anteat Ace Manufacturing Inc., Catable 90,000 6,260%, 01-Apr.25 44,866 22,120 0.1 Anteat Capital Inc., Catable 20,000 4,125%, 15-Aur.25 44,866 22,120 0.1 Berry Gobal Inc., Catable 30,000 5,250%, 01-Apr.25 44,866 0.4 Borry Gobal Inc., Catable 100,000 6,375%, 01-Apr.26 103,440 132,656 0.0 Brinker International Inc., Catable 100,000 5,750%, 10-Apr.26 246,610 239,016 1.7 Consultation Merger Stub Inc., Catable 170,000 8,500%, 15-Sep.25 216,776 209,456 15 Consultation Merger Stub Inc., Catable 170,000 5,500%, 15-Apr.27 65,180 239,316 1.7 Consultation Merger Stub Inc., Catable 170,000 5,500%, 15-Apr.27 65,180 239,018 1.7	-	50.000	6 000%	15-Oct-24	64 649	65 820	0.49
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American Avé & Manufacturing Inc., Callable 90,000 6.26% 01.47% 15.40x,025 92,951 62,973 0.44 Antend Capital Inc., Callable 30,000 5.250% 01.47x,025 94,168 25,007 01.7x BKG Foots Inc., Callable 100,000 6.375% 01.40x,025 97,412 97,711 0.77 Boyd Gaming Corp., Callable 100,000 6.375% 01.40x,025 246,66 0.40 Corp Madrians Inc., Callable 107,000 5.750% 01.40x,025 246,610 220,018 17.7 Corps Headmace Holdings LLC / CCC Holdings Capital Corp. VI, Callable 170,000 8.500% 15.40x,25 246,610 220,018 17.7 Corps Headmace Hulding LLC / Corp Inc., Callable 170,000 8.500% 15.40x,25 247,958 93,338 0.7 CSC Hadings LLC / Cons Americas Capital Corp.VI, Callable 170,000 5.500% 15.40x,22 203,359 228,358 16.8 CSC Hadings LLC, Callable 100,000 5.225% 15.40x,22 128,331 0.07 Davita HeathCare Partners Inc., Callable	United States—58.98%				,•	,	
Anthead Capital Inc., Calable 20,000 4,12% 14,Anya25 24,468 25,120 0.11 Bork Fords inc., Calable 78,000 4,50% 11,Anya25 24,018 38,34 0.22 Bory Goning Conc, Calable 78,000 4,50% 11,Anya26 97,711 0.77 Byry Garning Conc, Calable 50,000 5,500% 11,Anya2 325,71 38,840 225 Change Healthcare Holdings LLC / Change Healthcare Finance Inc., Calable 170,000 5,790% 17,447.25 246,610 230,018 1.7 Considering LLC / COC Holding LLC / Change Healthcare Finance Inc., Calable 170,000 5,790% 0.7,487.25 246,610 230,018 1.7 Considering LLC / Coc Holding LLC / Considering LLC / Change Healthcare Finance Inc., Calable 170,000 5,590% 0.7,487.95 247,958 97,968 93,39 0.7 CSC Holding LLC / Calable 0.000 5,500% 15,404.27 265,818 63,652 0.41 Davila HealthCare Pathres Inc., Calable 0.000 5,126% 15,140.24 122,397 12,633 0.10 <td></td> <td>83,000</td> <td>5.750%</td> <td>15-Jun-25</td> <td>113,651</td> <td>100,139</td> <td>0.75</td>		83,000	5.750%	15-Jun-25	113,651	100,139	0.75
BAG Foods Inc., Callable 30,000 5.269% 40,178 33,243 02 Barry Global Inc., Callable 100,000 6.373% 15-46-26 170,472 37,701 0.7 Bayrd Staming, Carp., Callable 50,000 5.000% 01-0ct-24 66,048 66,505 0.4 Cor Hodings LLC / Coc Holdings Capital Corp., Callable 250,000 5.750% 15-lan-24 325,717 330,740 2.25 Crone Berger Sub Inc., Callable 177,000 5.500% 15-Sep-25 216,775 204,666 15,500 15-Sch-25 347,968 327,341 2.4 Crow Americas Capital Corp.VI, Callable 177,000 15-Sep-25 16,776 204,866 15,800 5.500% 15-Am-26 97,068 93,39 0.7 CSC Holding LLC, Callable 158,000 5.500% 15-Am-26 97,068 93,39 0.7 CSC Holding LLC, Callable 158,000 5.500% 15-Am-26 97,068 93,39 0.7 CSC Holding LLC, Callable 158,000 15.28% 15-Ma-22 212,852 <td< td=""><td>American Axle & Manufacturing Inc., Callable</td><td>50,000</td><td>6.250%</td><td>01-Apr-25</td><td>63,951</td><td>62,373</td><td>0.46</td></td<>	American Axle & Manufacturing Inc., Callable	50,000	6.250%	01-Apr-25	63,951	62,373	0.46
Berry Gholal Inc., Callable 78,000 4.600% 167-feb.26 97,412 97,701 07,701 Boyl Gaming Corp., Callable 100,000 6.375% 11-4,ar-24 325,771 338,740 225 Corb Holdings LLC / Corb Hordings Capital Corp., Callable 250,000 5.705% 01-Mar-24 325,771 338,740 225 Corb Holdings LLC / Corb Inc., Callable 170,000 8.500% 15-Sep.25 247,096 327,341 244 Corow Americas ClL / Crow Americas Capital Corp. VI, Callable 77,000 4.750% 01-Feb.26 97,068 99,339 07,7 CSC Holdings LLC, Callable 50,000 5.600% 15-Am-27 65,168 66,852 040 Dawnord Finance Carp. / Dalamond 2 Finance Corp., Callable 10,000 5.125% 15-Jun-24 227,723 226,002 226,072 206 227,971 12,833 10,132,41 239,771 16,83 24,337 11,6 Damond 1 Finance Carp. / Dalamond 2 Finance Corp., Callable 100,000 7.425% 15-Jun-24 247,322 246,354 241,377 16,8	Ashtead Capital Inc., Callable	20,000	4.125%	15-Aug-25	24,866	25,120	0.19
Boyd Gaming Corp., Catabbé 100,000 6.375% 01-Apr-26 130,340 132,595 0.4 Brinker Intermitantian Lo., Catabbé 250,000 5.707% 15-Jan-24 325,5771 333,740 22.5 Change Healthcare Habrings LLC / Consep Healthcare Finance Inc., Catable 187,000 5.757% 15-Sep-25 216,775 230,456 15.7 CRC Escrow Issuer LLC / CRC Fince Inc., Catabbe 170,000 8.500% 15-Sep-25 216,775 203,456 17.7 CRC Escrow Issuer LLC / CRC Fince Inc., Catabbe 170,000 8.500% 15-Apr-27 65,168 66,622 0.4 CSC Holdings LLC, Catabbe 150,000 5.600% 15-Apr-27 65,168 66,622 0.4 DaVita HeathCare Partners Inc., Catabbe 97,000 7.728% 15-Jun-24 123,823 120,672 0.9 DaVita HeathCare Partners Inc., Catabbe 97,000 5.729% 15-Jun-24 123,823 120,672 0.8 93,334 0.1 Diarnord LF, Catabbe 97,000 5.000% 15-Jun-24 123,823 130,342 2.3	B&G Foods Inc., Callable	30,000	5.250%	01-Apr-25	40,178	38,243	0.28
Brinker International Inc., Calable 50000 50007 575074 65.042 66.048 64.068 04.05 Coch Dedring LLC / Change Heathcare Finance Inc., Calable 170.000 8.50074 15.8ap.25 246.610 239.018 1.7. Conselidation Merger Sub Inc., Calable 170.000 8.50074 15.8ap.25 216.778 209.458 1.5. Conselidation Merger Sub Inc., Calable 170.000 8.50074 15.8ap.26 270.038 90.339 0.7. Conselidation Merger Sub Inc., Calable 170.000 5.50074 15.May.26 90.339 0.7. CSC Holding LLC, Calable 50004 5.50074 15.May.26 21.823 20.672 0.9. Davita HeathCare Partners Inc., Calable 10.000 5.12574 15.JuP.24 12.387 12.83 0.0.1 Damont 1 Finame Corp. Joinnand 2 Finance Corp., Calable 10.000 7.25975 15.JuP.24 21.83 21.0.672 216.84 214.8777 16.8 Endor Finance LC. / Endo Finco Inc., Calable 10.000 7.25975 15.JuP.24 212.823 21.0.672	Berry Global Inc., Callable	78,000	4.500%	15-Feb-26	97,412	97,701	0.73
CCO Holdings LC / CCO Holdings Capital Corp., Callable 250,000 5780% 11-Mar-25 226,711 338,740 22.5 Change Healtincare Finance In.c., Callable 167,000 8.500% 115-Sep-25 216,776 209,456 15.5 CRC Escrow Issuer LC / CRC Finco Inc., Callable 278,000 5.200% 115-Cep-25 347,966 327,341 22.4 CRC Holdings LC, Callable 158,000 5.500% 115-Aep-26 97,008 99,339 0.7. CSC Holdings LC, Callable 169,000 5.500% 15-Mary-26 203,838 1.5. CSC Holdings LC, Callable 07,000 5.000% 15-Mary-26 123,837 12.6. DaVIta HealthCare Partners Inc., Callable 10,000 7.125% 15-Jun-24 257,273 278,028 2.0. DaVIta HealthCare Partners Inc., Callable 10,000 7.25% 15-Jun-24 215,433 14,4377 1.6. DavIta HealthCare Partners Inc., Callable 10,000 7.25% 15-Jun-24 216,433 13,447 2.6. Care Tavers Intoninc., Callable 103,000 <	Boyd Gaming Corp., Callable	100,000	6.375%	01-Apr-26	130,340	132,595	0.99
Change Healthcare Flohings LLC / Change Healthcare Finance Inc., Callable 17,000 5.75% 01-Mar-25 246,010 239,018 17. Constellation Merger Sub Inc., Callable 170,000 8.50% 15-Oct-25 347,996 327,341 2.44 Crown Americas LLC / Crown Americas Captal Corp. VI, Callable 77,000 47,79% 01-Feb-26 97,068 99,339 0.7. CSC Hobdings LLC, Callable 50,000 5.50% 15-Apr-27 65,168 63,662 0.44 DaVita HealthCare Partners Inc., Callable 97,000 5.00% 15-May-24 123,823 120,672 0.99 DaVita HealthCare Partners Inc., Callable 10,000 5.12% 15-Jul-24 123,823 120,872 0.9. Davita HealthCare Partners Inc., Callable 10,000 5.12% 15-Jul-24 123,823 120,373 128,833 0.1 Deagle Holding Co. II LLC, Callable 186,000 7.62% 15-May-22 215,643 214,347 16. Endo Finance LLO / Endo Finance Inc., Callable 136,000 7.50% 15-Jul-24 43,942 131,447 0.9. Infor (US) Inc., Callable 136,000 7.50% <td>Brinker International Inc., Callable</td> <td>50,000</td> <td>5.000%</td> <td>01-Oct-24</td> <td>66,048</td> <td>64,506</td> <td>0.48</td>	Brinker International Inc., Callable	50,000	5.000%	01-Oct-24	66,048	64,506	0.48
Constitution Merger Sub fra., Callable 170,000 8.50% 15.5ep.25 216,776 209,456 15. CRC Escrow Issuer LLC / CRC Finco Inc., Callable 278,000 5.29% 10-Feb.26 97,068 397,339 0.7. CSC Hokings LLC, Callable 158,000 5.50% 15-May-26 200,350 203,338 15. CSC Hokings LLC, Callable 97,000 5.00% 15-May-26 203,350 203,338 15. CSC Hokings LLC, Callable 97,000 5.00% 15-May-25 123,823 120,672 0.9. DaVIta Heattriccre Partners Inc., Callable 10,000 7.125% 15-Jul-24 27,773 278,028 2.0. Eagle Hoking Co. ILLC, Callable 16,000 7.259% 15-Jul-24 247,322 415,703 3.1. Freeport-MichNoRan Inc., Callable 103,000 7.259% 15-May-22 215,843 319,344 2.3. Infor (US) Inc., Callable 103,000 5.87% 15-May-22 413,259 1.1. Infor (US) Inc., Callable 103,000 5.75% 15-Jul-24	CCO Holdings LLC / CCO Holdings Capital Corp., Callable	250,000	5.750%	15-Jan-24	325,771	338,740	2.52
CRC Ecrow Isser LLC / CRC Fince Inc., Callable 278,000 5.26%, 15-Cet-25 347,996 327,341 2.4 Crown Americas LLC / Crown Americas Capital Corp. VI, Callable 77,000 4.750%, 01-Feb-26 97,088 99,339 0.7 CSC Holdings LLC, Callable 55,00% 15-May-27 65,168 63,652 0.4 DaVIta HeathCare Partners Inc., Callable 97,000 55,00% 15-May-24 123,837 12,833 0.1 Damond F Finance Corp. / Callable 10,000 7,125% 15-Jun-24 217,237 278,002 2.0 Endo Finance LLO / Endo Finco Inc., Callable 100,000 7,625% 15-May-22 215,643 214,377 1.6 Endo Finance LLO / Endo Finco Inc., Callable 103,000 5,875% 15-Jun-24 272,222 415,703 3.1 Infor (US) Inc., Callable 115,000 6,505% 15-May-22 246,804 51,399 0.3 Gray Television Inc., Callable 160,000 7,500% 15-Lun-24 48,043 51,399 0.3 Infor (US) Inc., Callable 36,000 7,500%	Change Healthcare Holdings LLC / Change Healthcare Finance Inc., Callable	187,000	5.750%	01-Mar-25	246,610	239,018	1.78
Crown Americas LLC / Crown Americas Capital Corp. VI, Callable 77,000 4.750% 01-Eb-26 97,088 99,339 17. CSC Holdings LLC, Callable 158,000 5.500% 15-Ape-27 65,168 63,662 0.44 DaVIa Heath/Care Partners Inc., Callable 97,000 5.000% 01-May-25 122,823 120,672 0.99 DaVIa Heath/Care Partners Inc., Callable 10,000 5.125% 15-Jun-24 227,273 228,028 2.00 Eagle Holding Cu. II LLC, Callable 200,000 7.125% 15-Jun-24 245,273 214,377 16. Eadle Holding Cu. II LLC, Callable 280,000 7.25% 15-Jun-22 247,523 214,377 16. Gray Television Inc., Callable 280,000 6.575% 15-Jun-23 234,283 313,334 23.3 Infor (US) Inc., Callable 115,000 6.500% 15-Jun-24 480,043 51,559 0.3 ICVA Inc., Callable 105,000 6.375% 15-Gu-26 97,112 98,166 0.7 0.0 Infor (US) Inc., Callable 75	Constellation Merger Sub Inc., Callable	170,000	8.500%	15-Sep-25	216,776	209,456	1.56
CSC Holdings LLC, Callable 158,000 5.500% 15-May-26 200,350 203,838 15.5 CSC Holdings LLC, Callable 50,000 5.000% 15-Apr-27 65,168 63,662 0.4 DaVita HealthCare Partners Inc., Callable 97,000 5.000% 01-May-25 123,823 120,672 0.9 DaVita HealthCare Partners Inc., Callable 10,000 7.125% 15-Jul-24 277,73 278,028 200 Eagle Holding Co. II LLC, Callable 104,000 7.255% 15-May-22 215,643 214,377 1.0 Endo Finance Cur. / Dianond 2 Finance Corp., Callable 350,000 7.857% 15-Jul-24 287,273 278,028 231,334 2.3 Gray Television Inc., Callable 103,000 5.875% 15-Jul-26 141,625 131,447 0.9 Infor (US) Inc., Callable 103,000 6.875% 15-May-22 148,902 152,429 1.1 Infor (US) Inc., Callable 103,000 6.375% 15-May-23 69,023 66,495 0.4 JDA Escrow LLC / JDA Bond Finance Inc., Callable	CRC Escrow Issuer LLC / CRC Finco Inc., Callable	278,000	5.250%	15-Oct-25	347,996	327,341	2.44
CSC Holdings LLC, Callable 50,000 55,000% 15,Apr.27 65,188 63,652 0.4 DaVita HealthCare Partners Inc., Callable 123,823 120,672 0.9 DaVita HealthCare Partners Inc., Callable 10,000 5,125% 15-Jul-24 123,823 120,672 0.9 Davita HealthCare Partners Inc., Callable 200,000 7,125% 15-Jun-24 257,273 276,028 220,010 Eagle Holding Co. II LLC, Callable 164,000 7,625% 15-Jun-24 247,322 415,703 3.1 Freeport-McMoRan Inc., Callable 103,000 5,875% 15-Feb-23 324,283 319,334 2.3 Infor (US) Inc., Callable 103,000 5,875% 15-Lu-25 141,625 131,447 0.9 Infor (US) Inc., Callable 103,000 5,750% 15-Cu-26 169,700 161,725 12,229 1.1 INVentify Corp., Callable 15,000 6,750% 15-Feb-23 160,43 0.3 INVentify Corp., Callable 16,000 7,500% 16-Cu-24 48,043 51,359	Crown Americas LLC / Crown Americas Capital Corp.VI, Callable	77,000	4.750%	01-Feb-26	97,068	99,339	0.74
DaVita HealthCare Partners Inc., Caltable 97,000 5,000% 91-May-25 123,823 120,672 0.9 DaVita HealthCare Partners Inc., Caltable 10,000 7,122% 15-Jul-24 12,397 12,833 0.11 Darond 1 Finance Corp., Caltable 100,000 7,122% 15-May-22 215,643 214,377 1.6 Endo Finance Corp. Caltable 360,000 7,25% 15-Jul-26 473,222 415,703 3.11 Freeport-McMoRan Inc., Caltable 103,000 5,87% 15-Jul-26 144,1625 131,447 0.9 Gray Television Inc., Caltable 103,000 5,87% 15-Jul-26 144,1625 131,447 0.9 Infor (US) Inc., Caltable 105,000 6,807% 15-May-22 48,030 51,359 0.3 IOVIA Inc., Caltable 75,000 5,000% 15-Cct-26 97,112 98,166 0.7 IRB Holding Corp., Caltable 75,000 5,000% 15-Cct-26 169,700 151,725 1.2 Jaguar Holding Cor, I. / Pharmaceutical Product Development LLC, Caltable 136,000 <td>CSC Holdings LLC, Callable</td> <td>158,000</td> <td>5.500%</td> <td>15-May-26</td> <td>200,350</td> <td>203,838</td> <td>1.52</td>	CSC Holdings LLC, Callable	158,000	5.500%	15-May-26	200,350	203,838	1.52
DaVita HealthCare Partners Inc., Callable 10,000 5,125% 15-Jui-24 12,397 12,833 0.11 Diamond 1 Finance Corp. / Diamond 2 Finance Corp., Callable 200,000 7,125% 15-Jun-24 257,273 278,028 2.00 Endo Finance LLC / Endo Fino Inc., Callable 360,000 7,25% 15-Jan-22 473,222 415,703 3.11 Freeport-McMoRan Inc., Callable 360,000 5,875% 15-Jul-26 141,625 131,447 0.99 Infor (US) Inc., Callable 115,000 6,875% 15-Jul-26 141,625 131,447 0.99 Infor (US) Inc., Callable 115,000 6,500% 15-May-22 148,902 152,429 1.11 Infor (US) Inc., Callable 36,000 7.500% 01-Oct-24 48,043 51,359 0.20 IQVIA Inc., Callable 75,000 6,575% 15-Lu-26 97,112 98,166 0.77 IB8 Holding Corp., Callable 135,000 6,375% 01-Aug-23 66,023 66,495 0.42 JDA Escrow LLC / JDA Bond Finance Inc., Callable 135,000 </td <td>CSC Holdings LLC, Callable</td> <td>50,000</td> <td>5.500%</td> <td>15-Apr-27</td> <td>65,168</td> <td>63,652</td> <td>0.47</td>	CSC Holdings LLC, Callable	50,000	5.500%	15-Apr-27	65,168	63,652	0.47
Diamond 1 Finance Corp. / Diamond 2 Finance Corp. , Callable 200,000 7.125% 15-Jun-24 257,273 278,028 2.0 Eagle Holding Co. II LLC, Callable 164,000 7.625% 15-May-22 215,643 214,377 3.1 Freeport-McMoRan Inc., Callable 226,000 6.875% 15-Feb-23 324,283 319,334 2.3 Gray Television Inc., Callable 103,000 5.875% 15-Jul-26 141,625 131,447 0.9 Infor (US) Inc., Callable 103,000 5.875% 15-Jul-26 148,902 152,429 1.1 Infor (US) Inc., Callable 36,000 7.500% 15-Oct-24 48,043 51,359 0.3 IQVIA Inc., Callable 75,000 5.000% 15-Oct-26 97,112 98,166 0.7 IRB Holding Cor, I./ Pharmaceutical Product Development LLC, Callable 135,000 6.375% 15-Oct-24 202,991 204,070 15.5 Jaguar Holding Co. II./ Pharmaceutical Product Development LLC, Callable 148,000 7.375% 15-Oct-24 202,991 204,070 15.5 Jagua	DaVita HealthCare Partners Inc., Callable	97,000	5.000%	01-May-25	123,823	120,672	0.90
Eagle Holding Co. II LLC, Callable 164,00 7.625% 15-May-22 215,643 214,377 1.6 Endo Finance LLC / Endo Finco Inc., Callable 330,000 7.260% 15-Jan-22 473,222 415,703 3.1 Freeport-McMoRan Inc., Callable 103,000 5.875% 15-Jul-26 141,625 131,447 0.9 Infor (US) Inc., Callable 103,000 5.875% 15-Jul-26 141,625 131,447 0.9 Infor (US) Inc., Callable 103,000 5.875% 15-Jul-26 141,625 131,447 0.9 Infor (US) Inc., Callable 100,000 5.875% 15-Out-24 48,043 51,359 0.3 IQVIA Inc., Callable 36,000 6.750% 15-Feb-26 169,070 161,725 12,249 Jaguar Holding Co. II / Pharmaceutical Product Development LLC, Callable 50,000 6.375% 15-Dec-22 20,919 27,553 0.2 Jadk-Ven Inc., Callable 148,000 7.50% 15-Dec-22 20,275 18,584 0.1 Jack-Ven Inc., Callable 103,0000 5.750% </td <td>DaVita HealthCare Partners Inc., Callable</td> <td>10,000</td> <td>5.125%</td> <td>15-Jul-24</td> <td>12,397</td> <td>12,833</td> <td>0.10</td>	DaVita HealthCare Partners Inc., Callable	10,000	5.125%	15-Jul-24	12,397	12,833	0.10
Endo Finance LLC / Endo Finco Inc., Callable 350,000 7.250% 15-Jan-22 473,222 415,703 3.1 Freeport-McMoRan Inc., Callable 226,000 6.875% 15-Feb-23 324,283 319,334 2.3 Gray Television Inc., Callable 103,000 5.875% 15-Is-Jul-26 141,625 131,447 0.9 Infor (US) Inc., Callable 115,000 6.500% 15-May-22 148,902 152,429 1.1 inVentiv Group Holdings Inc. / inVentiv Health Inc. / inVentiv Health Clinical Inc., 36,000 7.500% 01-Oct-24 48,043 51,359 0.3 IQVIA Inc., Callable 75,000 5.000% 15-Cet-26 97,112 98,166 0.7 IRB Holding Corp., Callable 75,000 6.375% 15-Det-26 169,700 161,725 1.2 Jaguar Holding Corp., Callable 148,000 7.375% 15-Det-24 200,991 20,070 1.5 Jaguar Holding Corp., Callable 148,000 7.375% 15-Det-24 202,991 20,470 1.5 Jaed Yareni LLC, Callable 300,000 </td <td>Diamond 1 Finance Corp. / Diamond 2 Finance Corp., Callable</td> <td>200,000</td> <td></td> <td>15-Jun-24</td> <td>257,273</td> <td>278,028</td> <td>2.07</td>	Diamond 1 Finance Corp. / Diamond 2 Finance Corp., Callable	200,000		15-Jun-24	257,273	278,028	2.07
Freeport-McMoRan Inc., Callable 226,000 6.875% 15-Feb-23 324,283 319,334 2.3 Gray Television Inc., Callable 103,000 5.875% 15-Jul-26 141,625 131,447 0.91 Infor (US) Inc., Callable 115,000 6.500% 15-May-22 148,002 152,429 1.1 INVentiv Group Holdings Inc. / InVentiv Health Clinical Inc., 36,000 7.500% 01-Oct-24 48,043 51,359 0.33 IQVIA Inc., Callable 36,000 7.500% 15-Oct-26 67,112 98,166 0.7 IRB Holding Corp, Callable 135,000 6.375% 15-Oct-26 69,023 66,495 0.44 JDA Escrow LC / JDA Bord Finance Inc., Callable 148,000 7.375% 15-Oct-26 29,190 27,553 0.22 Level 3 Parent LC, Callable 300,000 5.750% 15-Sep-25 29,190 27,553 0.22 Level 3 Parent LC, Callable 300,000 5.750% 15-Sep-25 33,653 89,830 0.66 Level 3 Parent LC, Callable 70,000 5.750%				•			1.60
Gray Television Inc., Callable 103,000 5.875% 15-Jul-26 141,625 131,447 0.9. Infor (US) Inc., Callable 15.000 6.500% 15-May-22 148,902 152,429 1.1. Callable 36,000 7.500% 01-Oct-24 48,043 51,359 0.3. ICVIA Inc., Callable 36,000 7.500% 01-Oct-24 48,043 51,359 0.3. ICVIA Inc., Callable 35,000 6.750% 15-Cet-26 97,112 98,166 0.7. IRB Holding Corp., Callable 135,000 6.375% 01-Aug-23 69,023 65,495 0.4. JDA Escrow LLC / JDA Bond Finance Inc., Callable 148,000 7.375% 15-Dec-25 29,190 27,553 0.2 Jeld-Wen Inc., Callable 15,000 5.125% 01-Jun-25 20,275 18,584 0.1. Level 3 Parent LLC, Callable 70,000 5.750% 01-Dec-22 420,270 403,417 3.00 MEDNAX Inc., Callable 78,000 7.750% 15-Mar-22 73,979 72,782 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>3.10</td>							3.10
Infor (US) Inc., Callable 115,000 6.500% 15-May-22 148,902 152,429 1.1. inVentiv Group Holdings Inc. / inVentiv Health Inc. / inVentiv He							2.38
inVentiv Group Holdings Inc. / inVentiv Health Clinical Inc., Callable 36,000 7.500% 01-Oct-24 48,043 51,359 0.3 IQVIA Inc., Callable 75,000 5,000% 15-Cet-26 97,112 98,166 0.7 IRB Holding Corp., Callable 135,000 6.750% 15-Fet-26 169,700 161,725 1.2 Jaguar Holding Co. II / Pharmaceutical Product Development LLC, Callable 50,000 6.375% 01-Aug-23 69,023 65,495 0.4 JDA Escrow LLC / JDA Bond Finance Inc., Callable 23,000 4.625% 15-Dec-25 29,190 27,553 0.2 Veld-Wein Inc., Callable 15,000 5.125% 01-Jun-25 20,275 18,584 0.1 Level 3 Parent LLC, Callable 300,000 5.750% 01-Dec-22 420,270 403,417 3.0 LPL Holdings Inc., Callable 70,000 5.750% 01-Dec-23 99,937 104,622 0.7 MGM Resorts International 50,000 7.750% 15-Mar-22 73,979 72,782 0.5 MPH Acquisition Holdings LLC, Callable 60,000 6.875% 15-Aug-24 65,620<							0.98
Callable 36,000 7.500% 01-Oct-24 48,043 51,359 0.3 IQVIA Inc., Callable 75,000 5.000% 15-Oct-26 97,112 98,166 0.7 IRB Holding Corp., Callable 135,000 6.750% 15-Feb-26 169,700 161,725 1.2 Jaguar Holding Co. II / Pharmaceutical Product Development LLC, Callable 50,000 6.375% 15-Oct-24 202,991 204,070 1.5 Jadk Auction Services Inc., Callable 148,000 7.375% 15-Oct-24 202,991 204,070 1.5 Level 3 Parent LLC, Callable 15,000 5.125% 01-Jun-25 20,275 18,584 0.4 Level 3 Parent LLC, Callable 300,000 5.750% 15-Sep-25 93,653 89,830 0.6 MEDNAX Inc., Callable 70,000 5.750% 15-Sep-25 93,653 89,830 0.6 MEDNAX Inc., Callable 70,000 5.750% 15-Mar-22 73,979 72,782 0.5 MGM Resorts International 70,000 5.750% 15-Aug-25 109,36		115,000	6.500%	15-May-22	148,902	152,429	1.13
IQVIA Inc., Callable 75,000 5.000% 15-Cct-26 97,112 98,166 0.7. IRB Holding Corp., Callable 135,000 6.750% 15-Feb-26 169,700 161,725 1.2. Jaguar Holding Co. II / Pharmaceutical Product Development LLC, Callable 50,000 6.375% 01-Aug-23 69,023 65,495 0.4. JDA Escrow LLC / JDA Bond Finance Inc., Callable 148,000 7.375% 15-Oct-24 202,991 204,070 1.5. Jed-Wen Inc., Callable 148,000 5.125% 01-Jun-25 20,275 18,584 0.1. Level 3 Parent LLC, Callable 300,000 5.750% 01-Dec-22 420,270 403,417 3.00 LPL Holdings Inc., Callable 300,000 5.750% 01-Dec-23 99,937 104,622 0.7. MCM Resorts International 78,000 5.250% 01-Dec-23 99,937 104,622 0.7. MPH Acquisition Holdings LLC, Callable 244,000 7.125% 01-Jun-24 327,850 311,457 2.3. MSCI Inc., Callable 50,000 6		26.000	7 500%	01 Oct 24	49 042	E1 2E0	0.29
IRB Holding Corp., Callable 135,000 6.750% 15-Feb-26 169,700 161,725 1.2 Jaguar Holding Corp., Callable 50,000 6.375% 01-Aug-23 69,023 65,495 0.4 JDA Escrow LLC / JDA Bond Finance Inc., Callable 148,000 7.375% 15-Oct-24 202,991 204,070 1.5 Jeld-Wen Inc., Callable 23,000 4.625% 15-Dec-25 29,190 27,553 0.2 KAR Auction Services Inc., Callable 15,000 5.125% 01-Jun-25 20,275 18,584 0.1 Level 3 Parent LLC, Callable 300,000 5.750% 01-Dec-22 420,270 403,417 3.0 MEDNAX Inc., Callable 70,000 5.750% 15-Sep-25 93,653 89,830 0.6 MEDNAX Inc., Callable 70,000 5.750% 15-Mar-22 73,979 72,782 0.7 MGM Resorts International 50,000 7.750% 15-Aug-25 109,366 117,493 0.8 MSCI Inc., Callable 85,000 5.8750% 15-Aug-24 66,620							
Jaguar Holding Co. II / Pharmaceutical Product Development LLC, Callable 50,000 6.375% 01-Aug-23 69,023 65,495 0.4.4 JDA Escrow LLC / JDA Bond Finance Inc., Callable 148,000 7.375% 15-Oct-24 202,991 204,070 1.5. Jeld-Wen Inc., Callable 23,000 4.625% 15-Dec-25 29,190 27,553 0.2 KAR Auction Services Inc., Callable 15,000 5.125% 01-Jun-25 20,275 18,584 0.4 Level 3 Parent LLC, Callable 300,000 5.750% 01-Dec-22 420,270 403,417 3.0 LPL Holdings Inc., Callable 70,000 5.750% 15-Sep-25 93,653 89,830 0.6 MEDNAX Inc., Callable 78,000 5.250% 01-Dec-23 99,937 104,622 0.7 MGM Resorts International 50,000 7.750% 15-Mar-22 73,979 72,782 0.5 MPL Acquisition Holdings LLC, Callable 24,000 7.125% 01-Jun-24 327,850 311,457 2.3 MSCI Inc., Callable 85,000 5.750% 15-Aug-24 65,620 68,062 0.5 <							
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Level 3 Parent LLC, Callable 300,000 5.750% 01-Dec-22 420,270 403,417 3.00 LPL Holdings Inc., Callable 70,000 5.750% 15-Sep-25 93,653 89,830 0.6 MEDNAX Inc., Callable 78,000 5.250% 01-Dec-23 99,937 104,622 0.7 MGM Resorts International 50,000 7.750% 15-Mar-22 73,979 72,782 0.5 MPH Acquisition Holdings LLC, Callable 244,000 7.125% 01-Jun-24 327,850 311,457 2.3 MSCI Inc., Callable 85,000 5.750% 15-Aug-25 109,366 117,493 0.8 Murphy Oil Corp., Callable 50,000 6.875% 15-Aug-24 66,620 68,062 0.5 Nexstar Escrow Corp., Callable 60,000 5.05% 01-Aug-24 86,386 84,472 0.6 Peabody Securities Finance Corp., Callable 11,000 6.375% 31-Mar-25 14,469 14,004 0.1 Penn National Gaming Inc., Callable 51,000 5.625% 15-Jan-27 6							
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MSCI Inc., Callable 85,000 5.750% 15-Aug-25 109,366 117,493 0.8 Murphy Oil Corp., Callable 50,000 6.875% 15-Aug-24 65,620 68,062 0.5 Nexstar Escrow Corp., Callable 66,000 5.625% 01-Aug-24 86,386 84,472 0.6 Peabody Securities Finance Corp., Callable 6,000 6.000% 31-Mar-22 7,892 7,976 0.0 Peabody Securities Finance Corp., Callable 11,000 6.375% 31-Mar-25 14,469 14,004 0.1 Penn National Gaming Inc., Callable 51,000 5.625% 15-Jan-27 67,239 62,489 0.4 Polaris Intermediate Corp., Callable 227,000 8.500% 01-Dec-22 305,782 283,828 2.1 Post Holdings Inc., Callable 220,000 5.500% 01-Mar-25 291,664 283,939 2.1							2.32
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Nexstar Escrow Corp., Callable 66,000 5.625% 01-Aug-24 86,386 84,472 0.6 Peabody Securities Finance Corp., Callable 6,000 6.000% 31-Mar-22 7,892 7,976 0.0 Peabody Securities Finance Corp., Callable 11,000 6.375% 31-Mar-25 14,469 14,004 0.1 Penn National Gaming Inc., Callable 51,000 5.625% 15-Jan-27 67,239 62,489 0.4 Polaris Intermediate Corp., Callable 227,000 8.500% 01-Dec-22 305,782 283,828 2.1 Post Holdings Inc., Callable 220,000 5.500% 01-Mar-25 291,664 283,399 2.1 Reynolds Group Issuer Inc. / Reynolds Group Issuer L/ Reynolds Group Issuer				-			0.51
Peabody Securities Finance Corp., Callable 6,000 6.000% 31-Mar-22 7,892 7,976 0.00 Peabody Securities Finance Corp., Callable 11,000 6.375% 31-Mar-25 14,469 14,004 0.10 Penn National Caming Inc., Callable 51,000 5.625% 15-Jan-27 67,239 62,489 0.4 Polaris Intermediate Corp., Callable 227,000 8.500% 01-Dec-22 305,782 283,828 2.1 Post Holdings Inc., Callable 220,000 5.500% 01-Mar-25 291,664 289,399 2.1				-			0.63
Peabody Securities Finance Corp., Callable 11,000 6.375% 31-Mar-25 14,469 14,004 0.11 Penn National Gaming Inc., Callable 51,000 5.625% 15-Jan-27 67,239 62,489 0.4 Polaris Intermediate Corp., Callable 227,000 8.500% 01-Dec-22 305,782 283,828 2.1 Post Holdings Inc., Callable 220,000 5.500% 01-Mar-25 291,664 289,399 2.1 Reynolds Group Issuer Inc. / Reynolds Group Issuer Unit Mar-25 01-Mar-25 291,664 289,399 2.1				-			0.06
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Polaris Intermediate Corp., Callable 227,000 8.500% 01-Dec-22 305,782 283,828 2.1 Post Holdings Inc., Callable 220,000 5.500% 01-Mar-25 291,664 289,399 2.1 Reynolds Group Issuer Inc. / Reynolds Group Issuer LLC / Reynolds Group Issuer 2000 5.500% 01-Mar-25 291,664 289,399 2.1							0.47
Post Holdings Inc., Callable 220,000 5.500% 01-Mar-25 291,664 289,399 2.11 Reynolds Group Issuer Inc. / Reynolds Group Issuer Inc. / Reynolds Group Issuer 2 20,000 5.500% 01-Mar-25 291,664 289,399 2.11							2.11
Reynolds Group Issuer Inc. / Reynolds Group Issuer LLC / Reynolds Group Issuer	• •						2.15
	6					,	
			7.000%	15-Jul-24	130,966	130,291	0.97

First Trust Short Duration High Yield Bond ETF (CAD-Hedged) Notes to Financial Statements - Specific Information For the year ended December 31, 2018

					1,295,400	9.6
Unrealized depreciation on derivatives - see Schedule 1 Other assets, less liabilities					(273,804) 1,295,408	(2.04 9.6
					(070 004)	(0.04
Total investments				12,795,604	12,408,059	92.3
Total International Bonds				12,501,093	12,114,562	90.2
				3,928,426	3,845,774	28.6
USI Inc.	94,972	3.000%	15-May-24	120,134	122,039	0.9
U.S. Renal Care Inc.	97,739	5.250%	30-Dec-22	124,118	126,694	0.9
Tribune Media Co.	56,126	3.750%	27-Jan-24	73,628	75,052	0.5
ribune Media Co.	2,016	3.750%	27-Dec-20	2,616	2,728	0.0
ōys "R" US-Delaware Inc.	72,586	5.250%	25-May-18	78,891	48,556	0.3
Fempo Acquisition LLC (Alight Solutions LLC)	99,496	3.000%	01-May-24	128,942	129,720	0.9
Stars Group Holdings BV (Amaya)	357,644	3.500%	10-Jul-25	467,826	470,761	3.5
SS&C European Holdings SARL	50,000	2.250%	16-Apr-25	65,266	64,293	0.4
Scientific Games International Inc.	44,080	2.750%	14-Aug-24	56,952	56,331	0.4
RP Crown Parent LLC (JDA Software Group)	49,125	3.750%	12-Oct-23	62,723	64,470	0.4
liverbed Technology Inc.	150,000	4.250%	24-Apr-22	194,082	192,712	1.
Reynolds Group Holdings Inc.	45,283	2.750%	05-Feb-23	59,602	58,730	0.4
Qlik Technologies (Project Alpha Intermediate Holding Inc.)	49,748	4.500%	26-Apr-24	64,071	65,199	0.4
Parexel International Corp.	21,536	2.750%	27-Sep-24	28,213	26,498	0.2
Vicro Focus International (MA FinanceCo, LLC)	106,958	2.500%	21-Jun-24	137,178	135,677	1.0
umileds (Bright Bidco BV)	153,892	4.500%	30-Jun-24	198,898	175,430	0.
nfor (US) Inc.	41,324 46,278	3.750%	02-Feb-22 06-Aug-22	53,674 60,521	53,974 61,204	0. 0.
mmucor Inc. nfor (US) Inc.	49,375 41,324	6.000% 3.750%	15-Jun-21 02-Feb-22	60,917 53,674	66,143 53,974	0.4 0.4
Horizon Pharma nc.	115,486	4.000%	29-Mar-24	150,293	150,042	1.1
Gray Television Inc.	62,241	2.500%	01-Nov-25	81,331	81,937	0.0
Duff & Phelps Corp. (Deerfield Dakota)	61,752	4.250%	13-Feb-25	80,037	79,579	0.
DJO Finance LLC (ReAble Therapeutics Finance LLC)	111,229	4.250%	08-Jun-20	135,963	149,649	1.
Cumulus Media New Holdings Inc.	53,318	5.500%	15-May-22	68,721	67,967	0.
CHG Healthcare Services Inc.	50,000	4.000%	07-Jun-23	65,757	65,359	0.4
CDRH Parent Inc. (Healogics Inc.)	48,363	5.250%	01-Jul-21	54,340	59,422	0.4
CCC Information Services Inc.	79,397	4.000%	26-Apr-24	102,914	102,702	0.
Capital Automotive L.P.	93,744	7.000%	15-Mar-25	123,971	125,980	0.
BMC Software Finance Inc. (Boxer Parent)	59,211	4.250%	02-Oct-25	77,851	77,778	0.
Asurion LLC	55,600	6.500%	31-Jul-25	70,974	74,909	0.
Albertson's LLC	66,481	3.750%	22-Jun-23	83,526	85,995	0.
Albertson's LLC	110,943	3.750%	21-Dec-22	137,684	145,127	1.
Air Methods Corp. (ASP AMC Intermediate Holdings Inc.)	84,000	4.500%	21-Apr-24	107,193	90,267	0.
Advanz Pharma Corp.	42,467	6.500%	06-Sep-24	54,802	55,158	0.4
Advantage Sales & Marketing Inc.	126,388	7.500%	25-Jul-22	166,503	134,585	1.0
Advantage Sales & Marketing Inc.	252,780	4.250%	23-Jul-21	328,314	303,107	2.2
Senior Loans—28.64%				8,179,666	7,921,156	58.9
Zayo Group LLC / Zayo Capital Inc., Callable	54,000	5.750%	15-Jan-27	71,981	65,980	0.4
Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp.	50,000	5.500%	01-Mar-25	62,652	63,823	0.4
United Rentals North America Inc., Callable	200,000	5.750%	15-Nov-24	262,657	263,825	1.9
TRI Pointe Holdings Inc.	68,000	5.875%	15-Jun-24	91,271	83,202	0.6
Tenet Healthcare Corp., Callable	312,000	8.125%	01-Apr-22	420,669	428,605	3.1
Taylor Morrison Communities Inc. / Monarch Communities Inc., Callable	20,000	5.625%	01-Mar-24	26,244	26,075	0.1
Six Flags Entertainment Corp., Callable	150,000	4.875%	31-Jul-24	198,010	193,517	1.4
Sinclair Television Group Inc., Callable	300,000	5.625%	01-Aug-24	404,625	384,986	2.8
SBA Communications Corp., Callable	50,000	4.875%	01-Sep-24	61,537	64,420	0.
Sanchez Energy Corp., Callable	100,000	7.750%	15-Jun-21	115,260	32,765	0

Other assets, less liabilities Total Net Assets Attributable to Holders of Redeemable Units

SCHEDULE OF INVESTMENT PORTFOLIO As at December 31, 2018 Schedule 1

	Credit Rating of	Settlement C	urrency	Amount C	urrency	Amount	Forward	Current	Appreciation (Depreciation)
Counterparty	Counterparty*	Date	Sell	Sold	Buy	Bought	Rate	Rate	\$
Bank of New York Mellon (The), New York	A-1+	1/31/2019	USD	10,353,592	CAD	13,850,000	0.748	0.733	(273,804)
									(273,804)

12,795,604

13,429,663

100.00

* Commercial paper rating per Stand and Poor's Commerical Paper Guide

First Trust Canadian Capital Strength ETF

STATEMENTS OF FINANCIAL POSITION As at December 31, 2018 and December 31, 2017	December 31	December 3 ⁴
	2018 (\$)	2017 (\$
Assets	(+)	(
Investments (non-derivative financial assets)	68,667,216	75,160,513
Cash	300,474	287,194
Accrued dividend receivable	130,947	101,343
Other assets	46,492	47,815
	69,145,129	75,596,865
Liabilities	100.000	
Accrued liabilities	120,093	143,969
Distributions payable to holders of redeemable units	176,425	90,761
Total net assets attributable to holders of redeemable units	296,518 68,848,611	234,730
Total Net Assets Attributable to Holders of Redeemable Units per class	00,040,011	75,502,150
Advisor Class	26,802,768	35,547,473
Common Class	42,045,843	39,814,662
Redeemable units outstanding [note 6]	42,040,040	53,014,002
Advisor Class	1,060,726	1,263,337
Common Class	1,392,993	
Net assets attributable to holders of redeemable units per unit	1,392,993	1,190,807
Advisor Class	25.27	28.14
Common Class	30.18	33.44
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 201		
	December 31	December 3
	2018 (\$)	2017 (\$
Revenues	4 0 4 0 0 0 0	4 0 4 0 0 0 0
Dividends	1,610,899	1,012,035
Interest income for distribution purposes	24	-
Other changes in fair value of investments	100,100	4 004 000
Net realized gain (loss) on investments	480,463	4,031,803
Change in unrealized appreciation (depreciation) of foreign exchange	75	389
Change in unrealized appreciation (depreciation) of investments	(8,446,825)	3,294,396
	(6,355,364)	8,338,623
Foreign exchange gain (loss) on cash	4,046	(855
	(6,351,318)	8,337,768
Expenses [note 7]		
Management fees	433,404	311,312
Service fees	313,354	347,676
HST expense	75,872	66,426
Transaction costs [note 3 and note 9]	19,548	14,981
Independent Review Committee fees	11,382	11,025
Interest expense	11,362	32
	853,560	751,452
Expenses waived by manager	(11,382)	(11,025
Expenses waived by manager	842,178	740,427
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	(7,193,496)	7,597,341
Withholding taxes	(7,100,+00)	1,371
Increase (Decrease) in net assets attributable to holders of redeemable units	(7,193,496)	7,595,970
Increase (Decrease) in net assets attributable to holders of redeemable units for each class	(7,100,400)	1,000,070
Advisor Class	(3,035,066)	4,659,361
Common Class	(4,158,430)	2,936,609
Increase (Decrease) in net assets attributable to holders of redeemable units per unit	(4,150,450)	2,350,008
	(2.71)	3.55
Advisor Class		
Advisor Class Common Class	(2.71) (3.38)	5.46

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, 2018 and 2017

	December 31	December 31	December 31	December 31
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
	Advisor	Advisor	Common	Common
	Class	Class	Class	Class
Net assets attributable to holders of redeemable units, beginning of year	35,547,473	34,626,123	39,814,662	7,207,292
Increase (Decrease) in net assets attributable to holders of redeemable units	(3,035,066)	4,659,361	(4,158,430)	2,936,609
Redeemable unit transactions [note 6]				
Proceeds from redeemable units issued	-	988,362	15,142,654	33,027,050
Redemption of redeemable units	(5,571,168)	(4,616,984)	(8,321,669)	(3,205,953)
	(5,571,168)	(3,628,622)	6,820,985	29,821,097
Distributions to holders of redeemable units from:				
Net investment income	(33,718)	-	(431,374)	(54,880)
Capital gains	(104,753)	-	-	-
Return of capital	-	(109,389)	-	(95,456)
	(138,471)	(109,389)	(431,374)	(150,336)
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	(8,744,705)	921,350	2,231,181	32,607,370
	(0,744,700)	521,000	2,201,101	02,007,070
Net assets attributable to holders of redeemable units, end of year	26,802,768	35,547,473	42,045,843	39,814,662
			December 31	December 31

	2018 (\$)	2017 (\$)
	Total	Total
Net assets attributable to holders of redeemable units, beginning of year	75,362,135	41,833,415
Increase (Decrease) in net assets attributable to holders of redeemable units	(7,193,496)	7,595,970
Redeemable unit transactions [note 6]		
Proceeds from redeemable units issued	15,142,654	34,015,412
Redemption of redeemable units	(13,892,837)	(7,822,937)
	1,249,817	26,192,475
Distributions to holders of redeemable units from:		
Net investment income	(465,092)	(54,880)
Capital gains	(104,753)	-
Return of capital	-	(204,845)
	(569,845)	(259,725)
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	(6,513,524)	33,528,720
Net assets attributable to holders of redeemable units, end of year	68,848,611	75,362,135

First Trust Canadian Capital Strength ETF

STATEMENTS OF CASH FLOW For the years ended December 31, 2018 and 2017

	December 31 2018 (\$)	December 31 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(7,193,496)	7,595,970
Adjustments for:		
Net realized (gain) loss on investments	(480,463)	(4,031,803)
Change in unrealized (appreciation) depreciation of investments	8,446,825	(3,294,396)
Dividends receivable	(29,604)	(2,461)
Other assets	1,323	3,156
Other liabilities	(23,876)	71,877
Purchases of investments	(47,068,373)	(54,724,659)
Proceeds from the sale of investments	45,595,308	28,592,104
	(752,356)	(25,790,212)
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	15,142,654	34,015,412
Amount paid on redemptions of units	(13,892,837)	(7,822,937)
Distributions paid to unitholders	(484,181)	(168,964)
	765,636	26,023,511
Increase (Decrease) in cash for the year	13,280	233,299
Cash, beginning of year	287,194	53,895
Cash, end of year	300,474	287,194
Interest received	24	-
Dividends received, net of withholding taxes	1,581,295	1,008,203

First Trust Canadian Capital Strength ETF Notes to Financial Statements - Specific Information For the year ended December 31, 2018

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, 2018 and 2017:

	Financial Assets at Fair Value (\$) As at December 31, 2018						
	Level 1	Level 2	Level 3	Total			
Equities	68,667,216	-	_	68,667,216			
Total	68,667,216	-	_	68,667,216			
	I	Financial Assets at Fair Value (\$) As at December 31, 2017					
	Level 1	Level 2	Level 3	Total			
Equities	75,160,513		_	75,160,513			
Total	75,160,513		_	75,160,513			

There have been no transfers from one Level to another for the years ended December 31, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Common Class	Advisor Class
Outstanding units – January 1, 2017	247,534	1,402,854
Redeemable units issued	1,043,273	36,123
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(100,000)	(175,640)
Outstanding units – December 31, 2017	1,190,807	1,263,337
Redeemable units issued	452,186	_
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(250,000)	(202,611)
Outstanding units – December 31, 2018	1,392,993	1,060,726

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 ¹				
0.60%	1.60%			

¹Includes a service fee of 1.00%

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2018 and 2017 were as follows:

Net Capital	Losses (\$)	Non-Capital	Losses (\$)
2018 2017		2018	2017
22,747,482	24,106,211	_	_

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, 2018 and 2017 are as follows:

Transaction Cost (\$)			
2018 2017			
19,549 14,981			

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
433,404	311,312	34,941	37,961

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At December 31, 2018		At Decembe	er 31, 2017
Index	5% Increase (\$) 5% Decrease (\$)		5% Increase (\$)	5% Decrease (\$)
S&P/TSX Composite® Index	3,466,528	(3,466,528)	3,285,789	(3,285,789)

Concentration Risk - The table below summarizes the concentration risk as at December 31, 2018 and 2017:

	As a % of net assets attributable to holders of redeemable units		
Sector	At December 31, 2018 At December 31, 201		
Financials	27.68	32.20	
Industrials	15.90	16.00	
Materials	12.27	7.36	
Information Technology	12.17	11.38	
Energy	11.99	8.75	
Consumer Staples	8.05	8.35	
Consumer Discretionary	7.84	15.69	
Communication Services	3.84	-	
Total	99.74	99.73	

First Trust Canadian Capital Strength ETF Notes to Financial Statements - Specific Information For the year ended December 31, 2018

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number	Average	Fair	
	of Shares	Cost (\$)	Value (\$)	% of Total
Communication Services—3.84%				
BCE Inc.	49,023	2,662,439	2,643,810	3.84
		2,662,439	2,643,810	3.84
Consumer Discretionary—7.84%				
Canadian Tire Corp. Ltd., Class 'A'	18,902	2,757,581	2,698,072	3.92
Magna International Inc.	43,559	2,434,751	2,699,351	3.92
		5,192,332	5,397,423	7.84
Consumer Staples—8.05%				
Alimentation Couche-Tard Inc., Class 'B'	40,959	2,002,230	2,781,526	4.04
Metro Inc., Class 'A'	58,359	2,512,525	2,762,715	4.01
		4,514,755	5,544,241	8.05
Energy—11.99%				
Enerplus Corp.	262,446	3,016,127	2,787,177	4.05
Pembina Pipeline Corp.	66,218	3,057,922	2,682,491	3.89
Suncor Energy Inc.	73,084	2,655,873	2,786,693	4.05
		8,729,922	8,256,361	11.99
Financials—27.68%				
Bank of Montreal	30,643	2,654,534	2,733,049	3.97
Bank of Nova Scotia	39,510	2,819,799	2,688,656	3.91
Canadian Imperial Bank of Commerce	26,189	2,769,139	2,662,898	3.87
National Bank of Canada	48,088	2,747,078	2,695,332	3.92
Royal Bank of Canada	29,355	2,408,323	2,742,931	3.98
Sun Life Financial Inc.	61,480	2,927,578	2,784,429	4.04
Toronto-Dominion Bank (The)	40,478	2,395,917	2,746,837	3.99
		18,722,368	19,054,132	27.68
Industrials—15.90%				
CAE Inc.	105,835	2,089,518	2,655,400	3.86
Canadian National Railway Co.	27,183	2,497,203	2,748,473	3.99
Canadian Pacific Railway Ltd.	11,464	2,168,848	2,777,039	4.03
Waste Connections Inc.	27,329	2,694,913	2,769,248	4.02
		9,450,482	10,950,160	15.90
Information Technology—12.17%				
CGI Group Inc., Class 'A'	33,892	1,925,327	2,829,982	4.11
Constellation Software Inc.	3,186	3,000,720	2,784,118	4.05
Open Text Corp.	62,083	2,196,682	2,762,693	4.01
		7,122,729	8,376,793	12.17
Materials-12.27%				
Canfor Corp.	168,471	3,754,230	2,784,826	4.05
Kirkland Lake Gold Ltd.	80,884	1,993,021	2,879,470	4.18
Teck Resources Ltd., Class 'B'	94,590	3,448,409	2,780,000	4.04
		9,195,660	8,444,296	12.27
Total investments		65,590,687	68,667,216	99.74
Transaction costs		(11,291)		
Other assets, less liabilities		(11,207)	181,395	0.26
Total Net Assets Attributable to Holders of Redeemable Units		65,579,396	68,848,611	100.00

First Trust Global Risk Managed Income Index ETF

	December 31	December 3
	2018 (\$)	2017 (\$
Assets		
Investments (non-derivative financial assets)	26,738,758	64,862,492
Cash	70,684	132,79
Accrued dividend receivable	121,246	267,862
Other assets	40,001	37,13
Liabilities	26,970,689	65,300,28
Accrued liabilities	13,568	26,10
	· · · · ·	,
Distributions payable to holders of redeemable units	88,863	214,80
Total net assets attributable to holders of redeemable units	26,868,258	65,059,37
Total Net Assets Attributable to Holders of Redeemable Units for each class	-,,	/ / -
Common Class	24,818,491	61,861,57
Advisor Class	2,049,767	3,197,796
Redeemable units outstanding [note 6]		-,,
Common Class	1,386,214	3,186,214
Advisor Class	113,800	163,800
Net assets attributable to holders of redeemable units per unit	-,	
Common Class	17.90	19.42
Advisor Class	18.01	19.5
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2		
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2		December 3
	2017	December 3 2017 (\$
Revenues	017 December 31 2018 (\$)	2017 (\$
Revenues Dividends	017 December 31	2017 (
Revenues Dividends Other changes in fair value of investments	017 December 31 2018 (\$) 1,695,471	2017 (2,127,37
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments	017 December 31 2018 (\$) 1,695,471 (1,145,280)	2017 (2,127,37 429,27
Revenues Dividends Other changes in fair value of investments	017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735)	2017 (2,127,37 429,27 414,44
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments	017 December 31 2018 (\$) 1,695,471 (1,145,280)	2017 (2,127,37 429,27 414,44
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7]	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544)	2017 (± 2,127,37; 429,27; 414,444 2,971,08;
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7] Management fees	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544) 287,821	2017 (± 2,127,37; 429,27; 414,444 2,971,08;
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7] Management fees Transaction costs [note 3 and note 9]	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544) 287,821 36,098	2017 (s 2,127,37: 429,27: 414,44 2,971,08: 340,629 13,352
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544) 287,821 36,098 19,024	2017 (; 2,127,37; 429,27; 414,44 2,971,08; 340,62; 13,35; 24,85;
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544) 287,821 36,098	2017 (s 2,127,37: 429,27 414,44 2,971,08 340,62 13,35 24,85
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Service fees	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544) 287,821 36,098 19,024	2017 (s 2,127,37: 429,27 414,44 2,971,08 340,62 13,35 24,85 11,44
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Service fees Independent Review Committee fees	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544) 287,821 36,098 19,024 11,750 7,615	2017 (; 2,127,37; 429,27; 414,44(2,971,08; 340,62; 13,35; 24,85; 11,44; 11,14(
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Service fees Independent Review Committee fees	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544) 287,821 36,098 19,024 11,750	2017 (; 2,127,37; 429,27; 414,44(2,971,08; 340,62; 13,35; 24,85; 11,44; 11,14(
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Service fees Independent Review Committee fees Interest expense	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544) 287,821 36,098 19,024 11,750 7,615 - 362,308 (98,329)	2017 (s 2,127,37: 429,27; 414,44(2,971,08; 340,62; 13,35; 24,85; 11,44; 11,144; 11,144; (119,13;
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Service fees Independent Review Committee fees Interest expense Expenses waived by manager	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544) 287,821 36,098 19,024 11,750 7,615 - 362,308 (98,329) 263,979	2017 (s 2,127,37: 429,27; 414,44 2,971,08; 340,62; 13,35; 24,85; 11,44; 11,14; (11,13; (119,13; 282,29;
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Service fees Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544) 287,821 36,098 19,024 11,750 7,615 - 362,308 (98,329)	2017 (s 2,127,37: 429,27; 414,44 2,971,08; 340,62; 13,35; 24,85; 11,44; 11,14; (11,13; (119,13; 282,29;
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Service fees Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544) 287,821 36,098 19,024 11,750 7,615 - 362,308 (98,329) 263,979 (1,719,523)	2017 (\$ 2,127,37; 429,27; 414,44(2,971,08; 340,629 13,35; 24,85; 11,44; 11,144; (119,13; (119,13; 282,299; 2,688,790;
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Service fees Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units for each class Common Class	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544) 287,821 36,098 19,024 11,750 7,615 - 362,308 (98,329) 263,979 (1,719,523) (1,609,333)	2017 (s 2,127,37: 429,27; 414,44 2,971,08; 340,629 13,355 24,855 11,449 11,144 (119,13) (119,13) 282,299 2,688,799 2,589,587
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Service fees Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units for each class Common Class Advisor Class	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544) 287,821 36,098 19,024 11,750 7,615 - 362,308 (98,329) 263,979 (1,719,523)	2017 (s 2,127,37: 429,27; 414,44 2,971,08; 340,629 13,355 24,855 11,449 11,144 (119,13) (119,13) 282,299 2,688,799 2,589,587
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Service fees Independent Review Committee fees Interest expense Expenses (Decrease) in net assets attributable to holders of redeemable units for each class Common Class Advisor Class Increase (Decrease) in net assets attributable to holders of redeemable units for each class	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544) 287,821 36,098 19,024 11,750 7,615 - 362,308 (98,329) 263,979 (1,719,523) (1,609,333) (110,190)	2017 (; 2,127,37; 429,27; 414,44 2,971,08; 340,62; 13,35; 24,85; 11,44; 11,144; (119,13] 28,229; 2,688,79; 2,589,58; 99,20;
Revenues Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net change in unrealized appreciation (depreciation) of investments Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Service fees Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units for each class Common Class	2017 December 31 2018 (\$) 1,695,471 (1,145,280) (2,005,735) (1,455,544) 287,821 36,098 19,024 11,750 7,615 - 362,308 (98,329) 263,979 (1,719,523) (1,609,333)	2017 (s 2,127,37: 429,27: 414,444 2,971,08: 340,629 13,35: 24,85: 11,444 11,144 11,144 (119,13) (119,13) 282,299 2,688,790

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 R	EDEEMABLE UNITS

For the years ended December 31, 2018 and 2017				
	December 31	December 31	December 31	December 31
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
	Common	Common	Advisor	Adviso
	Class	Class	Class	Class
Net assets attributable to holders of redeemable units, beginning of year	61,861,576	51,773,769	3,197,796	2,198,821
Increase (Decrease) in net assets attributable to holders of redeemable units	(1,609,333)	2,589,587	(110,190)	99,203
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	4,831,190	15,586,603	-	973,668
Redemption of units	(38,447,592)	(5,852,588)	(956,733)	-
	(33,616,402)	9,734,015	(956,733)	973,668
		, ,	. , ,	,
Distributions to holders of redeemable units from:				
Net investment income	(1,461,794)	(1,807,385)	(63,780)	(63,022
Capital gains	-	-	-	-
Return of capital	(355,556)	(428,410)	(17,326)	(10,874
	(1,817,350)	(2,235,795)	(81,106)	(73,896
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	(37,043,085)	10,087,807	(1,148,029)	998,975
Net assets attributable to holders of redeemable units, end of year	24,818,491	61,861,576	2,049,767	3,197,796
			December 31	December 31
		-	2018 (\$) Total	2017 (\$) Tota
Net assets attributable to holders of redeemable units, beginning of year			65,059,372	53,972,590
her assers attributable to noticers of receentable units, beginning of year			03,039,372	55,572,550
Increase (Decrease) in net assets attributable to holders of redeemable units			(1,719,523)	2,688,790
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			4,831,190	16,560,271
Redemption of units			(39,404,325)	(5,852,588
			(34,573,135)	10,707,683
Distributions to belders of redesmable units from:				
Distributions to holders of redeemable units from: Net investment income			(1 525 574)	(1 970 407
Capital gains			(1,525,574)	(1,870,407
Return of capital			(372,882)	- (439,284
······································			(1,898,456)	(2,309,691
Increase (Decrease) in net assets attributable to holders of redeemable units for the year			(38,191,114)	11,086,782
Net assets attributable to holders of redeemable units, end of year			26,868,258	65,059,372
See accompanying notes which are an integral part of these financial statements				-

First Trust Global Risk Managed Income Index ETF

	December 31 2018 (\$)	December 31 2017 (\$
Cash flows from (used in) Operating Activities	(+)	(+
Increase (Decrease) in net assets attributable to holders of redeemable units	(1,719,523)	2,688,790
Adjustments for:		
Net realized (gain) loss on sale of investments	1,145,280	(429,275
Change in unrealized (appreciation) depreciation of investments	2,005,735	(414,440
Dividends receivable	146,616	(73,545
Other assets	(2,869)	(229
Other liabilities	(12,538)	4,027
Purchases of investments	(41,302,186)	(29,025,800
Proceeds from the sale of investments	76,274,905	18,860,676
	36,535,420	(8,389,796
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	4,831,190	16,560,271
Amount paid on redemptions of units	(39,404,325)	(5,852,588
Distributions paid to unitholders	(2,024,396)	(2,259,099
	(36,597,531)	8,448,584
Increase (Decrease) in cash for the year	(62,111)	58,788
Cash, beginning of year	132,795	74,007
Cash, end of year	70,684	132,795
Dividends received, net of withholding taxes	1,842,087	2,053,827

First Trust Global Risk Managed Income Index ETF Notes to Financial Statements - Specific Information For the year ended December 31, 2018

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 IndexSM, 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, 2018 and 2017:

	Financial Assets at Fair Value (\$) As at December 31, 2018				
	Level 1	Level 1 Level 2 Level 3 Total			
Equities	26,738,758	-	_	26,738,758	
Total	26,738,758		_	26,738,758	
	Financial Assets at Fair Value (\$) As at December 31, 2017				
	Level 1	Level 2	Level 3	Total	
Equities	64,862,492			64,862,492	
Total	64,862,492	_	_	64,862,492	

There have been no transfers from one Level to another for the years ended December 31, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Common Class	Advisor Class
Outstanding units – January 1, 2017	2,686,214	113,800
Redeemable units issued	800,000	50,000
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(300,000)	_
Outstanding units – December 31, 2017	3,186,214	163,800
Redeemable units issued	250,000	_
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(2,050,000)	(50,000)
Outstanding units – December 31, 2018	1,386,214	113,800

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

Annual Management Fee ¹			
Common Class Advisor Class ²			
0.41% 0.91%			

¹Pays a management fee up to a maximum of 0.60% ²Includes a service fee of 0.50%

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2018 and 2017 were as follows:

Net Capital	Losses (\$)	Non-Capital Losses (\$)		
2018	2017	2018	2017	
892,910	437,022	_	_	

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, 2018 and 2017 are as follows:

Transaction Cost (\$)			
2018	2017		
36,098	13,352		

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)		
2018	2017	2018	2017	
287,821	340,629	10,670	22,624	

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At December 31, 2018		At Decembe	er 31, 2017
Reference Index	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
NASDAQ Global Risk Managed Income Index SM	1,235,940	(1,235,940)	2,911,407	(2,911,407)

Concentration Risk - The table below summarizes the concentration risk for the years ended December 31, 2018 and 2017:

	At December 31, 2018	At December 31, 2017
Holdings	% Net Assets	% Net Assets
Bonds	50.52	47.36
Equities	21.61	20.01
REITs and Preferred Shares	14.22	20.56
Senior Loans	13.17	11.77
Total	99.52	99.70

First Trust Global Risk Managed Income Index ETF Notes to Financial Statements - Specific Information For the year ended December 31, 2018

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number	Average	Fair	
	of Shares	Cost (\$)	Value (\$)	% of Total
Exchange Traded Funds—99.52%				
BMO Emerging Markets Bond Hedged to CAD Index ETF	117,295	1,905,876	1,789,922	6.66
BMO Equal Weight REITs Index ETF	32,120	610,056	661,672	2.46
BMO Equal Weight Utilities Index ETF	127,263	2,087,833	1,976,394	7.36
BMO High Yield US Corporate Bond Hedged to CAD ETF	196,456	2,778,212	2,538,212	9.45
BMO Mid-Term US IG Corporate Bond Index ETF	24,303	446,033	451,064	1.68
First Trust Senior Loan ETF (CAD-Hedged)	197,054	3,829,315	3,539,090	13.17
Horizons Cdn Select Universe Bond ETF	21,708	962,299	982,287	3.66
iShares Canadian Corporate Bond Index ETF	46,921	991,984	967,980	3.60
iShares Canadian Government Bond Index ETF	33,451	730,553	711,503	2.65
iShares Convertible Bond Index ETF, Convertible Bonds	113,538	2,102,444	1,983,509	7.38
iShares Core Canadian Long Term Bond Index ETF	22,890	545,015	532,879	1.98
iShares Core S&P / TSX Composite High Dividend Index ETF	45,454	940,411	848,626	3.16
iShares Global Monthly Dividend Index ETF (CAD-Hedged)	23,777	459,903	431,790	1.61
iShares Global Real Estate Index ETF	65,405	1,888,711	1,830,686	6.81
iShares S&P/TSX Canadian Preferred Share Index ETF	105,965	1,473,730	1,327,741	4.94
iShares S&P/TSX Capped Financials Index ETF	13,528	498,657	457,246	1.70
Vanguard Canadian Short-Term Bond Index ETF	153,109	3,657,238	3,615,669	13.46
Vanguard FTSE Canadian High Dividend Yield Index ETF	22,759	740,392	682,770	2.54
Vanguard U.S. Dividend Appreciation Index ETF	31,099	1,462,294	1,409,718	5.25
		28,110,956	26,738,758	99.52
Total investments		28,110,956	26,738,758	99.52
Transaction costs		(11,534)		
Other assets, less liabilities			129,500	0.48
Total Net Assets Attributable to Holders of Redeemable Units		28,099,422	26,868,258	100.00

First Trust Tactical Bond Index ETF

	December 31	December 3
	2018 (\$)	2017 (\$
Assets		(·
Investments (non-derivative financial assets)	21,499,888	34,000,247
Cash	50,850	68,640
Accrued dividend receivable	92,501	142,671
Other assets	4,148	6,903
	21,647,387	34,218,461
Liabilities		
Accrued liabilities	10,668	16,355
Distributions payable to holders of redeemable units	60,000	105,000
	70,668	121,355
Total net assets attributable to holders of redeemable units	21,576,719	34,097,106
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Units	21,576,719	34,097,106
Redeemable units outstanding [note 6]		
Units	1,200,000	1,750,000
Net assets attributable to holders of redeemable units per unit		
Units	17.98	19.48
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017		
	December 31	December 3
	2018 (\$)	2017 (\$
Revenues	(+)	(
Dividends	947,904	1,497,777
Other changes in fair value of investments		
Net realized gain (loss) on sale of investments	(451,086)	(432,651
Net change in unrealized appreciation (depreciation) of investments	(1,486,379)	475,710
	(989,561)	1,540,836
Expenses [note 7]	(989,561)	1,540,836
	(989,561)	, ,
Management fees		171,059
Management fees Transaction costs [note 3 and note 9]	147,703	171,059 20,554
Management fees Transaction costs [note 3 and note 9] HST expense	147,703 68,868	171,059 20,554 15,399
Management fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees	147,703 68,868 14,989 4,669 48	171,059 20,554 15,399 6,713
Management fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees	147,703 68,868 14,989 4,669	1,540,836 171,059 20,554 15,399 6,713 5 213,730
Management fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense	147,703 68,868 14,989 4,669 48 236,277 (4,669)	171,059 20,554 15,399 6,713 213,730 (6,713
Management fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by manager	147,703 68,868 14,989 4,669 48 236,277 (4,669) 231,608	171,055 20,554 15,399 6,713 213,733 (6,713 207,017
Management fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units	147,703 68,868 14,989 4,669 48 236,277 (4,669)	171,055 20,554 15,399 6,713 213,733 (6,713 207,017
Management fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units	147,703 68,868 14,989 4,669 48 236,277 (4,669) 231,608	171,059 20,554 15,399 6,713 5 213,730
Management fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units for each class Units	147,703 68,868 14,989 4,669 48 236,277 (4,669) 231,608	171,055 20,554 15,399 6,713 213,733 (6,713 207,017
Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units for each class Units Increase (Decrease) in net assets attributable to holders of redeemable units for each class	147,703 68,868 14,989 4,669 48 236,277 (4,669) 231,608 (1,221,169)	171,059 20,554 15,399 6,713 213,730 (6,713 207,017 1,333,819

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

On behalf of the Trustee,

FT Portfolios Canada Co.

.....

..... Director

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..... 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, 2018 and 2017

	December 31 2018 (\$)	December 31 2017 (\$)
Net assets attributable to holders of redeemable units, beginning of year	34,097,106	35,082,554
Increase (Decrease) in net assets attributable to holders of redeemable units	(1,221,169)	1,333,819
Redeemable unit transactions [note 6]		
Proceeds from issuance of units	971,543	1,967,707
Redemption of units	(11,285,761)	(2,934,394)
	(10,314,218)	(966,687)
Distributions to holders of redeemable units from:		
Net investment income	(779,592)	(1,270,488)
Capital gains	-	-
Return of capital	(205,408)	(82,092)
	(985,000)	(1,352,580)
Increase (Decrease) in net assets attributable to holders of redeemable units, for the year	(12,520,387)	(985,448)
Net assets attributable to holders of redeemable units, end of year	21,576,719	34,097,106
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, 2018 and 2017

	December 31 2018 (\$)	December 31 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(1,221,169)	1,333,819
Adjustments for:		
Net realized (gain) loss on sale of investments	451,086	432,651
Change in unrealized (appreciation) depreciation of investments	1,486,379	(475,710)
Dividends receivable	50,170	(5,672)
Other assets	2,755	685
Other liabilities	(5,687)	(3,627)
Purchases of investments	(67,991,571)	(22,998,528)
Proceeds from the sale of investments	78,554,465	24,031,872
	11,326,428	2,315,490
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	971,543	1,967,707
Amount paid on redemptions of units	(11,285,761)	(2,934,394)
Distributions paid to unitholders	(1,030,000)	(1,367,460)
	(11,344,218)	(2,334,147)
Increase (Decrease) in cash for the year	(17,790)	(18,657)
Cash, beginning of year	68,640	87,297
Cash, end of year	50,850	68,640
Dividends received, net of withholding taxes	998,074	1,492,105

First Trust Tactical Bond Index ETF Notes to Financial Statements - Specific Information For the year ended December 31, 2018

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to replicate, to the extent possible, the performance of the NASDAQ Canadian Preservation CAD TR 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 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, 2018 and 2017:

	Financial Assets at Fair Value (\$) As at December 31, 2018						
	Level 1	Level 1 Level 2 Level 3 Total					
Equities	21,499,888	-	-	21,499,888			
Total	21,499,888 –			21,499,888			
	I	Financial Assets at Fair Value (\$) As at December 31, 2017					
	Level 1	Level 2	Level 3	Total			
Equities	34,000,247	-		34,000,247			
Total	34,000,247	_	_	34,000,247			

There have been no transfers from one Level to another for the years ended December 31, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Units
Outstanding units – January 1, 2017	1,800,000
Redeemable units issued	100,000
Redeemable units issued on reinvestments	_
Redeemable units redeemed	(150,000)
Outstanding units – December 31, 2017	1,750,000
Redeemable units issued	50,000
Redeemable units issued on reinvestments	_
Redeemable units redeemed	(600,000)
Outstanding units – December 31, 2018	1,200,000

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%	6

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2018 and 2017 were as follows:

Net Capital Losses (\$)		Non-Capital	Losses (\$)
2018 2017		2018	2017
799,718	523,773	_	_

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, 2018 and 2017 are as follows:

Transaction Cost (\$)		
2018 2017		
68,868	20,554	

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
147,703 171,059		9,441	14,473

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At December 31, 2018		At Decembe	er 31, 2017
Index	5% Increase (\$) 5% Decrease (\$)		5% Increase (\$)	5% Decrease (\$)
NASDAQ Canadian Preservation CAD TR Index	832,861	(832,861)	1,437,193	(1,437,193)

Concentration Risk – The table below summarizes the concentration risk for the years ended December 31, 2018 and 2017:

	At December 31, 2018	At December 31, 2017
Holdings	% Net Assets	% Net Assets
Exchange-Traded Funds	99.64	99.72
Total	99.64	99.72

First Trust Tactical Bond Index ETF Notes to Financial Statements - Specific Information For the year ended December 31, 2018

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number	r Average	Fair	
	of Shares	Cost (\$)	Value (\$)	% of Total
Exchange Traded Funds—99.64%				
BMO Emerging Markets Bond Hedged to CAD Index ETF	294,447	4,533,977	4,493,261	20.82
BMO High Yield US Corporate Bond Hedged to CAD ETF	326,222	4,479,436	4,214,788	19.53
iShares Convertible Bond Index ETF, Convertible Bonds	244,978	4,590,874	4,279,766	19.84
iShares Floating Rate Index ETF	224,925	4,536,338	4,516,494	20.93
iShares S&P/TSX Canadian Preferred Share Index ETF	318,881	4,535,366	3,995,579	18.52
Total Exchange Traded Funds		22,675,991	21,499,888	99.64
Total investments		22,675,991	21,499,888	99.64
Transaction costs		(11,429)		
Other assets, less liabilities			76,831	0.36
Total Net Assets Attributable to Holders of Redeemable Units		22,664,562	21,576,719	100.00

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

	December 31	December 3
Assets	2018 (\$)	2017 (\$
Assets Investments (non-derivative financial assets)	14,215,582	8,089,647
Cash	208,280	130,194
Accrued dividend receivable	29,089	13,510
Receivable for portfolio securities sold	-	459,906
Derivative assets	3,807	41,203
Other assets	2,879	1,918
	14,459,637	8,736,378
Liabilities		
Accrued liabilities	21,035	9,34
Payable for portfolio securities purchased	171,019	533,845
Distributions payable to holders of redeemable units	21,054	32,18
Derivative liabilities	290,648	- , -
	503,756	575,37
Total net assets attributable to holders of redeemable units	13,955,881	8,161,003
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Common Class	10,207,766	6,820,897
Advisor Class	3,748,115	1,340,106
Redeemable units outstanding [note 6]		
Common Class	402,160	250,663
Advisor Class	147,835	49,335
Net assets attributable to holders of redeemable units per unit	05.00	07.04
Common Class	25.38	27.21
Advisor Class	25.35	27.16
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017		
	December 31	December 3
	2018 (\$)	2017 (\$
Revenues		
Dividends	307,072	281,085
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	528,094	949,438
Net realized gain (loss) on derivatives	(638,405)	420,847
Net realized gain (loss) on foreign exchange	(262)	4,288
Net change in unrealized appreciation (depreciation) of investments	(499,605)	(473,328
Net change in unrealized appreciation (depreciation) of derivatives	(328,043)	(35,602
	(631,149)	1,146,728
	704	
Foreign exchange gain (loss) on cash	701	
	701 (630,448)	
Expenses [note 7]	(630,448)	1,146,723
Expenses [note 7] Management fees	(630,448) 66,377	1,146,723
Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Service fees UCT expenses	(630,448) 66,377 28,476	1,146,723 48,764 12,657
Expenses [note 7] Management fees Service fees HST expense	(630,448) 66,377 28,476 9,397	1,146,723 48,764 12,655 5,939
Expenses [note 7] Management fees Service fees HST expense Transaction costs [note 3 and note 9]	(630,448) 66,377 28,476 9,397 2,373	1,146,723 48,764 12,655 5,939 4,202
Expenses [note 7] Management fees Service fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees	(630,448) 66,377 28,476 9,397	1,146,723 48,764 12,657 5,939 4,202 1,570
Expenses [note 7] Management fees	(630,448) 66,377 28,476 9,397 2,373 1,500	1,146,723 48,764 12,657 5,939 4,202 1,570 27
Expenses [note 7] Management fees Service fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense	(630,448) 66,377 28,476 9,397 2,373 1,500 - 108,123	1,146,723 48,764 12,657 5,939 4,202 1,577 27 73,159
Expenses [note 7] Management fees Service fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees	(630,448) 66,377 28,476 9,397 2,373 1,500 - - 108,123 (1,500)	1,146,723 48,764 12,657 5,938 4,202 1,577 27 73,158 (1,570
Expenses [note 7] Management fees Service fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager	(630,448) 66,377 28,476 9,397 2,373 1,500 	1,146,723 48,764 12,655 5,933 4,202 1,577 73,158 (1,577 71,588
Expenses [note 7] Management fees Service fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense	(630,448) 66,377 28,476 9,397 2,373 1,500 - - 108,123 (1,500)	1,146,723 48,764 12,657 5,933 4,202 1,570 27 73,158 (1,577 71,589 1,075,134
Expenses [note 7] Management fees Service fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes	(630,448) 66,377 28,476 9,397 2,373 1,500 - 108,123 (1,500) 106,623 (737,071)	1,146,723 48,764 12,657 5,938 4,202 1,570 273,155 (1,570 71,588 1,075,134 33,595
Expenses [note 7] Management fees Service fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units	(630,448) 66,377 28,476 9,397 2,373 1,500 - 108,123 (1,500) 106,623 (737,071) 41,452	1,146,723 48,764 12,657 5,938 4,202 1,570 273,155 (1,570 71,588 1,075,134 33,595
Expenses [note 7] Management fees Service fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units for each class	(630,448) 66,377 28,476 9,397 2,373 1,500 	1,146,723 48,764 12,655 5,933 4,202 1,570 27 73,155 (1,570 73,155) (1,570 73,155 (1,570 73,155) (1,570 73,155) (1,570 73,155) (1,570 73,155) (1,570 74,158) (1,570 74,158) (1,570 74,158) (1,570 74,158) (1,570 74,158) (1,075,13)
Expenses [note 7] Management fees Service fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units for each class Common Class	(630,448) 66,377 28,476 9,397 2,373 1,500 	1,146,723 48,764 12,657 5,933 4,202 1,577 27 73,155 (1,577 71,586 1,075,134 33,599 1,041,533 883,965
Expenses [note 7] Management fees Service fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Common Class Advisor Class	(630,448) 66,377 28,476 9,397 2,373 1,500 	1,146,723 48,764 12,657 5,938 4,202 1,570 27 73,155 (1,570 71,586 1,075,134 33,599 1,041,533 883,965
Expenses [note 7] Management fees Service fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units for each class Common Class	(630,448) 66,377 28,476 9,397 2,373 1,500 	(6 1,146,723 48,764 12,657 5,938 4,202 1,570 73,159 (1,570 71,588 1,075,134 33,599 1,041,533 883,965 157,574 3,359

On behalf of the Trustee, FT Portfolios Canada Co.

Ahr 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, 2018 and 2017

For the years ended December 31, 2018 and 2017				
	December 31	December 31	December 31	December 31
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$
	Common	Common	Advisor	Adviso
	Class	Class	Class	Class
Net assets attributable to holders of redeemable units, beginning of year	6,820,897	7,333,541	1,340,106	1,201,339
Increase (Decrease) in net assets attributable to holders of redeemable units	(619,724)	883,965	(158,799)	157,574
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	5,507,451	2,562,146	2,631,773	-
Redemption of units	(1,368,574)	(3,786,073)	(39,326)	-
	4,138,877	(1,223,927)	2,592,447	-
Distributions to holders of redeemable units from:				
Net investment income	(123,673)	(172,682)	(19,065)	(18,807
Capital gains	(7,567)	-	(6,574)	-
Return of capital	(1,044)	-	-	-
·	(132,284)	(172,682)	(25,639)	(18,807
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	3,386,869	(512,644)	2,408,009	138,767
Net assets attributable to holders of redeemable units, end of year	10,207,766	6,820,897	3,748,115	1,340,106
			December 31	December 31
		-	2018 (\$) Total	2017 (\$) Total
Net assets attributable to holders of redeemable units, beginning of year			8,161,003	8,534,880
Increase (Decrease) in net assets attributable to holders of redeemable units			(778.523)	1,041,539
				,- ,
Redeemable unit transactions [note 6]			0 400 004	0 500 4 40
Proceeds from issuance of units			8,139,224	2,562,146
Redemption of units			(1,407,900) 6,731,324	(3,786,073) (1,223,927)
			0,731,324	(1,220,927
Distributions to holders of redeemable units from:				
Net investment income			(142,738)	(191,489)
Capital gains			(14,141)	-
Return of capital			(1,044)	-
			(157,923)	(191,489
Increase (Decrease) in net assets attributable to holders of redeemable units for the year			5,794,878	(373,877
Net assets attributable to holders of redeemable units, end of year			13,955,881	8,161,003
See accompanying notes which are an integral part of these financial statements.			10,000,001	0,101,000

First Trust Value Line® Dividend Index ETF (CAD-Hedged) STATEMENTS OF CASH FLOW For the years ended December 31, 2018 and 2017

	December 31	December 3
	2018 (\$)	2017 (\$
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(778,523)	1,041,539
Adjustments for:		
Net realized (gain) loss on sale of investments	(528,094)	(949,438
Change in unrealized (appreciation) depreciation of investments and derivatives	827,648	508,930
Dividends receivable	(15,579)	6,485
Other assets	(961)	(39
Other liabilities	11,688	999
Purchases of investments	(15,036,889)	(11,225,687
Proceeds from the sale of investments	9,036,524	12,129,073
	(6,484,186)	1,511,862
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	8,139,224	2,562,146
Amount paid on redemptions of units	(1,407,900)	(3,786,073
Distributions paid to unitholders	(169,052)	(190,491
	6,562,272	(1,414,418
Increase (Decrease) in cash for the year	78,086	97,444
Cash, beginning of year	130,194	32,750
Cash, beginning of year	208,280	130,194
	200,200	150,194
Dividends received, net of withholding taxes	250,041	253,975
See accompanying notes which are an integral part of these financial statements		

A. INVESTMENT OBJECTIVE (NOTE 1) – The First Trust ETF seeks to replicate, to the extent possible, the performance of the Value Line® Dividend Index (the "Index) on a currency hedged basis, net of expenses. The Index is a modified equal-dollar weighted index comprised of U.S. exchange-listed securities of companies that pay above-average dividends and have the potential for capital appreciation.

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, 2018 and 2017:

	Financial Assets and Financial Liabilities at Fair Value (\$) As at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Equities	14,215,582	-	-	14,215,582
Derivative assets	_	3,807		3,807
Derivative liabilities	_	(290,648)	1	(290,648)
Total	14,215,582	(286,841)	-	13,928,741
	Financial Assets at Fair Value (\$) As at December 31, 2017)
	Level 1	Level 2	Level 3	Total
Equities	8,089,647		-	8,089,647
Derivative assets	_	41,203	_	41,203
Total	8,089,647	41,203	_	8,130,850

There have been no transfers from one Level to another for the years ended December 31, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Common Class	Advisor Class
Outstanding units – January 1, 2017	300,663	49,335
Redeemable units issued	100,000	_
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(150,000)	_
Outstanding units – December 31, 2017	250,663	49,335
Redeemable units issued	201,497	100,000
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(50,000)	(1,500)
Outstanding units – December 31, 2018	402,160	147,835

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 ¹				
0.70%				

¹Includes a service fee of 1.00%

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2018 and 2017 were as follows:

Net Capital	Losses (\$)	Non-Capital Losses (\$		
2018	2017	2018	2017	
543,047	543,047	_	_	

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, 2018 and 2017 are as follows:

Transaction Cost (\$)		
2018	2017	
2,373	4,202	

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management (\$		Management (\$	· -
2018	2017	2018	2017
66,377	48,764	8,553	4,874

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At Decembe	er 31, 2018	At December	r 31, 2017
Index	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
S&P 500 Index (CAD-Hedged)	519,857	(519,857)	378,671	(378,671)
Dow Jones U.S. Select Dividend [™] Index USD	701,981	(701,981)	441,510	(441,510)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2018 and 2017:

	At Decembe	er 31, 2018	At Decembe	r 31, 2017
Currency	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	198,051	1.42	(36,992)	(0.45)

As at December 31, 2018, 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 \$1,981 (December 31, 2017 - \$370). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk - The table below summarizes the concentration risk years ended December 31, 2018 and 2017:

	As a % of net assets att	ributable to holders of
	redeemat	ole units
Sector	December 31, 2018	December 31, 2017
Canada		
Financials	2.72	2.62
Information Technology	1.09	0.52
Utilities	0.55	0.53
Communication Services	0.54	0.52
Consumer Discretionary	—	0.52
United States		
Financials	20.75	16.05
Utilities	20.17	21.47
Industrials	12.48	10.91
Consumer Staples	11.54	12.37
Consumer Discretionary	5.08	5.66
Information Technology	4.54	5.17
Health Care	3.98	5.16
Materials	3.40	2.60
Energy	2.26	1.54
Communication Services	1.68	1.03
International		
United Kingdom	3.28	3.65
Switzerland	2.25	1.56
Bermuda	1.12	2.59
France	1.11	1.03
Japan	1.11	1.02
India	0.56	0.52
Ireland	0.56	1.04
Taiwan	0.56	0.53
Belgium	0.53	0.52
Total	101.86	99.13

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number	Average	Fair	% of Total
CANADIAN EQUITIES	of Shares	Cost (\$)	Value (\$)	% 01 10tai
Communication Services—0.54%				
TELUS Corp	1,664	79,057	75,284	0.54
		79,057	75,284	0.54
Financials—2.72%		,	,	
Bank of Montreal	856	85,065	76,369	0.55
Bank of Nova Scotia	1,106	85,504	75,299	0.54
Canadian Imperial Bank of Commerce	733	83,140	74,592	0.53
Royal Bank of Canada	819	81,390	76,612	0.55
Toronto-Dominion Bank (The)	1,125	83,365	76,362	0.55
		418,464	379,234	2.72
Information Technology—1.09%				
Shaw Communications Inc., Class 'B'	3,055	80,109	75,448	0.54
Thomson Reuters Corp.	1,167	68,852	76,967	0.55
		148,961	152,415	1.09
Utilities—0.55%				
Fortis Inc.	1,693	74,028	77,104	0.55
		74,028	77,104	0.55
		720,510	684,037	4.90
UNITED STATES EQUITIES				
Communcation Services—1.68% AT&T Inc.	1,986	88,291	77,380	0.56
Omnicom Group Inc.	787	74,649	78,690	0.56
Verizon Communications Inc.	1.024	69,965	78,594	0.56
	1,024	232,905	234,664	1.68
Consumer Discretionary-5.08%		232,503	234,004	1.00
Cracker Barrel Old Country Store Inc.	342	72,212	74,638	0.53
Genuine Parts Co.	592	73,094	77,603	0.56
Home Depot Inc. (The)	344	81,225	80,692	0.58
Leggett & Platt Inc.	1,600	87,500	78,286	0.56
McDonald's Corp.	319	71,125	77,332	0.55
Starbucks Corp.	897	70,206	78,863	0.57
Tiffany & Co.	732	92,408	80,456	0.58
V.F. Corp.	807	81,738	78,596	0.56
Williams-Sonoma Inc.	1,193	82,553	82,167	0.59
		712,061	708,633	5.08
Consumer Staples—11.54%				
Altria Group Inc.	1,143	92,217	77,069	0.55
Archer-Daniels-Midland Co.	1,372	79,285	76,739	0.55
Campbell Soup Co.	1,626	85,169	73,232	0.52
Clorox Co.	374	69,908	78,702	0.56
Coca-Cola Co. (The)	1,182	71,282	76,407	0.55
Colgate-Palmolive Co.	936	80,550	76,056	0.55
Conagra Brands Inc.	2,593	104,466	75,614	0.54
CVS Health Corp.	864	84,167	77,283	0.55
General Mills Inc.	1,446	85,752	76,871	0.55
Hershey Co. (The)	526	73,418	76,965	0.55
J.M. Smucker Co. (The)	583	83,079	74,410	0.53
Kellogg Co.	974	81,188	75,806	0.54
Kimberly-Clark Corp.	509	74,269	79,175	0.57
Kraft Heinz Co. (The)	1,278	101,481	75,093	0.54
Mondelez International Inc., Class 'A'	1,377	76,164	75,252	0.54
PepsiCo Inc.	513	76,425	77,374	0.55
Philip Morris International Inc.	824	98,614	75,100	0.54
Procter & Gamble Co. (The)	622	69,926	78,054	0.56
Sysco Corp.	907	71,694	77,588	0.56
Walgreens Boots Alliance Inc.	833	80,463	77,706	0.56
Walmart Inc.	633	71,044	80,498	0.58
		1,710,561	1,610,994	11.54

Factor 0.00%				
Energy—2.26% Chevron Corp.	538	80,789	79,904	0.57
Exxon Mobil Corp.	830	86,736	77,267	0.56
Phillips 66	692	88,464	81,387	0.58
Schlumberger Ltd.	1,544	105,503	76,052	0.55
		361,492	314,610	2.26
Financials—20.75%				
Aflac Inc.	1,284	70,619	79,863	0.57
Allstate Corp. (The)	703	78,299	79,303	0.57
Arthur J. Gallagher & Co.	788	67,131	79,285	0.57
Assurant Inc.	658	82,800	80,344	0.58
AvalonBay Communities Inc.	322	75,673	76,511	0.55
Bank of Hawaii Corp.	850	87,517	78,119	0.56
Bank of New York Mellon Corp. (The)	1,222	83,200	78,526	0.56
BB&T Corp.	1,317	83,765	77,888	0.56
BlackRock Inc.	150	89,258	80,442	0.58
Capitol Federal Financial Inc.	4,415	77,585	76,969	0.55
Cincinnati Financial Corp.	753	73,913	79,587	0.57
CNA Financial Corp.	1,293	82,692	77,934	0.56
Discover Financial Services	987	91,862	79,473	0.57
Equity Residential	853	74,891	76,870	0.55
Erie Indemnity Co., Class 'A'	436	71,405	79,350	0.57
Federal Realty Investment Trust	471	78,332	75,901	0.54
Fidelity National Financial Inc.	1,836	86,921	78,805	0.56
First American Financial Corp.	1,277	78,853	77,824	0.56
Franklin Resources Inc.	1,958	92,937	79,283	0.57
Hartford Financial Services Group Inc. (The)	1,333	85,052	80,891	0.58
JPMorgan Chase & Co.	590	75,058	78,630	0.56
M&T Bank Corp.	400	89,176	78,160	0.56
Mercury General Corp.	1,114	76,662	78,642	0.56
Mid-America Apartment Communities Inc.	589	73,794	76,953	0.55
Northwest Bancshares Inc.	3,388	75,137	78,352	0.56
Park National Corp.	686	91,240	79,558	0.57
People's United Financial Inc.	3,938	88,536	77,578	0.56
PNC Financial Services Group Inc.	495	82,476	79,005	0.57
Public Storage Inc. Realty Income Corp.	276 902	75,408 68,323	76,267 77,628	0.55 0.56
Simon Property Group Inc.	338	74,160	77,517	0.50
T. Rowe Price Group Inc.	640	79,963	80,662	0.55
Travelers Cos. Inc. (The)	483	77,608	78,962	0.50
U.S. Bancorp	1,242	83,987	77,488	0.55
Washington REIT	2,375	88,921	74,574	0.53
Wells Fargo & Co.	1,246	87,414	78,384	0.55
WP Carey Inc.	838	73,873	74,751	0.53
		2,974,441	2,896,279	20.75
Health Care—3.98%		_,,	_,,	
Amgen Inc.	305	72,825	81,058	0.58
Bristol-Myers Squibb Co.	1,115	79,371	79,124	0.57
Eli Lilly and Co.	509	78,246	80,412	0.58
Johnson & Johnson	442	77,779	77,871	0.56
Merck & Co. Inc.	764	64,062	79,697	0.57
Pfizer Inc.	1,340	69,303	79,852	0.57
Quest Diagnostics Inc.	681	80,845	77,416	0.55
		522,431	555,430	3.98
Industrials—12.48%				
3M Co.	304	82,173	79,078	0.57
Boeing Co. (The)	185	82,706	81,451	0.58
C.H. Robinson Worldwide Inc.	687	77,958	78,867	0.56
Caterpillar Inc.	465	75,689	80,666	0.58
Cummins Inc.	433	80,081	78,999	0.57
Dover Corp.	817	89,986	79,135	0.57
Emerson Electric Co.	979	84,073	79,858	0.57
Fastenal Co.	1,101	77,227	78,596	0.56
General Dynamics Corp.	367	77,520	78,767	0.56
Honeywell International Inc.	435	83,034	78,461	0.56
Hubbell Inc.	586	85,049	79,473	0.57

Materials—3.40% Air Products and Chemicals Inc.	363	74,914	79,316	0.57
Avery Dennison Corp.	649	78,203	79,591	0.57
Bemis Co. Inc. DowDuPont Inc.	1,245 1,107	74,509 84,552	78,015 80,823	0.56 0.58
Sensient Technologies Corp.	1,07	85,806	78,457	0.56
Sonoco Products Co.	1,079	75,048	78,263	0.56
Utilities—20.17%		473,032	474,465	3.40
Allete Inc.	738	74,734	76,793	0.55
Alliant Energy Corp. Ameren Corp.	1,319 859	73,120 66,469	76,079 76,496	0.55 0.55
American Electric Power Co. Inc.	739	69,482	75,404	0.54
Aqua America Inc.	1,678	76,360	78,323	0.56
Avangrid Inc. Avista Corp.	1,106 1,263	72,570 84,169	75,631 73,246	0.54 0.53
Black Hills Corp.	900	70,667	77,137	0.55
CMS Energy Corp.	1,126	70,151	76,323	0.55
Consolidated Edison Inc. Dominion Energy Inc.	722 764	73,510 73,750	75,365 74,534	0.54 0.53
DTE Energy Co.	499	70,656	74,334 75,140	0.54
Duke Energy Corp.	648	69,443	76,345	0.55
El Paso Electric Co. Evergy Inc.	1,110 972	82,133	75,966	0.54
Evergy Inc. Eversource Energy	972 857	71,995 67,991	75,332 76,095	0.54 0.55
FirstEnergy Corp.	1,516	73,929	77,715	0.56
Hawaiian Electric Industries Inc.	1,532	72,578	76,590	0.55
IDACORP Inc. MDU Resources Group Inc.	596 2,358	73,706 81,491	75,719 76,744	0.54 0.55
New Jersey Resources Corp.	1,229	71,476	76,627	0.55
NextEra Energy Inc.	323	66,059	76,648	0.55
Northwest Natural Holding Co.	918 937	77,294	75,772 76,035	0.54 0.54
NorthWestern Corp. OGE Energy Corp.	937 1,422	74,671 66,825	76,035	0.54
Otter Tail Corp.	1,142	69,635	77,392	0.55
Pinnacle West Capital Corp.	642	68,680	74,674	0.54
Portland General Electric Co. PPL Corp.	1,230 1,970	74,420 80,307	76,991 76,192	0.55 0.55
Public Services Enterprise Group Inc.	1,089	74,794	77,383	0.55
Sempra Energy	506	72,831	74,737	0.54
South Jersey Industries Inc.	2,029	83,121	77,006	0.55
Southern Co. (The) Spire Inc.	1,263 764	77,084 75,214	75,729 77,266	0.54 0.55
Vectren Corp.	759	68,585	74,585	0.53
WEC Energy Group Inc.	804	69,316	76,021	0.54
Xcel Energy Inc.	1,118	68,949 2,708,165	75,200 2,815,315	0.54

INTERNATIONAL EQUITIES				
Belgium—0.53%				
Anheuser-Busch InBev NV, ADR	831	98,297	74,660	0.53
		98,297	74,660	0.53
Bermuda—1.12%				
Axis Capital Holdings Ltd.	1,107	77,990	78,042	0.56
Everest Re Group Ltd.	264	75,833	78,484	0.56
		153,823	156,526	1.12
France—1.11%				
Sanofi SA, ADR	1,310	74,844	77,635	0.56
TOTAL SA, ADR	1,082	80,080	77,077	0.55
		154,924	154,712	1.11
India—0.56%	5 005	00,400	77 705	0.50
Infosys Technologies Ltd., ADR	5,985	69,160	77,785	0.56
		69,160	77,785	0.56
Ireland—0.56% Eaton Corp. PLC	838	79,300	78,550	0.56
	838			
		79,300	78,550	0.56
Japan—1.11% Canon Inc., ADR	2,058	87,577	77,544	0.56
Toyota Motor Corp., ADR	486	79,199	77,018	0.50
Toyota Motol Colp., ADR	480	166,776	154,562	1.11
Switzerland—2.25%		100,770	134,302	1.11
ABB Ltd., ADR	2,988	87,541	77,546	0.56
Chubb Ltd.	452	80,678	79,713	0.57
Novartis AG, ADR	659	73,134	77,201	0.55
TE Connectivity Ltd.	768	85,858	79,296	0.57
	100	327,211	313,756	2.25
Taiwan—0.56%			,	
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	1,540	78,978	77,600	0.56
<u> </u>		78,978	77,600	0.56
United Kingdom—3.28%				
British American Tobacco PLC, ADR	1,725	104,174	75,029	0.54
Diageo PLC, ADR	393	72,428	76,079	0.54
GlaxoSmithKline PLC, ADR	1,459	73,556	76,108	0.55
Royal Dutch Shell PLC, Class 'B', ADR	958	81,078	78,393	0.56
Unilever PLC, ADR	1,066	76,371	76,040	0.54
WPP PLC, ADR	1,026	91,669	76,758	0.55
		499,276	458,407	3.28
		1,627,745	1,546,558	11.08
Total investments		14,476,441	14,215,582	101.86
Transaction costs		(1,093)		
Unrealized appreciation on derivatives - see Schedule 1		,	3,807	0.02
Unrealized depreciation on derivatives - see Schedule 1			(290,648)	(2.08)
Other assets, less liabilities			27,140	0.20
Total Net Assets Attributable to Holders of Redeemable Units		14,475,348	13,955,881	100.00

SCHEDULE OF INVESTMENT PORTFOLIO As at December 31, 2018

Schedule 1

	Credit								Appreciation
	Rating of	Settlement C	urrency	Amount C	urrency	Amount	Forward	Current	(Depreciation)
Counterparty	Counterparty*	Date	Sell	Sold	Buy	Bought	Rate	Rate	\$
Bank of New York Mellon (The), New York	A-1+	2019-01-31	CAD	950,000	USD	699,198	1.359	1.364	3,807
									3,807
Bank of New York Mellon (The), New York	A-1+	2019-01-31	USD	10,990,506	CAD	14,702,000	0.748	0.733	(290,648)
									(290,648)

* Commercial paper rating per Stand and Poor's Commerical Paper Guide

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

	December 31	December 3
	2018 (\$)	2017 (
Assets		
Investments (non-derivative financial assets)	6,600,636	4,199,96
Cash	33,631	31,08
Accrued dividend receivable	35,212	23,69
Other assets	1,638	1,78
Liabilities	6,671,117	4,256,52
Accrued liabilities	12,722	7,09
Redemptions payable	12,722	12,51
Distributions payable to holders of redeemable units	22,500	16,65
	35.222	36,25
Total net assets attributable to holders of redeemable units	6,635,895	4,220,26
Total Net Assets Attributable to Holders of Redeemable Units for each class	- , ,	, -, -
Units	6,635,895	4,220,26
Redeemable units outstanding [note 6]		
Units	250,000	150,00
Net assets attributable to holders of redeemable units per unit Units	26.54	28.1
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017		
DIATEMENTO OF COMPACTICATIVE INCOME For the years ended becember 51, 2010 and 2017		December
	December 31 2018 (\$)	December 3 2017 (
Revenues	2010 (4)	
	302,328	171,52
Dividends	302,328	171,52
Dividends	302,328 (908,397)	,
Dividends Other changes in fair value of investments		573,65
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments	(908,397)	573,65 (5,53
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange	(908,397) (22)	573,65 (5,53 (345,38
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	(908,397) (22) (594,965)	171,52 573,65 (5,53 (345,38 394,26 (27
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash	(908,397) (22) (594,965) (1,201,056)	573,65 (5,53 (345,38 394,26 (27
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7]	(908,397) (22) (594,965) (1,201,056) 2,371 (1,198,685)	573,65 (5,53 (345,38 394,26 (27 393,98
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees	(908,397) (22) (594,965) (1,201,056) 2,371 (1,198,685) 61,132	573,65 (5,53 (345,38 394,26 (27 393,98 36,19
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense	(908,397) (22) (594,965) (1,201,056) 2,371 (1,198,685) 61,132 6,209	573,65 (5,53 (345,38 394,26 (27 393,98 36,19 3,68
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9]	(908,397) (22) (594,965) (1,201,056) 2,371 (1,198,685) 61,132 6,209 3,044	573,65 (5,53 (345,38 394,26 (27 393,98 36,19 3,68 1,86
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees	(908,397) (22) (594,965) (1,201,056) 2,371 (1,198,685) 61,132 6,209 3,044 1,409	573,65 (5,53 (345,38 394,26 (27 393,98 36,19 3,68 1,86
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9]	(908,397) (22) (594,965) (1,201,056) 2,371 (1,198,685) 61,132 6,209 3,044 1,409 10	573,65 (5,53 (345,38 394,26 (27 393,98 36,19 3,66 1,86 1,03
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense	(908,397) (22) (594,965) (1,201,056) 2,371 (1,198,685) 61,132 6,209 3,044 1,409 10 71,804	573,65 (5,53 (345,38 394,26 (27 393,98 36,19 3,66 1,86 1,03 1,03
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees	(908,397) (22) (594,965) (1,201,056) 2,371 (1,198,685) 61,132 6,209 3,044 1,409 10 71,804 (1,409)	573,65 (5,53 (345,38 394,26 (27 393,98 36,19 3,68 1,86 1,03 42,76 (1,03
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager	(908,397) (22) (594,965) (1,201,056) 2,371 (1,198,685) 61,132 6,209 3,044 1,409 10 71,804 (1,409) 70,395	573,65 (5,53 (345,38 394,26 (27 393,98 36,19 3,68 1,86 1,03 42,76 (1,03 41,73
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax	(908,397) (22) (594,965) (1,201,056) 2,371 (1,198,685) 61,132 6,209 3,044 1,409 10 71,804 (1,409) 70,395 (1,269,080)	573,65 (5,53 (345,38 394,26 (27 393,98 36,19 3,68 1,86 1,03 42,76 (1,03 41,73 352,24
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes	(908,397) (22) (594,965) (1,201,056) 2,371 (1,198,685) 61,132 6,209 3,044 1,409 10 71,804 (1,409) 70,395 (1,269,080) 44,318	573,65 (5,53 (345,38 394,26 (27 393,98 36,19 3,68 1,86 1,03 42,76 (1,03 41,73 352,24 20,90
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units	(908,397) (22) (594,965) (1,201,056) 2,371 (1,198,685) 61,132 6,209 3,044 1,409 10 71,804 (1,409) 70,395 (1,269,080)	573,65 (5,53 (345,38 394,26 (27 393,98 36,19 3,68 1,86 1,03 42,76 (1,03 41,73 352,24 20,90
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units for each class	(908,397) (22) (594,965) (1,201,056) 2,371 (1,198,685) 61,132 6,209 3,044 1,409 10 71,804 (1,409) 70,395 (1,269,080) 44,318 (1,313,398)	573,65 (5,53 (345,38 394,26 (27 393,98 36,19 3,68 1,86 1,03 42,76 (1,03 41,73 352,24 20,90 331,33
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units	(908,397) (22) (594,965) (1,201,056) 2,371 (1,198,685) 61,132 6,209 3,044 1,409 10 71,804 (1,409) 70,395 (1,269,080) 44,318	573,65 (5,53 (345,38 394,26

On behalf of the Trustee,

FT Portfolios Canada Co.

11

..... 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, 2018 and 2017

	December 31 2018 (\$)	December 31 2017 (\$)
Net assets attributable to holders of redeemable units, beginning of year	4,220,265	2,586,998
Increase (Decrease) in net assets attributable to holders of redeemable units	(1,313,398)	331,339
Redeemable unit transactions [note 6]		
Proceeds from issuance of units	30,985,183	9,823,760
Reinvested distributions	329,900	-
Redemption of units	(27,170,130)	(8,471,687)
	4,144,953	1,352,073
Distributions to holders of redeemable units from:		
Net investment income	-	-
Capital gains	(415,909)	-
Return of capital	(16)	(50,145)
	(415,925)	(50,145)
		<u> </u>
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	2,415,630	1,633,267
Net assets attributable to holders of redeemable units, end of year	6,635,895	4,220,265

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, 2018 and 2017

	December 31	December 3
	2018 (\$)	2017 (\$
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(1,313,398)	331,339
Adjustments for:		
Net realized (gain) loss on sale of investments	908,397	(573,654
Change in unrealized (appreciation) depreciation of investments	594,965	345,387
Dividends receivable	(11,513)	(18,962
Other assets	146	(1,025
Other liabilities	5,631	5,366
Purchases of investments	(37,262,119)	(13,343,745
Proceeds from the sale of investments	33,358,081	11,942,464
	(3,719,810)	(1,312,830
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	30,985,183	9,823,760
Amount paid on redemptions of units	(27,182,647)	(8,459,170
Distributions paid to unitholders	(80,175)	(43,495
	3,722,361	1,321,095
Increase (Decrease) in cash for the year	2,551	8,265
Cash, beginning of year	31,080	22,815
Cash, end of year	33,631	31,080
Dividends received, net of withholding taxes	246,497	131,658

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

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, 2018 and 2017:

	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2018							
	Level 1	Level 1 Level 2 Level 3 Total						
Equities	6,600,636 – – 6,600							
Total	6,600,636 – – 6,600,636							
	Financial Assets (Liabilities) at Fair Value (\$) As at December 31, 2017							
	Level 1 Level 2 Level 3 Total							
Equities	4,199,960	_	-	4,199,960				
Total	4,199,960	_	-	4,199,960				

There have been no transfers from one Level to another for the years ended December 31, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Units
Outstanding units – January 1, 2017	100,000
Redeemable units issued	350,000
Redeemable units issued on reinvestments	_
Redeemable units redeemed	(300,000)
Outstanding units – December 31, 2017	150,000
Redeemable units issued	1,100,000
Redeemable units issued on reinvestments	-
Redeemable units redeemed	(1,000,000)
Outstanding units – December 31, 2018	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%	

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2018 and 2017 were as follows:

Net Capital Losses (\$)		Non-Capital Losses		
2018	2017	2018	2017	
_	_	-	281,856	

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, 2018 and 2017 are as follows:

Transaction Cost (\$)			
2018 2017			
3,044	1,865		

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)		
2018	2017	2018	2017	
61,132	36,191	11,258	6,276	

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At December 31, 2018		At December	⁻ 31, 2017
Index	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Financial				
Services Index	297,288	(297,288)	198,361	(198,361)
Russell 1000® Index	286,671	(286,671)	204,691	(204,691)
S&P 500 Financials Index	267,758	(267,758)	168,818	(168,818)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2018 and 2017:

	At December 31, 2018		At Decembe	r 31, 2017
Currency	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	6,631,593	99.94	4,223,545	100.08

As at December 31, 2018, 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 \$66,316 (December 31, 2017 – \$42,235). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk – The table below summarizes the concentration risk for the years ended December 31, 2018 and 2017:

	As a % of net assets attributable to holders of redeemable units				
Sector	December 31, 2018 December 31, 2017				
Financials	86.61	87.12			
Information Technology	10.52 10				
Industrials	1.67	0.99			
Consumer Discretionary	0.38	1.11			
Materials	0.29	-			
Total	99.47	99.52			

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number	Average	Fair	
	of Shares	Cost (\$)	Value (\$)	% of Total
Consumer Discretionary-0.38%	267	05 707	05 017	0.20
Lamar Advertising Co., Class 'A'	267	25,797 25,797	25,217 25,217	0.38
Financials—86.61%		-, -	-,	
Affiliated Managers Group Inc.	374	61,002	49,751	0.75
Aflac Inc.	1,094	64,020	68,045	1.03
AGNC Investment Corp .	2,773	65,449	66,401	1.00
Alleghany Corp.	60	49,185	51,057	0.77
Allstate Corp. (The)	417	49,106	47,040	0.71
Ally Financial Inc.	1,952	66,311	60,386	0.91
American Express Co.	385	54,079	50,100	0.75
American Financial Group Inc.	97	13,358	11,988	0.18
Ameriprise Financial Inc.	76	13,107	10,829	0.16
Annaly Capital Management Inc.	5,057	67,013	67,796	1.02
Aon PLC	199	41,596	39,491	0.59
Apartment Investment & Management Co., Class 'A'	242	14,183	14,497	0.22
Apple Hospitality REIT Inc.	1,186	25,561	23,089	0.35
Arch Capital Group Ltd.	691 272	25,544	25,206	0.38
Arthur J. Gallagher & Co.	273	26,753	27,468	0.41
Associated Banc-Corp. Assurant Inc.	1,164 195	36,575 25,180	31,448 23,810	0.47 0.36
Assurant inc. Assured Guaranty Ltd.	1,222	25,180 62,449	63,862	0.36
Athene Holding Ltd.	1,222	59,040	54,430	0.90
AvalonBay Communities Inc.	56	13,336	13,306	0.02
Axis Capital Holdings Ltd.	520	37,119	36,659	0.20
Bank of America Corp.	1,025	38,079	34,480	0.53
Bank of New York Mellon Corp. (The)	813	54,938	52,243	0.32
Bank OZK	1,088	45,376	33,910	0.70
BankUnited Inc.	1,460	67,108	59,676	0.90
BB&T Corp.	626	42,044	37,022	0.56
Berkshire Hathaway Inc., Class 'B'	244	67,162	68,014	1.02
BlackRock Inc.	42	23,981	22,524	0.34
BOK Financial Corp.	208	23,961	20,823	0.31
Brandywine Realty Trust	1,922	36,614	33,770	0.51
Brixmor Property Group Inc.	1,182	24,323	23,705	0.36
Brown & Brown Inc.	1,023	37,789	38,490	0.58
Capital One Financial Corp.	314	37,158	32,403	0.49
Cboe Global Markets Inc.	433	60,943	57,830	0.87
CBRE Group Inc., Class 'A'	684	39,012	37,389	0.56
Chimera Investment Corp.	2,852	68,795	69,383	1.05
Chubb Ltd.	228	40,328	40,209	0.61
Cincinnati Financial Corp.	535	54,699	56,546	0.85
CIT Group Inc.	803	49,747	41,954	0.63
Citizens Financial Group Inc.	1,076	52,840	43,672	0.66
CME Group Inc.	239	58,242	61,380	0.92
CNA Financial Corp.	907	56,179	54,668	0.82
Colony Capital Inc.	3,394	26,586	21,685	0.33
Columbia Property Trust Inc.	874	24,731	23,088	0.35
Comerica Inc.	228	25,097	21,381	0.32
Coresite Realty Corp.	97	12,732	11,551	0.17
Credit Acceptance Corp.	114	58,192	59,414	0.90
Crown Castle International Corp.	96	13,897	14,237	0.21
Cullen/Frost Bankers Inc.	105	14,067	12,606	0.19
Discover Financial Services	395	37,114	31,805	0.48
Duke Realty Corp.	373	13,722	13,189	0.20
E*TRADE Financial Corp.	198	14,025	11,861	0.18
East West Bancorp Inc.	347	25,529	20,621	0.31
EPR Properties	307	27,394	26,836	0.40
Equity Commonwealth	1,401	57,306	57,399	0.86
	110	13,901	14,586	0.22
Equity Lifestyle Properties Inc.			00 100	~ · ·
Evercore Inc., Class 'A' Evercore Inc., Class 'A' Evercost Re Group Ltd.	301 50	35,199 14,521	29,406 14,864	0.44 0.22

F.N.B. Corp.	2,371	39,137	31,851	0.48
Fidelity National Financial Inc.	1,052	47,214	45,154	0.68
Fifth Third Bancorp	1,853	68,023	59,524	0.90
First American Financial Corp.	1,005	63,733	61,247	0.92
First Citizens Bancshares Inc.	47	26,208	24,193	0.36
First Data Corp., Class 'A'	2,116	52,261	48,849	0.74
First Hawaiian Inc.	393	13,614	12,077	0.18
First Horizon National Corp.	617	13,621	11,085	0.17
Franklin Resources Inc.	680	29,750	27,535	0.41
Gaming and Leisure Properties Inc.	304	13,494	13,409	0.20
Goldman Sachs Group Inc. (The)	134	36,386	30,560	0.46
Hanover Insurance Group Inc.	88	13,193	14,029	0.21
Highwoods Properties Inc.	224	12,971	11,832	0.18
Hospitality Properties Trust	1,051	36,853	34,264	0.52
Host Hotels & Resorts Inc.	979	24,983	22,280	0.34
Howard Hughes Corp. (The)	169	25,561	22,523	0.34
Huntington Bancshares Inc.	2,774	54,052	45,142	0.68
Interactive Brokers Group Inc., Class 'A'	196	14,294	14,623	0.22
Intercontinental Exchange Inc.	278	28,673	28,590	0.43
Invesco Ltd.	2,257	66,030	51,580	0.78
Jones Lang LaSalle Inc.	208	39,302	35,950	0.54
JPMorgan Chase & Co.	263	37,987	35,050	0.53
KeyCorp	1,038	25,666	20,944	0.32
Kimco Realty Corp.	2,470	50,406	49,400	0.74
Lazard Ltd., Class 'A'	222	12,439	11,187	0.17
Legg Mason Inc.	1,655	66,327	57,637	0.87
Liberty Property Trust	254	14,326	14,522	0.22
Lincoln National Corp.	762	64,541	53,377	0.80
Loews Corp.	819	51,852	50,896	0.77
LPL Financial Holdings Inc.	643	53,010	53,618	0.81
M&T Bank Corp.	127	28,203	24,816	0.37
Markel Corp.	26	38,164	36,846	0.56
Marsh & McLennan Cos. Inc.	125	14,064	13,609	0.20
Medical Properties Trust Inc.	2,025	41,443	44,454	0.67
Mercury General Corp.	215	14,957	15,178	0.23
MetLife Inc.	885	51,490	49,609	0.75
MFA Financial Inc.	7,036	66,357	64,165	0.97
Moody's Corp.	61	12,412	11,662	0.18
Morgan Stanley	884	53,160	47,851	0.72 0.73
Momingstar Inc. Nasdag Inc.	325 356	50,104 41,268	48,735 39,644	0.73
•	241	14,820	15,960	0.00
National Retail Properties Inc. Navient Corp.	2,240	35,645	26,941	0.24
New Residential Investment Corp.	2,901	65,309	56,278	0.41
New York Community Bancorp Inc.	3,992	54,008	51,283	0.85
Northern Trust Corp.	102	13,282	11,640	0.18
Old Republic International Corp.	1,843	51,452	51,755	0.78
OneMain Holdings Inc.	1,231	48,021	40,821	0.62
Outfront Media Inc.	1,039	28,056	25,702	0.39
PacWest Bancorp	631	35,742	28,669	0.43
Park Hotels & Resorts Inc.	1,574	62,447	55,827	0.84
People's United Financial Inc.	1,761	38,702	34,691	0.52
Pinnacle Financial Partners Inc.	341	25,604	21,461	0.32
PNC Financial Services Group Inc.	301	54,072	48,041	0.72
Popular Inc.	587	40,660	37,841	0.57
Principal Financial Group Inc.	707	48,223	42,633	0.64
Progressive Corp. (The)	723	58,916	59,548	0.90
Prologis Inc.	446	38,678	35,753	0.54
Prosperity Bancshares Inc.	436	39,785	37,083	0.56
Prudential Financial Inc.	510	63,605	56,779	0.86
Raymond James Financial Inc.	224	24,055	22,755	0.34
Rayonier Inc.	889	37,115	33,606	0.51
Realogy Holdings Corp.	2,502	65,044	50,143	0.76
Regions Financial Corp.	1,130	24,896	20,641	0.31
Reinsurance Group of America Inc.	353	68,229	67,579	1.02
RenaissanceRe Holdings Ltd.	79	13,567	14,420	0.22
Retail Properties of America Inc.	3,396	53,817	50,303	0.76

Santander Consumer USA Holdings Inc.	2,577	63,794	61,884	0.93
Senior Housing Properties Trust	2,940	56,708	47,040	0.71
Signature Bank	180	27,429	25,264	0.38
SL Green Realty Corp. SLM Corp.	107 1,852	13,166 25,503	11,552 21,011	0.17 0.32
Spirit Realty Capital Inc.	260	13,315	12,512	0.32
Starwood Property Trust Inc.	962	27,553	25,886	0.19
State Street Corp.	361	36,951	31,083	0.00
Sterling Bancorp	479	12,352	10,796	0.16
Store Capital Corp.	387	14,294	14,957	0.23
SunTrust Banks Inc.	456	38,651	31,401	0.47
SVB Financial Group	169	55,561	43,818	0.66
Synchrony Financial	1,331	48,967	42,629	0.64
Synovus Financial Corp.	236	12,934	10,307	0.16
T. Rowe Price Group Inc.	376	49,123	47,389	0.71
TCF Financial Corp.	1,740	51,384	46,298	0.70
Texas Capital Bancshares Inc.	126	11,459	8,788	0.13
Torchmark Corp.	599	67,338	60,947	0.92
Travelers Cos. Inc. (The)	228	38,892	37,274	0.56
Two Harbors Investment Corp. U.S. Bancorp	3,465 394	66,136 27,810	60,739 24,582	0.92 0.37
Umpqua Holdings Corp.	992	26,377	24,582	0.37
Unum Group	1,319	64,908	52,905	0.32
Ventas Inc.	761	59,092	60,870	0.00
Virtu Financial Inc.	1,013	34,667	35,625	0.54
Visa Inc., Class 'A'	276	48,133	49,714	0.75
Voya Financial Inc.	419	25,228	22,961	0.35
W.R. Berkley Corp.	373	37,301	37,636	0.57
Webster Financial Corp.	181	14,169	12,180	0.18
Weingarten Realty Investors	1,740	64,841	58,935	0.89
Wells Fargo & Co.	573	40,545	36,047	0.54
Western Alliance Bancorp	190	12,585	10,243	0.15
Willis Towers Watson PLC	150	30,435	31,098	0.47
Wintrust Financial Corp.	240 405	25,352	21,785	0.33 0.64
Worldpay Inc. WP Carey Inc.	403 166	44,710 14,538	42,259 14,808	0.04
Zions Bancorporation NA	606	39,292	33,705	0.22
		6,216,069	5,747,390	86.61
Industrials—1.67%				
Dun & Bradstreet Corp. (The)	290	53,391	56,512	0.85
Equifax Inc.	84	11,821	10,680	0.16
TransUnion	566	46,270	43,889	0.66
Information Technology 40 500/		111,482	111,081	1.67
Information Technology—10.52% Alliance Data Systems Corp.	45	12,163	9,220	0.14
Broadridge Financial Solutions Inc., ADR	310	41,569	40,734	0.61
CoreLogic Inc.	415	23,154	18,934	0.29
Euronet Worldwide Inc.	517	73,746	72,261	1.09
FactSet Research Systems Inc.	135	40,087	36,884	0.56
Fair Issac Corp.	228	56,106	58,207	0.88
Fidelity National Information Services Inc.	281	37,998	39,340	0.59
Fiserv Inc.	253	25,344	25,383	0.38
FleetCor Technologies Inc.	128	32,494	32,454	0.49
Global Payments Inc.	167	24,315	23,513	0.35
Jack Henry & Associates Inc.	319	57,901	55,099	0.83
MasterCard Inc., Class 'A'	237	58,774	61,038	0.92
MSCI Inc., Class 'A'			46,091	0.69
PayPal Holdings Inc.	229	44,931		A 00
PayPal Holdings Inc.	472	49,804	54,186	
Square Inc., Class 'A'	472 526	49,804 42,392	54,186 40,278	0.61
Square Inc., Class 'A' Total System Service Inc.	472 526 307	49,804 42,392 34,590	54,186 40,278 34,070	0.61 0.51
Square Inc., Class 'A'	472 526	49,804 42,392	54,186 40,278	0.61 0.51 0.76
Square Inc., Class 'A' Total System Service Inc.	472 526 307	49,804 42,392 34,590 54,403	54,186 40,278 34,070 50,097	0.61 0.51 0.76
Square Inc., Class 'A' Total System Service Inc. WEX Inc.	472 526 307	49,804 42,392 34,590 54,403	54,186 40,278 34,070 50,097	0.61 0.51 0.76 10.52
Square Inc., Class 'A' Total System Service Inc. WEX Inc. Materials-0.29%	472 526 307 262	49,804 42,392 34,590 54,403 709,771	54,186 40,278 34,070 50,097 697,789	0.61 0.51 0.76 10.52 0.29
Square Inc., Class 'A' Total System Service Inc. WEX Inc. Materials—0.29% Weyerhaeuser Co.	472 526 307 262	49,804 42,392 34,590 54,403 709,771 23,608 23,608	54,186 40,278 34,070 50,097 697,789 19,159 19,159	0.61 0.51 0.76 10.52 0.29 0.29
Square Inc., Class 'A' Total System Service Inc. WEX Inc. Materials-0.29%	472 526 307 262	49,804 42,392 34,590 54,403 709,771 23,608	54,186 40,278 34,070 50,097 697,789 19,159	
Square Inc., Class 'A' Total System Service Inc. WEX Inc. Materials—0.29% Weyerhaeuser Co.	472 526 307 262	49,804 42,392 34,590 54,403 709,771 23,608 23,608	54,186 40,278 34,070 50,097 697,789 19,159 19,159	0.61 0.51 10.52 0.29 0.29
Square Inc., Class 'A' Total System Service Inc. WEX Inc. Materials—0.29% Weyerhaeuser Co. Total investments	472 526 307 262	49,804 42,392 34,590 54,403 709,771 23,608 23,608 7,086,727	54,186 40,278 34,070 50,097 697,789 19,159 19,159	0.61 0.51 10.52 0.29 0.29

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

	December 31	December 3
	2018 (\$)	2017 (
Assets		
Investments (non-derivative financial assets)	1,575,738	1,293,32
Cash	11,262	5,42
Accrued dividend receivable	651	36
Other assets	496	9
	1,588,147	1,299,20
Liabilities		
Accrued liabilities	1,379	96
	1,379	96
Total net assets attributable to holders of redeemable units	1,586,768	1,298,24
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Units	1,586,768	1,298,24
Redeemable units outstanding [note 6]	450.000	100.00
Units	150,000	100,00
Net assets attributable to holders of redeemable units per unit	10 50	10.0
Units	10.58	12.9
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2	2017	
	December 31	December
	2018 (\$)	2017 (
Revenues		
Dividends	58,897	44,40
Other changes in fair value of investments		
Net realized gain (loss) on sale of investments	983,262	(259,47
Net realized gain (loss) on foreign exchange	(145)	(6
Net change in unrealized appreciation (depreciation) of investments	(550,933)	(139,87
	491,081	(355,00
Foreign exchange gain (loss) on cash	248	10
	491,329	(354,90
Expenses [note 7]		
Management fees	21,992	14,34
Transaction costs [note 3 and note 9]	2,581	2,07
HST expense	2,324	1,74
Independent Review Committee fees	506	39
Interest expense	3	
	27,406	18,57
Expenses waived by manager	(506)	(39
	26,900	18,17
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	464,429	(373,07
Withholding taxes	6,644	5,32
Increase (Decrease) in net assets attributable to holders of redeemable units	457,785	(378,40
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		/070 - 0
Units	457,785	(378,40
Increase (Decrease) in net assets attributable to holders of redeemable units per unit Units	1.92	(2.3

On behalf of the Trustee, FT Portfolios Canada Co.

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..... Director

..... Director

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

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

	December 31	December 31
	2018 (\$)	2017 (\$
Net assets attributable to holders of redeemable units, beginning of year	1,298,240	2,942,975
Increase (Decrease) in net assets attributable to holders of redeemable units	457,785	(378,401
Redeemable unit transactions [note 6]		
Proceeds from issuance of units	8,136,789	631,603
Reinvested distributions	122,685	-
Redemption of units	(8,306,046)	(1,894,112
	(46,572)	(1,262,509
Distributions to holders of redeemable units from:		
Net investment income	-	-
Capital gains	(122,685)	-
Return of capital	-	(3,825
· · ·	(122,685)	(3,825
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	288,528	(1,644,735
Net assets attributable to holders of redeemable units, end of year	1,586,768	1,298,240

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First Trust AlphaDEX[™] U.S. Energy Sector Index ETF STATEMENTS OF CASH FLOW For the years ended December 31, 2018 and 2017

	December 31	December 3 ⁴
	2018 (\$)	2017 (\$
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	457,785	(378,401
Adjustments for:		
Net realized (gain) loss on sale of investments	(983,262)	259,471
Change in unrealized (appreciation) depreciation of investments	550,933	139,872
Dividends receivable	(287)	(243
Other assets	(402)	18
Other liabilities	412	(728
Purchases of investments	(11,315,012)	(2,670,495
Proceeds from the sale of investments	11,464,930	3,914,822
	175,097	1,264,316
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	8,136,789	631,603
Amount paid on redemptions of units	(8,306,046)	(1,894,112
Distributions paid to unitholders	-	(3,825
	(169,257)	(1,266,334
Increase (Decrease) in cash for the year	5,840	(2,018
Cash, beginning of year	5,422	7,440
Cash, end of year	11,262	5,422
Dividends received, net of withholding taxes	51,966	38,833

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

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, 2018 and 2017:

	Financial Assets at Fair Value (\$) As at December 31, 2018					
	Level 1	Level 1 Level 2 Level 3 Total				
Equities	1,575,738	-	_	1,575,738		
Total	1,575,738			1,575,738		
	Financial Assets at Fair Value (\$) As at December 31, 2017					
	Level 1	Level 2	Level 3	Total		
Equities	1,293,326	-	-	1,293,326		
Total	1,293,326	_	_	1,293,326		

There have been no transfers from one Level to another for the years ended December 31, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Units
Outstanding units – January 1, 2017	200,000
Redeemable units issued	50,000
Redeemable units issued on reinvestments	_
Redeemable units redeemed	(150,000)
Outstanding units – December 31, 2017	100,000
Redeemable units issued	650,000
Redeemable units issued on reinvestments	_
Redeemable units redeemed	(600,000)
Outstanding units – December 31, 2018	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%

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2018 and 2017 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2018	2017	2018 2017	
_	_	1,340,866	1,368,623

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, 2018 and 2017 are as follows:

Transaction Cost (\$)			
2018	2017		
2,581	2,076		

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management		•	t Fee Payable (\$)
2018	2017	2018	2017
21,992	14,347	1,215	850

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At December 31, 2018		At December	31, 2017
Index	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Energy Index	85,844	(85,844)	75,301	(75,301)
Russell 1000® Index	78,624	(78,624)	50,634	(50,634)
S&P 500 Energy Index	86,241	(86,241)	75,301	(75,301)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2018 and 2017:

	At December 31, 2018		At December 31, 2017	
Currency	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	1,585,474	99.92	1,297,859	99.97

As at December 31, 2018, 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 \$15,855 (December 31, 2017 - \$12,979). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk – The table below summarizes the concentration risk for the years ended December 31, 2018 and 2017:

	As a % of net assets attributable to holders of redeemable units		
Sector	December 31, 2018 December 31, 2017		
Energy	98.30	98.17	
Materials	1.00	1.45	
Total	99.30	99.62	

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number	Average	Fair	
	of Shares	Cost (\$)	Value (\$)	% of Total
Energy—98.30%				
Anadarko Petroleum Corp.	193	16,543	11,551	0.73
Antero Resources Corp.	2,934	66,399	37,612	2.37
Apache Corp.	920	49,206	32,970	2.08
Centennial Resource Development Inc.	1,189	27,724	17,888	1.13
Cheniere Energy Inc.	1,052	87,104	85,008	5.36
Chesapeake Energy Corp.	2,893	14,581	8,294	0.52
Chevron Corp.	425	66,424	63,121	3.98
Cimarex Energy Co.	559	67,133	47,048	2.96
Concho Resources Inc.	287	53,161	40,274	2.54
ConocoPhillips	336	32,742	28,600	1.80
Continental Resources Inc.	642	47,449	35,225	2.22
Diamondback Energy Inc.	580	87,914	73,401	4.63
EOG Resources Inc.	344	51,448	40,956	2.58
EQT Corp.	1,080	41,017	27,852	1.75
Extraction Oil & Gas Inc.	2,301	29,941	13,476	0.85
Exxon Mobil Corp.	611	64,401	56,880	3.58
Helmerich & Payne Inc.	1,063	89,796	69,571	4.38
HollyFrontier Corp.	1,045	81,766	72,930	4.60
Kinder Morgan Inc.	733	16,555	15,391	0.97
Kosmos Energy Ltd.	5,557	57,469	30,877	1.95
Marathon Oil Corp.	558	13,624	10,924	0.69
Marathon Petroleum Corp.	914	86,236	73,632	4.64
Murphy Oil Corp.	779	31,377	24,875	1.57
Nabors Industries Ltd.	4,218	32,519	11,517	0.73
National-Oilwell Varco Inc.	302	16,197	10,596	0.67
Newfield Exploration Co.	1,521	52,331	30,441	1.92
Noble Energy Inc.	1,666	64,259	42,668	2.69
Occidental Petroleum Corp.	158	15,365	13,240	0.83
ONEOK Inc.	383	32,767	28,209	1.78
Parsley Energy Inc., Class 'A'	888	31,531	19,372	1.70
Patterson-UTI Energy Inc.	3,037	68,268	42,912	2.70
PBF Energy Inc.	1,464	80,043	65,296	4.11
Phillips 66	648	88,093	76,213	4.11
Pioneer Natural Resources Co.	75	16,491	13,466	4.80
QEP Resources Inc.	3,873		29,768	1.88
	3,873 2,580	50,213	29,768	1.88
Range Resources Corp.		52,334		
RPC Inc.	4,720	95,462	63,600	4.01
SM Energy Co.	1,648	51,469	34,828	2.19
Targa Resources Corp.	231	14,650	11,359	0.72
Valero Energy Corp.	642	81,165	65,708	4.14
Williams Cos. Inc. (The)	1,612	55,635	48,525	3.06
		2,078,802	1,559,782	98.30
Materials—1.00%				
Valvoline Inc.	604	16,318	15,956	1.00
		16,318	15,956	1.00
Total investments		2,095,120	1,575,738	99.30
Transaction costs		(244)		
Other assets, less liabilities		(= /	11,030	0.70

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

	December 31	December 3
	2018 (\$)	2017 (\$
Assets	0.000.014	0 770 44
nvestments (non-derivative financial assets)	2,383,814	3,772,14
Cash A samad di idaa daa si abb	14,480	66,69
Accrued dividend receivable	11,630	11,97
Other assets	<u>917</u> 2,410,841	1,693 3,852,503
Liabilities	2,410,041	3,652,50
	0.603	0.52
Accrued liabilities Redemptions payable	9,693	9,53 20,58
	7,000	,
Distributions payable to holders of redeemable units	16.693	29,47 59,59
Total net assets attributable to holders of redeemable units	2,394,148	3,792,91
Total Net Assets Attributable to Holders of Redeemable Units for each class	2,334,140	5,792,91
Units	2,394,148	3,792,914
Redeemable units outstanding [note 6]	2,394,140	3,792,91
Units	100.000	150,000
Net assets attributable to holders of redeemable units per unit	100,000	150,000
Units	23.94	25.29
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017		
······································	December 31	December 3
	2018 (\$)	2017 (S
Revenues	(+)	
Dividends	127,341	158,030
Other changes in fair value of investments		
Net realized gain (loss) on sale of investments	(74,386)	1,348,88
Net realized gain (loss) on foreign exchange	298	61
Net change in unrealized appreciation (depreciation) of investments	(396,215)	177,82
	(342,962)	1,685,36
Foreign exchange gain (loss) on cash	361	(2,52
r oreign exchange gain (1055) on bash		1,682,83
	(342,601)	
Expenses [note 7]	(342,601)	.,,.
	(342,601) 47,493	
Expenses [note 7] Management fees		46,34
Expenses [note 7] Management fees HST expense	47,493	46,34 4,24
Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9]	47,493 5,441	46,34 4,24 2,06
Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees	47,493 5,441 1,906	46,34 4,24 2,06 1,39
Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees	47,493 5,441 1,906 1,104	46,34 4,24 2,06 1,39
Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense	47,493 5,441 1,906 1,104 9	46,34 4,24 2,06 1,39 54,05
Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense	47,493 5,441 1,906 1,104 9 55,953 (1,104) 54,849	46,34 4,24 2,06 1,39 54,05 (1,39 52,65
Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax	47,493 5,441 1,906 1,104 9 55,953 (1,104) 54,849 (397,450)	46,34 4,24 2,06 1,39 54,05 (1,39 52,65 1,630,17
Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes	47,493 5,441 1,906 1,104 9 55,953 (1,104) 54,849 (397,450) 15,836	46,34 4,24 2,06 1,39 54,05 (1,39 52,65 1,630,17 14,56
Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes	47,493 5,441 1,906 1,104 9 55,953 (1,104) 54,849 (397,450)	46,34 4,24 2,06 1,39 54,05 (1,39 52,65 1,630,17 14,56
Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units	47,493 5,441 1,906 1,104 9 55,953 (1,104) 54,849 (397,450) 15,836	46,34 4,24 2,06 1,39 54,05 (1,39 52,65 1,630,17 14,56
Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units for each class Units	47,493 5,441 1,906 1,104 9 55,953 (1,104) 54,849 (397,450) 15,836	46,34 4,24 2,06 1,39 54,05 (1,39 52,65 1,630,17
Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units	47,493 5,441 1,906 1,104 9 55,953 (1,104) 54,849 (397,450) 15,836 (413,286)	46,34 4,24 2,06 1,39 54,05 (1,39 52,65 1,630,17 14,56 1,615,61

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

	December 31	December 3
	2018 (\$)	2017 (\$
Not and the invitable to be large of redeemable units beginning of user		
Net assets attributable to holders of redeemable units, beginning of year	3,792,914	2,285,733
Increase (Decrease) in net assets attributable to holders of redeemable units	(413,286)	1,615,614
Redeemable unit transactions [note 6]		
Proceeds from issuance of units	21,072,016	15,002,824
Reinvested distributions	290,110	20,995
Redemption of units	(22,015,496)	(15,053,787
	(653,370)	(29,968
Distributions to holders of redeemable units from:		
Net investment income	(50,548)	(78,465
Capital gains	(281,553)	-
Return of capital	(9)	-
	(332,110)	(78,465
ncrease (Decrease) in net assets attributable to holders of redeemable units for the year	(1,398,766)	1,507,181
Net assets attributable to holders of redeemable units, end of year	2,394,148	3,792,914

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, 2018 and 2017

	December 31	December 31
	2018 (\$)	2017 (\$
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(413,286)	1,615,614
Adjustments for:		
Net realized (gain) loss on sale of investments	74,386	(1,348,882
Change in unrealized (appreciation) depreciation of investments	396,215	(177,825
Dividends receivable	343	(9,645
Other assets	776	(538
Other liabilities	155	7,976
Purchases of investments	(25,561,717)	(19,076,778
Proceeds from the sale of investments	26,479,449	19,109,518
	976,321	119,440
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	21,072,016	15,002,824
Amount paid on redemptions of units	(22,036,082)	(15,033,201)
Distributions paid to unitholders	(64,470)	(28,000
	(1,028,536)	(58,377
Increase (decrease) in cash for the year	(52,215)	61,063
Cash, beginning of year	66,695	5,632
Cash, end of year	14,480	66,695
Dividende received, not of withhelding taxes	111.040	100 007
Dividends received, net of withholding taxes	111,848	133,827

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

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, 2018 and 2017:

	Financial Assets at Fair Value (\$) As at December 31, 2018				
	Level 1 Level 2 Level 3 Total				
Equities	2,383,814			2,383,814	
Total	2,383,814	-	-	2,383,814	
	Financial Assets at Fair Value (\$) As at December 31, 2017				
	Level 1	Level 2	Level 3	Total	
Equities	3,772,147	-	_	3,772,147	
Total	3,772,147	_	-	3,772,147	

There have been no transfers from one Level to another for the years ended December 31, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Units
Outstanding units – January 1, 2017	100,000
Redeemable units issued	650,000
Redeemable units issued on reinvestments	-
Redeemable units redeemed	(600,000)
Outstanding units – December 31, 2017	150,000
Redeemable units issued	850,000
Redeemable units issued on reinvestments	-
Redeemable units redeemed	(900,000)
Outstanding units – December 31, 2018	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	
0.70%	

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2018 and 2017 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2018	2017	2018	2017
_	29,096	_	_

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, 2018 and 2017 are as follows:

Transaction Cost (\$)			
2018 2017			
1,906 2,063			

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
47,493	46,345	8,579	8,441

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At December 31, 2018		At December 31, 2017	
Index	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Consumer				
Discretionary and Services Index	103,427	(103,427)	189,654	(189,654)
Russell 1000® Index	107,497	(107,497)	182,068	(182,068)
S&P 500 Consumer Discretionary				
Index	97,801	(97,801)	183,964	(183,964)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2018 and 2017:

	At December 31, 2018		ember 31, 2018 At December 31, 2017	
Currency	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	2,391,909	99.91	3,788,496	99.88

As at December 31, 2018, 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 \$23,919 (December 31, 2017 - \$37,885). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk – The table below summarizes the concentration risk for the years ended December 31, 2018 and 2017:

	As a % of net assets attributable to holders or redeemable units		
Sector	December 31, 2018	December 31, 2017	
Consumer Discretionary	87.45	92.92	
Communication Services	7.39	0.80	
Industrials	2.81	1.92	
Consumer Staples	1.92	2.46	
Information Technology	_	1.35	
Total	99.57	99.45	

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number	Average	Fair	
	of Shares	Cost (\$)	Value (\$)	% of Total
Communication Services—7.39%				
Cable One Inc.	28	31,036	31,349	1.31
Comcast Corp., Class 'A'	921	42,422	42,813	1.79
Discovery Inc., Series 'A'	195 387	7,782	6,586	0.27
Liberty Broadband Corp. Liberty Media Corp.	336	39,107 14,281	38,056 14,082	1.59 0.59
Lions Gate Entertainment Corp., Class 'A'	513	13,583	11,275	0.39
Twenty-First Century Fox Inc., Class 'A'	135	7,996	8,869	0.37
Walt Disney Co. (The)	160	23,300	23,951	1.00
		179,507	176,981	7.39
Consumer Discretionary-87.45%				
Adient PLC	318	14,778	6,538	0.27
Advance Auto Parts Inc.	148	30,654	31,815	1.33
Amazon.com Inc.	16	34,393	32,808	1.37
AMC Networks Inc.	189	13,660	14,160	0.59
Aramark	145	6,698	5,735	0.24
AutoNation Inc.	599	33,770	29,194	1.22
AutoZone Inc.	24	23,380	27,468	1.15
Best Buy Co. Inc.	236	21,152	17,063	0.71
BorgWarner Inc.	438	22,404	20,773	0.87
Bright Horizons Family Solutions Inc.	158	22,876	24,040	1.00
Brunswick Corp.	93 153	6,252 32,716	5,897 33,978	0.25 1.42
Burlington Stores Inc. Caesars Entertainment Corp.	2,438	28,686	22,600	0.94
CarMax Inc.	2,450	7,797	7,194	0.34
Carrival Corp.	390	28,304	26,249	1.10
CBS Corp., Class 'B'	109	7,700	6,506	0.27
Charter Communications Inc., Class 'A'	100	38,728	38,904	1.63
Chipotle Mexican Grill Inc., Class 'A'	41	23,272	24,169	1.01
Choice Hotels International Inc.	75	7,030	7,329	0.31
Cinemark Holdings Inc.	311	15,906	15,200	0.64
Columbia Sportswear Co.	134	15,139	15,383	0.64
D.R. Horton Inc.	590	28,584	27,917	1.17
Darden Restaurants Inc.	165	22,639	22,494	0.94
Dick's Sporting Goods Inc.	919	39,429	39,144	1.64
DISH Network Corp., Class 'A'	912	35,296	31,089	1.30
Dollar General Corp.	171	23,470	25,231	1.05
Dollar Tree Inc.	303	33,586	37,361	1.56
Domino's Pizza Inc.	63	21,127	21,329	0.89
Dunkin' Brands Group Inc.	85	8,044	7,441	0.31
Expedia Group Inc.	48	7,627	7,382	0.31
Extended Stay America Inc.	618	13,491	13,077	0.55
Foot Locker Inc. Ford Motor Co.	366	21,739	26,582	1.11
Gap Inc. (The)	2,692 863	32,672 30,858	28,115 30,350	1.17 1.27
Gamin Ltd.	89	7,088	7,694	0.32
General Motors Co.	555	24,148	25,345	1.06
Gentex Corp.	1,160	31,146	32,005	1.34
Goodyear Tire & Rubber Co. (The)	801	22,663	22,319	0.93
Graham Holdings Co., Class 'B'	56	41,143	48,973	2.05
H&R Block Inc.	485	16,050	16,798	0.70
Harley-Davidson Inc.	138	6,734	6,428	0.27
Hasbro Inc.	59	7,255	6,544	0.27
Hilton Worldwide Holdings Inc.	77	6,976	7,548	0.32
Home Depot Inc. (The)	60	13,698	14,074	0.59
Hyatt Hotels Corp., Class 'A'	235	21,005	21,688	0.91
Interpublic Group of Cos. Inc. (The)	273	8,173	7,689	0.32
John Wiley & Sons Inc., Class 'A'	206	14,812	13,209	0.55
Kohl's Corp.	334	31,143	30,249	1.26
Las Vegas Sands Corp.	316	22,220	22,455	0.94
Lear Corp.	225	39,278	37,739	1.58
Leggett & Platt Inc.	143	6,709	6,997	0.29
Lennar Corp., Class 'A'	267	15,027	14,270	0.60
Live Nation Inc.	599	38,313	40,274	1.68
LKQ Corp.	395	14,381	12,796	0.53
Lowe's Cos. Inc.	217	27,056	27,361	1.14
Lululemon Athletica Inc.	201	33,348	33,370	1.39

Macy's Inc.	939	39,100	38,176	1.59
Madison Square Garden Co. (The)	59	20,555	21,562	0.90
Marriott International Inc., Class 'A'	47	7,016	6,966	0.29
MGM Resorts International	892	30,293	29,543	1.23
Michael Kors Holdings Ltd.	273	20,053	14,133	0.59
Michaels Cos. Inc. (The)	770	15,673	14,233	0.59
Mohawk Industries Inc.	142	23,847	22,674	0.95
Netflix Inc.	33	12,575	12,058	0.50
Newell Brands Inc.	1,606	36,196	40,759	1.70
Nielsen Holdings PLC	226	7,606	7,198	0.30
Nike Inc., Class 'B'	147	13,745	14,879	0.62
Nordstrom Inc.	416	32,722	26,471	1.11
Norwegian Cruise Line Holdings Ltd.	325	19,163	18,808	0.79
O'Reilly Automotive Inc.	72	30,400	33,846	1.41
Penske Automotive Group Inc.	525	31,413	28,899	1.21
Pool Corp.	112	20,694	22,729	0.95
PulteGroup Inc.	1,005	31,833	35,659	1.49
PVH Corp.	129	20,401	16,369	0.68
Qurate Retail Group Inc. QVC Group, Series 'A'	1,468	41,406	39,120	1.63
Ross Stores Inc.	251	31,035	28,510	1.19
Royal Caribbean Cruises Ltd.	144	19,725	19,224	0.80
Service Corp. International	283	15,914	15,555	0.65
Skechers U.S.A. Inc., Class 'A'	447	15,767	13,968	0.58
Tapestry Inc.	249	13,807	11,473	0.48
Target Corp.	141	14,702	12,722	0.53
Thor Industries Inc.	391	36,374	27,757	1.16
Tiffany & Co.	48	6,947	5,276	0.22
TJX Cos. Inc.	582	39,662	35,548	1.49
Toll Brothers Inc.	987	41,894	44,372	1.85
Tractor Supply Co.	274	31,884	31,212	1.30
Tribune Media Co., Class 'A'	848	41,644	52,536	2.19
Ulta Beauty Inc.	88	31,469	29,414	1.23
Under Armour Inc., Class 'A'	295	7,170	7,116	0.30
Urban Outfitters Inc.	153	7,170	6,935	0.30
V.F. Corp.	197	20,174	19,186	0.29
	966	37,797	33,893	1.42
Viacom Inc., Class 'B'				
Visteon Corp.	67	7,019	5,514	0.23
Wayfair Inc., Class 'A'	221	30,666	27,178	1.14
Williams-Sonoma Inc.	285	20,865	19,629	0.82
Yum China Holdings Inc.	356	15,134	16,296	0.68
		2,144,314	2,093,736	87.45
Consumer Staples—1.92%	100	~~~~~	00.057	4.00
Costco Wholesale Corp.	139	38,882	38,657	1.62
L Brands Inc.	206	8,446 47,328	7,219 45,876	0.30
Industrials-2.81%		47,020	-0,010	1.52
AMERCO Inc.	92	38,954	41,210	1.72
Fortune Brands Home & Security Inc.	239	13,769	12,395	0.52
KAR Auction Services Inc.	209	15,151	13,616	0.57
	200	67,874	67,221	2.81
Total investments		2,439,023	2,383,814	99.57
			_,,.	
Transaction costs		(87)		
Other assets, less liabilities			10,334	0.43
Total Net Assets Attributable to Holders of Redeemable Units		2,438,936	2,394,148	100.00

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

	December 31	December 3
	2018 (\$)	2017 (\$
Assets		
Investments (non-derivative financial assets)	6,688,636	3,411,38
Cash	42,867	46,72
Accrued dividend receivable	3,386	1,522
Derivative assets	1,092 6,735,981	5,054 3,464,680
Liabilities	0,733,901	3,404,000
Accrued liabilities	6,024	3,43
Distributions payable to holders of redeemable units	37,975	38,62
Derivative liabilities	84,587	,
	128,586	42,05
Total net assets attributable to holders of redeemable units	6,607,395	3,422,63
Total Net Assets Attributable to Holders of Redeemable Units for each class	2 270 556	2 424 26
Units Hedged Units	2,279,556 4,327,839	2,421,369 1,001,26
Redeemable units outstanding [note 6]	4,327,039	1,001,20
Units	100,000	100,00
Hedged Units	250,000	50,00
Net assets attributable to holders of redeemable units per unit		
Units	22.80	24.2
Hedged Units	17.31	20.0
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017		
	December 31	December 3
-	2018 (\$)	2017 (
Revenues Dividends	132,741	64,70
Other changes in fair value of investments and derivatives	132,741	04,70
Net realized gain (loss) on sale of investments	160,496	(70,22
Net realized gain (loss) on derivatives	(160,594)	3,84
Net realized gain (loss) on foreign exchange	(2,056)	(20,20
Net change in unrealized appreciation (depreciation) of investments	(547,711)	105,64
Net change in unrealized appreciation (depreciation) of derivatives	(88,550)	5,05
······································	(505,674)	88,81
Foreign exchange gain (loss) on cash	1,444	(61
	(504,230)	88,19
Expenses [note 7]	25.005	05 50
Management fees	35,065	25,59
HST expense	4,074	4,34
Transaction costs [note 3 and note 9]	2,600	3,93
Independent Review Committee fees Interest expense	789 1	74 3
Interest exhense	42,529	34,66
Expenses waived by manager	(789)	
	41,740	33,91
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	(545,970)	54,28
Withholding taxes	31,761	9,03
Increase (Decrease) in net assets attributable to holders of redeemable units	(577,731)	45,24
		-
Increase (Decrease) in net assets attributable to holders of redeemable units for each class	(110,263)	43,97
Increase (Decrease) in net assets attributable to holders of redeemable units for each class Units		1.00
Units	(467,468)	1,20
Units Hedged Units Increase (Decrease) in net assets attributable to holders of redeemable units per unit	(467,468)	
		1,26 0.2 0.0

On behalf of the Trustee, FT Portfolios Canada Co.

..... Director

..... Director

First Trust AlphaDEXTM 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, 2018 and 2017

Tor the years ended becember 31, 2010 and 2017				
	December 31	December 31	December 31	December 31
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$
		. ,	Hedged	Hedged
	Units	Units	Units	Units
Net assets attributable to holders of redeemable units, beginning of year	2,421,369	2,462,005	1,001,267	-
Increase (Decrease) in net assets attributable to holders of redeemable units	(110,263)	43,976	(467,468)	1,267
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	1,221,141	12,800,112	3,820,065	1,000,000
Reinvested distributions	26,540	-	-	-
Redemption of units	(1,221,141)	(12,839,729)	-	-
	26,540	(39,617)	3,820,065	1,000,000
Distributions to holders of redeemable units from:				
Net investment income	(31,546)	(44,995)	(26,025)	-
Capital gains	(26,544)	-	-	-
Return of capital	-	-	-	-
	(58,090)	(44,995)	(26,025)	-
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	(141,813)	(40,636)	3,326,572	1,001,267
Net assets attributable to holders of redeemable units, end of year	2,279,556	2,421,369	4,327,839	1 001 267
Net assets attributable to noiders of redeemable diffits, end of year	2,279,550	2,421,309	4,327,039	1,001,267
			December 31	December 3
			2018 (\$)	2017 (\$
			Total	2,462,005
Net assets attributable to holders of redeemable units, beginning of year			3,422,636	2,462,005
Increase (Decrease) in net assets attributable to holders of redeemable units			(577,731)	45,243
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			5,041,206	13,800,112
Reinvested distributions			26,540	-
Redemption of units			(1,221,141)	(12,839,729
			3,846,605	960,383
Distributions to holders of redeemable units from:				
Net investment income			(57,571)	(44,995
Capital gains			(26,544)	, ,
Return of capital			-	-
			(84,115)	(44,995
Increase (Decrease) in net assets attributable to holders of redeemable units for the year			3,184,759	960,631
			6,607,395	3,422,636
Net assets attributable to holders of redeemable units, end of year				

First Trust AlphaDEX[™] U.S. Consumer Staples Sector Index ETF STATEMENTS OF CASH FLOW For the years ended December 31, 2018 and 2017

	December 31 2018 (\$)	December 31 2017 (\$
Cash flows from (used in) Operating Activities	2010 (4)	2011 (4
Increase (Decrease) in net assets attributable to holders of redeemable units	(577,731)	45,243
Adjustments for:	(,,	,
Net realized (gain) loss on sale of investments	(160,496)	70,229
Change in unrealized (appreciation) depreciation of investments and derivatives	636,261	(110,699
Dividends receivable	(1,864)	1,627
Other assets	-	1,233
Other liabilities	2,594	1,433
Purchases of investments	(9,529,371)	(17,895,740
Proceeds from the sale of investments	5,864,906	16,968,528
	(3,765,701)	(918,146
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	5,041,206	13,800,112
Amount paid on redemptions of units	(1,221,141)	(12,839,729
Distributions paid to unitholders	(58,220)	(18,875
	3,761,845	941,508
Increase (decrease) in cash for the year	(3,856)	23,362
Cash, beginning of year	46,723	23,361
Cash, end of year	42,867	46,723
Dividends received, net of withholding taxes	99,116	57,289

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

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, 2018 and 2017:

	Financial Assets at Fair Value (\$) As at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Equities	6,688,636	_	_	6,688,636
Derivative assets*	_	1,092	_	1,092
Derivative liabilities*	_	(84,587)	-	(84,587)
Total	6,688,636	(83,495)	_	6,605,141
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	3,411,387		_	3,411,387
Derivative assets*	_	5,054	_	5,054
Total	3,411,387	5,054	_	3,416,441

* 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, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Units	Hedged Units
Outstanding units – January 1, 2017	100,000	_
Redeemable units issued	550,000	50,000
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(550,000)	_
Outstanding units – December 31, 2017	100,000	50,000
Redeemable units issued	50,000	200,000
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(50,000)	_
Outstanding units – December 31, 2018	100,000	250,000

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 and non-capital losses as at December 31, 2018 and 2017.

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, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018 2017	
2,600	3,936

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)		
2018	2017	2018	2017	
35,065	25,595	3,761	1,946	

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At Decembe	er 31, 2018	At December	⁻ 31, 2017
Index	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Units				
Russell 1000® Consumer Staples Index	292,377	(292,377)	155,737	(155,737)
Russell 1000® Index	222,669	(222,669)	142,046	(142,046)
S&P 500 Consumer Staples Index	289,734	(289,734)	154,025	(154,025)
Hedged Units*				
Russell 1000® Consumer Staples Index USD	301,958	(301,958)	N/A	N/A
Russell 1000® Index USD	240,509	(240,509)	N/A	N/A
S&P 500 Consumer Staples Index USD	301,297	(301,297)	N/A	N/A

*Data at December 31, 2017 is not available as the Hedged Units lack sufficient trading history.

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2018 and 2017:

	At Decembe	er 31, 2018	At Decembe	r 31, 2017
Currency	Net Exposure (\$) % Net Assets		Net Exposure (\$)	% Net Assets
United States Dollar	2,130,184	32.24	2,418,414	70.66

As at December 31, 2018, 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 \$21,302 (December 31, 2017 - \$24,184). 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 concentration risk for the years ended December 31, 2018 and 2017:

	As a % of net assets attributable to holders of redeemable units		
Sector	December 31, 2018	December 31, 2017	
Consumer Staples	98.79	94.92	
Consumer Discretionary	2.44	4.75	
Total	101.23	99.67	

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number	Average	Fair	
	of Shares	Cost (\$)	Value (\$)	% of Total
Consumer Discretionary-2.44%				
Nu Skin Enterprises Inc., Class 'A'	1,926	174,672	161,259	2.44
		174,672	161,259	2.44
Consumer Staples—98.79%				
Archer-Daniels-Midland Co.	4,211	243,743	235,531	3.56
Bunge Ltd.	770	67,559	56,176	0.85
Casey's General Stores Inc.	1,639	240,129	286,721	4.34
Church & Dwight Co. Inc.	2,674	200,421	240,060	3.63
Clorox Co.	352	62,946	74,072	1.12
Conagra Brands Inc.	6,264	283,397	182,663	2.76
CVS Health Corp.	672	60,706	60,109	0.91
Flowers Foods Inc.	5,672	140,016	143,021	2.16
General Mills Inc.	3,699	214,219	196,642	2.98
Hain Celestial Group Inc.	1,951	70,265	42,243	0.64
Herbalife Nutrition Ltd.	1,940	126,863	156,128	2.36
Hershey Co. (The)	519	66,613	75,941	1.15
Hormel Foods Corp.	2,686	126,486	156,504	2.37
Ingredion Inc.	1,513	213,059	188,791	2.86
J.M. Smucker Co. (The)	3,008	434,060	383,919	5.81
Kellogg Co.	1,512	131,418	117,679	1.78
Kimberly-Clark Corp.	466	67,747	72,487	1.10
Kraft Heinz Co. (The)	5,601	436,803	329,105	4.98
Kroger Co. (The)	7,271	254,166	272,975	4.13
Lamb Weston Holdings Inc.	795	74,887	79,837	1.21
McCormick & Co. Inc.	1,607	251,651	305,475	4.62
Molson Coors Brewing Co., Class 'B'	5,019	452,579	384,805	5.82
Mondelez International Inc., Class 'A'	2,464	135,746	134,655	2.04
Pilgrim's Pride Corp.	17,064	464,670	361,317	5.47
Post Holdings Inc.	2,159	240,066	262,708	3.98
Procter & Gamble Co. (The)	1,272	139,903	159,622	2.42
Spectrum Brands Holdings Inc.	1,416	128,522	81,675	1.24
Sprouts Farmers Markets Inc.	11,262	386,476	361,464	5.47
Sysco Corp.	2,890	245,453	247,221	3.74
Tyson Foods Inc., Class 'A'	5,185	434,150	377,995	5.72
US Foods Holding Corp.	6,868	327,674	296,663	4.49
Walgreens Boots Alliance Inc.	2,178	198,556	203,173	3.08
	2,170	6,920,949	6,527,377	98.79
		0,020,010	0,021,011	
Total investments		7,095,621	6,688,636	101.23
Transaction costs		(803)		
Unrealized appreciation on derivatives - see Schedule 1			1,092	0.02
Unrealized depreciation on derivatives - see Schedule 1			(84,587)	(1.28)
Other assets, less liabilities			2,254	0.03
Total Net Assets Attributable to Holders of Redeemable Units		7,094,818	6,607,395	100.00

SCHEDULE OF INVESTMENT PORTFOLIO As at December 31, 2018

Schedule 1

	Credit						<u> </u>	. .	Appreciation
Counterparty	Rating of Counterparty*	Settlement C Date	urrency Sell	Amount C Sold	urrency Buy	Amount Bought	Forward Rate	Current Rate	(Depreciation)
Bank of New York Mellon (The), New York	1 2	1/31/2019	CAD	300.000	USD	220,718	1.359	1.364	پ 1 002
Ballk of New Fork Mellon (The), New Fork	A-1+	1/31/2019	CAD	300,000	030	220,710	1.559	1.304	1,092
									1,092
Bank of New York Mellon (The), New York	A-1+	1/31/2019	USD	2,783,135	CAD	3,723,000	0.748	0.733	(73,601)
Bank of New York Mellon (The), New York	A-1+	1/31/2019	USD	561,514	CAD	755,000	0.744	0.733	(10,986)
									(84,587)

* Commercial paper rating per Stand and Poor's Commerical Paper Guide

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

STATEMENTS OF FINANCIAL POSITION As at December 31, 2018 and December 31, 2017	December 31	December 3
	2018 (\$)	2017 (\$
Assets		•
nvestments (non-derivative financial assets)	13,910,624	5,827,199
Cash	9,746	16,513
Accrued dividend receivable	2,955	1,932
Receivable for portfolio securities sold	-	77,440
Derivative assets	1,188	5,150
Other assets	1,374	537
Liabilities	13,925,887	5,928,77
Accrued liabilities	9,529	3,809
Payable for portfolio securities purchased	5,525	78,504
Derivative liabilities	21,212	70,50
	30,741	82,313
Total net assets attributable to holders of redeemable units	13,895,146	5,846,45
Total Net Assets Attributable to Holders of Redeemable Units for each class	,,	-,,,
Units	12,897,954	4,824,406
Hedged Units	997,192	1,022,052
Redeemable units outstanding [note 6]		
Units	500,000	200,000
Hedged Units	50,000	50,000
Net assets attributable to holders of redeemable units per unit		
Units	25.80	24.12
Hedged Units	19.94	20.44
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017		
• • •	December 31	December 3
	2018 (\$)	2017 (\$
Revenues		
Dividends	58,140	29,155
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	634,092	304,944
Net realized gain (loss) on derivatives	(78,565)	3,844
Net realized gain (loss) on foreign exchange	177	230
Net change in unrealized appreciation (depreciation) of investments	(740,201)	237,06
Net change in unrealized appreciation (depreciation) of derivatives	(25,174)	5,150
	(151,531)	580,385
Foreign exchange gain (loss) on cash	1,214	(513
	(150,317)	579,872
		36,188
Management fees	75,720	,
Management fees HST expense	8,228	3,91
Management fees HST expense Transaction costs [note 3 and note 9]	8,228 2,830	3,91 2,21
Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees	8,228 2,830 1,709	3,91 2,21
Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees	8,228 2,830 1,709 4	3,917 2,217 1,007
Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense	8,228 2,830 1,709 4 88,491	3,917 2,217 1,007 43,330
Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense	8,228 2,830 1,709 4 88,491 (1,709)	3,917 2,211 1,007 43,330 (1,007
Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager	8,228 2,830 1,709 4 88,491 (1,709) 86,782	3,917 2,211 1,007 43,330 (1,007 42,323
Vanagement fees HST expense Iransaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax	8,228 2,830 1,709 4 88,491 (1,709) 86,782 (237,099)	3,91 2,21 1,00 43,330 (1,00 42,32 537,54
Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes	8,228 2,830 1,709 4 88,491 (1,709) 86,782 (237,099) 8,061	3,917 2,21 1,007 43,330 (1,007 42,327 537,549 4,01
Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units	8,228 2,830 1,709 4 88,491 (1,709) 86,782 (237,099)	3,917 2,21 1,007 43,330 (1,007 42,327 537,549 4,01
Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units for each class	8,228 2,830 1,709 4 88,491 (1,709) 86,782 (237,099) 8,061 (245,160)	3,917 2,21 1,007 43,33((1,007 42,322 537,545 4,011 533,538
Vanagement fees HST expense HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units for each class Units	8,228 2,830 1,709 4 88,491 (1,709) 86,782 (237,099) 8,061 (245,160) (132,518)	3,917 2,21 1,007 43,330 (1,007 42,322 537,546 4,011 533,538 511,486
Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units for each class Units Hedged Units	8,228 2,830 1,709 4 88,491 (1,709) 86,782 (237,099) 8,061 (245,160)	3,91 2,21 1,00 43,330 (1,00 42,32 537,54(4,01 533,533 511,480
Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units for each class Uhits Hedged Units Increase (Decrease) in net assets attributable to holders of redeemable units per unit	8,228 2,830 1,709 4 88,491 (1,709) 86,782 (237,099) 8,061 (245,160) (132,518) (112,642)	3,917 2,21 1,007 43,330 (1,007 42,323 537,543 4,011 533,538 511,488 22,052
	8,228 2,830 1,709 4 88,491 (1,709) 86,782 (237,099) 8,061 (245,160) (132,518)	3,917 2,211 1,007 7 43,330 (1,007 42,322 537,545 4,011 533,538 511,486 22,052 2,33 0,45

On behalf of the Trustee, FT Portfolios Canada Co.

..... Director Ale

..... 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, 2018 and 2017

December 31	December 31	December 31	December 31
2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$
		Hedged	Hedged
Units	Units	Units	Units
4,824,406	4,243,022	1,022,052	-
(132,518)	511,486	(112,642)	22,052
9,535,539	1,238,134	2,197,749	1,000,000
203,850	-	-	
(1,329,473)	(1,168,236)	(2,109,967)	
8,409,916	69,898	87,782	1,000,000
-	-	-	
	-	-	-
	-	-	-
(203,850)	-	-	-
8.073.548	581.384	(24,860)	1,022,052
12,897,954	4,824,406	997,192	1,022,052
		December 31	December 3
		2018 (\$)	2017 (\$
		Total	Tota
		5,846,458	4,243,022
		(245,160)	533,538
		11,733,288	2,238,134
		203,850	-
		203,850 (3,439,440)	(1,168,236
		203,850	(1,168,236
		203,850 (3,439,440)	(1,168,236
		203,850 (3,439,440) 8,497,698	(1,168,236
		203,850 (3,439,440) 8,497,698 (203,841)	(1,168,236
		203,850 (3,439,440) 8,497,698	(1,168,236
		203,850 (3,439,440) 8,497,698 (203,841) (9)	2,238,134 - - (1,168,236 1,069,898 - - - - - - - - - - - - - - - - - -
	2018 (\$) Units 4,824,406 (132,518) 9,535,539 203,850 (1,329,473)	2018 (\$) 2017 (\$) Units Units 4,824,406 4,243,022 (132,518) 511,486 9,535,539 1,238,134 203,850 - (1,329,473) (1,168,236) 8,409,916 69,898 (203,850) - (203,841) - (9) - (203,850) - (203,850) - 8,073,548 581,384	2018 (\$) 2017 (\$) 2018 (\$) Units Units Hedged 4,824,406 4,243,022 1,022,052 (132,518) 511,486 (112,642) 9,535,539 1,238,134 2,197,749 203,850 - - (1,329,473) (1,168,236) (2,109,967) 8,409,916 69,898 87,782 (203,841) - - (203,850) - - (203,850) - - (203,850) - - (203,850) - - (203,850) - - (203,850) - - (203,850) - - (203,850) - - 8,073,548 581,384 (24,860) 12,897,954 4,824,406 997,192 December 31 2018 (\$) Total 5,846,458

First Trust AlphaDEXTM U.S. Health Care Sector Index ETF

	December 31	December 3
	2018 (\$)	2017 (\$
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(245,160)	533,538
Adjustments for:		
Net realized (gain) loss on sale of investments	(634,092)	(304,944
Change in unrealized (appreciation) depreciation of investments and derivatives	765,375	(242,212
Dividends receivable	(1,023)	(745
Other assets	(837)	1,015
Other liabilities	5,720	955
Purchases of investments	(21,410,326)	(8,259,799
Proceeds from the sale of investments	13,219,728	7,212,462
	(8,300,615)	(1,059,730
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	11,733,288	2,238,134
Amount paid on redemptions of units	(3,439,440)	(1,168,236
	8,293,848	1,069,898
Increase (Decrease) in cash for the year	(6,767)	10,168
Cash, beginning of year	16,513	6,345
Cash, end of year	9,746	16,513
Dividends received, net of withholding taxes	49.056	24,400

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

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, 2018 and 2017:

	Financial Assets at Fair Value (\$) As at December 31, 2018					
	Level 1	Level 2	Level 3	Total		
Equities	13,910,624	-	-	13,910,624		
Derivative assets*	_	1,188	_	1,188		
Derivative liabilities*	-	(21,212)	-	(21,212)		
Total	13,910,624	(20,024)		13,890,600		
	Financial Assets at Fair Value (\$) As at December 31, 2017					
	Level 1	Level 2	Level 3	Total		
Equities	5,827,199	_	-	5,827,199		
Derivative assets*	_	5,150	-	5,150		
Total	5,827,199	5,150	-	5,832,349		

* 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, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Units	Hedged Units
Outstanding units – January 1, 2017	200,000	_
Redeemable units issued	50,000	50,000
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(50,000)	_
Outstanding units – December 31, 2017	200,000	50,000
Redeemable units issued	350,000	100,000
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(50,000)	(100,000)
Outstanding units – December 31, 2018	500,000	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 Hedged Units			
0.70%	0.70%		

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2018 and 2017 were as follows:

Net Capital Losses (\$)		Non-Capital Losses (\$)	
2018	2017	2018	2017
_	168,063	_	_

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, 2018 and 2017 are as follows:

Transaction Cost (\$)		
2018	2017	
2,830	2,211	

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
75,720	36,188	8,432	3,371

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At December 31, 2018		At December 31, 2017	
Index	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Units				
Russell 1000® Health Care Index	678,083	(678,083)	274,795	(274,795)
Russell 1000® Index	681,557	(681,557)	268,949	(268,949)
S&P 500 Health Care Index	670,441	(670,441)	268,949	(268,949)
Hedged Units*				
Russell 1000® Health Care Index USD	707,958	(707,958)	N/A	N/A
Russell 1000® Index USD	722,548	(722,548)	N/A	N/A
S&P 500 Health Care Index USD	700,315	(700,315)	N/A	N/A

*Data at December 31, 2017 is not available as the Hedged Units lack sufficient trading history.

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2018 and 2017:

	At December 31, 2018		8 At December 31, 2017	
Currency	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	12,895,271	92.80	4,819,887	82.44

As at December 31, 2018, 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 \$128,953 (December 31, 2017 - \$48,199). 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 concentration risk for the years ended December 31, 2018 and 2017:

	As a % of net assets attributable to holders of redeemable units		
Sector	December 31, 2018	December 31, 2017	
Health Care	100.11	98.73	
Industrials	-	0.94	
Total	100.11	99.67	

First Trust AlphaDEX[™] U.S. Health Care Sector Index ETF Notes to Financial Statements - Specific Information **For the year ended December 31, 2018**

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number	Average	Fair	
	of Shares	Cost (\$)	Value (\$)	% of Total
Health Care—100.11%				
ABIOMED Inc.	501	172,178	222,316	1.60
Acadia Healthcare Co. Inc.	6,405	290,713	224,811	1.62
Alexion Pharmaceuticals Inc.	380	63,123	50,508	0.36
Align Technology Inc.	576	172,563	164,686	1.19
Allergan PLC	591	131,053	107,841	0.78
AmerisourceBergen Corp.	1,222	144,638	124,120	0.89
Amgen Inc.	254	67,530	67,504	0.49
Anthem Inc.	193	60,039	69,199	0.50
Baxter International Inc.	686	60,645	61,642	0.44
Becton	648	204,062	199,329	1.43
Biogen Inc.	319	132,949	131,050	0.94
BioMarin Pharmaceutical Inc.	545	70,081	63,354	0.46
Bio-Rad Laboratories Inc., Class 'A'	900	345,574	285,324	2.05
Bio-Techne Corp.	1,105	257,558	218,317	1.57
Boston Scientific Corp.	4,392	191,719	211,897	1.53
Bruker Corp.	3,372	145, 162	137,045	0.99
Catalent Inc.	3,714	204,736	158,094	1.14
Centene Corp.	1,946	285,263	306,315	2.20
Cerner Corp.	1,751	142,407	125,356	0.90
Charles River Laboratories International Inc.	1,676	277,617	258,964	1.86
Chemed Corp.	353	147,357	136,517	0.98
Cigna Corp.	1,082	292,274	280,540	2.02
Cooper Cos. Inc. (The)	610	205,969	211,940	1.53
Danaher Corp.	486	60,955	68,419	0.49
DaVita Inc.	1,575	141,432	110,649	0.80
Dexcom Inc.	1,970	237,245	322,195	2.32
Edwards Lifesciences Corp.	971	183,098	203,044	1.46
Eli Lilly and Co.	1,576	217,616	248,978	1.79
Encompass Health Corp.	3,615	339,055	304,502	2.19
Exact Sciences Corp.	3,572	302,923	307,707	2.21
HCA Healthcare Inc.	2,026	314,260	344,216	2.48
Henry Schein Inc.	1,990	212,471	213,319	1.54
Hill-Rom Holdings Inc.	561	63,450	67,818	0.49
Humana Inc.	666	254,843	260,474	1.87
ICU Medical Inc.	399	145,637	125,083	0.90
IDEXX Laboratories Inc.	677	170,971	171,927	1.24
Illumina Inc.	767	276,939	314,059	2.26
Insulet Corp.	2,128	247,184	230,436	1.66
Integra LifeSciences Holdings	2,568	206,590	158,113	1.14
Intuitive Surgical Inc.	393	220,056	256,952	1.85
Ionis Pharmaceuticals Inc.	1,025	65,833	75,648	0.54
IQVIA Holdings Inc.	869	119,709	137,819	0.99
Jazz Pharmaceuticals PLC	670	148,463	113,384	0.82
Johnson & Johnson	382	69,519	67,300	0.48
Laboratory Corp. of America Holdings	973	204,824	167,849	1.21
Masimo Corp.	1,810	261,575	265,313	1.91
MEDNAX Inc.	4,834	295,209	217,779	1.57
Merck & Co. Inc.	744	69,912	77,610	0.56
Molina Healthcare Inc.	1,895	286,519	300,667	2.16
Mylan NV	3,081	150,886	115,249	0.83
Nektar Therapeutics	1,850	120,213	83,017	0.60
Neurocrine Biosciences Inc.	2,292	332,589	223,445	1.61
Penumbra Inc.	1,130	205,225	188,515	1.36
Perrigo Co. PLC	748	72,906	39,570	0.28
Pfizer Inc.	5,116	260,081	304,867	2.19
PRA Health Sciences Inc.	2,558	339,394	321,141	2.31
Premier Inc., Class 'A'	6,156	293,678	313,896	2.26
Quest Diagnostics Inc.	1,045	133,884	118,796	0.85
-	,		-,	

First Trust AlphaDEX[™] U.S. Health Care Sector Index ETF Notes to Financial Statements - Specific Information **For the year ended December 31, 2018**

Regeneron Pharmaceuticals Inc.	131	66,765	66,797	0.48
ResMed Inc.	1,466	182,782	227,897	1.64
Sarepta Therapeutics Inc.	1,745	304,688	259,978	1.87
Seattle Genetics Inc.	2,923	262,111	226,101	1.63
STERIS PLC	462	60,870	67,393	0.49
Stryker Corp.	297	60,669	63,557	0.46
Teleflex Inc.	198	62,563	69,870	0.50
Thermo Fisher Scientific Inc.	924	274,758	282,299	2.03
United Therapeutics Corp.	2,204	354,881	327,669	2.36
UnitedHealth Group Inc.	847	254,773	288,064	2.07
Universal Health Services Inc., Class 'B'	1,323	207,118	210,526	1.52
Veeva Systems Inc., Class 'A'	2,589	284,330	315,702	2.27
Vertex Pharmaceuticals Inc.	585	119,316	132,343	0.95
WellCare Health Plans Inc.	879	253,733	283,311	2.04
West Pharmaceutical Services Inc.	1,369	204,255	183,214	1.32
Zimmer Biomet Holdings Inc.	1,286	191,014	182,096	1.31
Zoetis Inc.	577	62,098	67,382	0.48
		14,297,078	13,910,624	100.11
Total investments		14,297,078	13,910,624	100.11
Transaction costs		(852)		
Unrealized appreciation on derivatives - see Schedule 1			1,188	0.01
Unrealized depreciation on derivatives - see Schedule 1			(21,212)	(0.15)
Other assets, less liabilities			4,546	0.03
Total Net Assets Attributable to Holders of Redeemable Units		14,296,226	13,895,146	100.00

SCHEDULE OF INVESTMENT PORTFOLIO As at December 31, 2018

Schedule 1

Credit Rating of		Settlement Currency	Amount Currency	Amount	Forward Cu		Appreciation rrent (Depreciation		
Counterparty	Counterparty*	Date	Sell	Sold	Buy	Bought	Rate	Rate	\$
Bank of New York Mellon (The), New York	A-1+	1/31/2019	CAD	75,000	USD	55,650	1.348	1.364	915
Bank of New York Mellon (The), New York	A-1+	1/31/2019	CAD	75,000	USD	55,180	1.359	1.364	273
									1,188
Bank of New York Mellon (The), New York	A-1+	1/31/2019	USD	802,123	CAD	1,073,000	0.748	0.733	(21,212)
									(21,212)

* Commercial paper rating per Stand and Poor's Commerical Paper Guide

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

	December 31	December 3
	2018 (\$)	2017 (\$
Assets		
Investments (non-derivative financial assets)	2,200,813	2,583,624
Cash	8,223	248,43
Accrued dividend receivable	2,533	4,754
Other asets	545	
	2,212,114	2,836,81
Liabilities	4 400	4.00
Accrued liabilities	1,499	4,262
Redemptions payable	-	35,84
Distributions payable to holders of redeemable units	-	141,79
Total net assets attributable to holders of redeemable units	1,499 2,210,615	181,90 2,654,90
Total Net Assets Attributable to Holders of Redeemable Units for each class	2,210,013	2,004,90
Units	2,210,615	2,654,909
Redeemable units outstanding [note 6]	, ,	, ,
Units	100,000	100,000
Net assets attributable to holders of redeemable units per unit Units	22.11	26.5
	22.11	20.5
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017		
	December 31	December 3
	2018 (\$)	2017 (
	2010 (\$)	2017 (
Dividends	68,131	
Dividends Other changes in fair value of investments	68,131	38,102
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments	68,131 249,028	38,10 619,17
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange	68,131 249,028 332	38,10 619,17 (1,45
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments	68,131 249,028 332 (571,224)	38,10 619,17 (1,45 (209,04
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	68,131 249,028 332 (571,224) (253,733)	38,10 619,17 (1,45 (209,04 446,77
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	68,131 249,028 332 (571,224) (253,733) 649	38,10 619,17 (1,45 (209,04 446,77 (33
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash	68,131 249,028 332 (571,224) (253,733)	38,10 619,17 (1,45 (209,04 446,77 (33
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7]	68,131 249,028 332 (571,224) (253,733) 649 (253,084)	38,10 619,17 (1,45 (209,04 446,77 (33 446,43
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees	68,131 249,028 332 (571,224) (253,733) 649 (253,084) 27,634	38,10 619,17 (1,45 (209,04 446,77 (33 446,43 15,83
Dividends Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense	68,131 249,028 332 (571,224) (253,733) 649 (253,084) 27,634 3,047	38,10 619,17 (1,45 (209,04 446,77 (33 446,43 15,83 2,05
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9]	68,131 249,028 332 (571,224) (253,733) 649 (253,084) 27,634 3,047 1,341	38,10 619,17 (1,45 (209,04 446,77 (33 446,43 15,83 2,05 81
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees	68,131 249,028 332 (571,224) (253,733) 649 (253,084) 27,634 3,047 1,341 631	38,10 619,17 (1,45 (209,04 446,77 (33 446,43 15,83 2,05 81 47
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees	68,131 249,028 332 (571,224) (253,733) 649 (253,084) 27,634 3,047 1,341	38,10 619,17 (1,45 (209,04 446,77 (33 446,43 15,83 2,05 81 47
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense	68,131 249,028 332 (571,224) (253,733) 649 (253,084) 27,634 3,047 1,341 631 1 32,654	38,10 619,17 (1,45 (209,04 446,77 (33 446,43 15,83 2,05 81 ; 47 47 19,18
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense	68,131 249,028 332 (571,224) (253,733) 649 (253,084) 27,634 3,047 1,341 631 1	38,10 619,17 (1,45 (209,04 446,77 (33 446,43 15,83 2,05 81 2,05 81 47 47 19,18 (47
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager	68,131 249,028 332 (571,224) (253,733) 649 (253,084) 27,634 3,047 1,341 631 1 32,654 (631)	38,102 619,17 (1,453 (209,04 446,77 (333 446,433 15,834 2,055 811 470 (19,18 (470 18,714
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax	68,131 249,028 332 (571,224) (253,733) 649 (253,084) 27,634 3,047 1,341 631 1 32,654 (631) 32,023	38,102 619,17 (1,453 (209,04 446,77 (333 446,433 15,834 2,055 814 47(19,18 (47(18,714 427,725
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes	68,131 249,028 332 (571,224) (253,733) 649 (253,084) 27,634 3,047 1,341 631 1 32,654 (631) 32,023 (285,107)	38,102 619,17 (1,455 (209,04' 446,77 (33) 446,43' 15,83 2,055 81: 477 19,18 (47) 19,18 (47) 18,71 427,72 5,02
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units	68,131 249,028 332 (571,224) (253,733) 649 (253,084) 27,634 3,047 1,341 631 1 32,654 (631) 32,023 (285,107) 8,631	38,102 619,17 (1,453 (209,04 446,77 (33) 446,433 15,836 2,055 814 470 19,18 (477 18,714 427,725 5,02
Dividends Other changes in fair value of investments Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units	68,131 249,028 332 (571,224) (253,733) 649 (253,084) 27,634 3,047 1,341 631 1 32,654 (631) 32,023 (285,107) 8,631	38,102 619,17 (1,453 (209,04 446,77 (333 446,433 15,834 2,055 815 477 19,184 (477 19,184 (477) 19,185 (477) 1
Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments Foreign exchange gain (loss) on cash Expenses [note 7] Management fees HST expense Transaction costs [note 3 and note 9] Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units before tax Withholding taxes Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units for each class	68,131 249,028 332 (571,224) (253,733) 649 (253,084) 27,634 3,047 1,341 631 1 32,654 (631) 32,023 (285,107) 8,631 (293,738)	2011 (38,102 619,17 (1,455 (209,047 446,77 (332 446,433 15,838 2,055 811 47(19,184 (47(18,714 427,725 5,027 422,698 422,698

On behalf of the Trustee,

FT Portfolios Canada Co.

Director

Derl Ahr

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, 2018 and 2017

For the years ended December 31, 2016 and 2017		
	December 31	December 31
	2018 (\$)	2017 (\$)
Net assets attributable to holders of redeemable units, beginning of year	2,654,909	2,396,516
Increase (Decrease) in net assets attributable to holders of redeemable units	(293,738)	422,698
Redeemable unit transactions [note 6]		
Proceeds from issuance of units	8,138,866	5,319,161
Reinvested distributions	-	339,300
Redemption of units	(8,270,172)	(5,335,621)
	(131,306)	322,840
Distributions to holders of redeemable units from:		
Net investment income	-	(374,047)
Capital gains	-	-
Return of capital	(19,250)	(113,098)
	(19,250)	(487,145)
· · · · · · · · · · · · · · · · · · ·	(.	
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	(444,294)	258,393
Net assets attributable to holders of redeemable units, end of year	2,210,615	2,654,909
See accompanying notes which are an integral part of these financial statements		

First Trust AlphaDEX[™] U.S. Materials Sector Index ETF

	December 31	December 3 ⁴
	2018 (\$)	2017 (\$
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(293,738)	422,698
Adjustments for:		
Net realized (gain) loss on sale of investments	(249,028)	(619,171
Change in unrealized (appreciation) depreciation of investments	571,224	209,047
Dividends receivable	2,221	(736
Other assets	(545)	-
Other liabilities	(2,763)	2,622
Purchases of investments	(10,881,903)	(6,753,390
Proceeds from the sale of investments	10,942,518	6,963,022
	87,986	224,092
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	8,138,866	5,319,161
Amount paid on redemptions of units	(8,306,019)	(5,299,774
Distributions paid to unitholders	(161,045)	(31,050
	(328,198)	(11,663
		·
Increase (Decrease) in cash for the year	(240,212)	212,429
Cash, beginning of year	248,435	36,006
Cash, end of year	8,223	248,435
Dividends received, net of withholding taxes	61,721	32,339

First Trust AlphaDEX[™] U.S. Materials Sector Index ETF Notes to Financial Statements - Specific Information For the year ended December 31, 2018

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, 2018 and 2017:

	Financial Assets at Fair Value (\$) As at December 31, 2018					
	Level 1 Level 2 Level 3 Tota					
Equities	2,200,813	_	-	2,200,813		
Total	2,200,813	_		2,200,813		
	Financial Assets at Fair Value (\$) As at December 31, 2017					
	Level 1	Level 2	Level 3	Total		
Equities	2,583,624	_	-	2,583,624		
Total	2,583,624	_	_	2,583,624		

There have been no transfers from one Level to another for the years ended December 31, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Units
Outstanding units – January 1, 2017	100,000
Redeemable units issued	200,000
Redeemable units issued on reinvestments	-
Redeemable units redeemed	(200,000)
Outstanding units – December 31, 2017	100,000
Redeemable units issued	300,000
Redeemable units issued on reinvestments	-
Redeemable units redeemed	(300,000)
Outstanding units – December 31, 2018	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		
0.70%		

E. TAXATION (NOTE 8)

Tax loss carry-forwards - The net capital losses and non-capital losses as at December 31, 2018 and 2017 were as follows:

Net Capital Losses (\$)		Non-Capital	Losses (\$)
2018 2017		2018	2017
_	_	291,651	_

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, 2018 and 2017 are as follows:

Transaction Cost (\$)			
2018 2017			
1,341 815			

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
27,634 15,838		1,326	3,772

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At December 31, 2018		At December 31, 2017	
Index	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Materials and Processing Index	109,094	(109,094)	130,096	(130,096)
Russell 1000® Index	104,231	(104,231)	135,406	(135,406)
S&P 500 Materials Index	105,888	(105,888)	124,786	(124,786)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2018 and 2017:

	At December 31,2 018		At December 31, 2017	
Currency	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	2,209,555	99.95	2,591,132	97.60

As at December 31, 2018, 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 \$22,096 (December 31, 2017 - \$25,911). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

First Trust AlphaDEX[™] U.S. Materials Sector Index ETF Notes to Financial Statements - Specific Information **For the year ended December 31, 2018**

Concentration Risk – The table below summarizes the concentration risk for the years ended December 31, 2018 and 2017:

	As a % of net assets attributable to holders of redeemable units	
Sector	December 31, 2018	December 31, 2017
Materials	80.32	85.10
Industrials	19.24	12.21
Total	99.56	97.31

First Trust AlphaDEX[™] U.S. Materials Sector Index ETF Notes to Financial Statements - Specific Information For the year ended December 31, 2018

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
Industrials-19.24%				
Acuity Brands Inc.	254	43,461	39,860	1.80
Armstrong World Industries Inc.	383	32,885	30,436	1.38
Fastenal Co.	689	51,406	49,185	2.23
Hexcel Corp.	596	47,912	46,655	2.11
Ingersoll-Rand PLC	391	43,030	48,698	2.20
Lennox International Inc.	122	34,212	36,452	1.65
Owens Corning	983	90,711	59,021	2.67
Timken Co. (The)	1,070	67,690	54,516	2.47
Univar Inc.	1,304	46,501	31,581	1.43
Valmont Industries Inc.	96	19,558	14,541	0.66
Watsco Inc., Class 'A'	75	17,881	14,247	0.64
		495,247	425,192	19.24
Materials—80.32% Air Products and Chemicals Inc.	160	32,850	34,960	1.58
	990	59,891		
Alcoa Corp.	990 124		35,924	1.63 0.72
AptarGroup Inc.		13,409	15,925	
Ashland Global Holdings Inc.	159 826	17,064	15,403	0.70 2.42
Berry Global Group Inc.		55,923	53,597	
Celanese Corp., Series 'A'	351	47,864	43,112	1.95
CF Industries Holdings Inc.	490	23,284	29,106	1.32
Crown Holdings Inc.	555	35,294	31,497	1.42
DowDuPont Inc.	207	17,120	15,113	0.68
Eagle Materials Inc.	626	80,086	52,157	2.36
Eastman Chemical Co.	696	84,787	69,468	3.14
Ecolab Inc.	255	48,991	51,296	2.32
FMC Corp.	306	35,694	30,897	1.40
Freeport-McMoRan Inc., Class 'B'	4,788	100,062	67,392	3.05
Graphic Packaging Holding Co.	3,806	75,418	55,285	2.50
Huntsman Corp.	1,958	80,406	51,563	2.33
International Flavors and Fragrances Inc.	96	16,853	17,597	0.80
International Paper Co.	1,085	73,329	59,783	2.70
LyondellBasell Industries NV, Class 'A'	650	90,941	73,795	3.34
Martin Marietta Materials Inc.	293	73,847	68,749	3.11
Mosaic Co. (The)	410	13,087	16,350	0.74
NewMarket Corp.	33	16,930	18,565	0.84
Newmont Mining Corp.	883	38,615	41,770	1.89
Nucor Corp.	1,051	85,800	74,338	3.36
Olin Corp.	2,596	100,463	71,271	3.22
Owens Illinois Inc.	1,419	33,610	33,398	1.51
Platform Specialty Products Corp.	4,276	59,473	60,302	2.73
PPG Industries Inc.	122	17,442	17,027	0.77
Reliance Steel & Aluminum Co.	782	84,984	75,980	3.44
RPM International Inc.	821	55,562	65,882	2.98
Sherwin-Williams Co. (The)	117	61,572	62,847	2.84
Silgan Holdings Inc.	1,439	51,081	46,402	2.10
Sonoco Products Co.	480	32,172	34,816	1.58
Steel Dynamics Inc.	1,475	81,751	60,491	2.74
United States Steel Corp.	2,187	98,259	54,459	2.46
Vulcan Materials Co.	240	34,895	32,372	1.46
Westlake Chemical Corp.	802	101,741	72,449	3.28
WestRock Co.	1,247	100,545	64,283	2.91
		2,131,095	1,775,621	80.32
Total investments		2,626,342	2,200,813	99.56
Transaction costs		(145)		
Other assets, less liabilities		()	9,802	0.44
Total Net Assets Attributable to Holders of Redeemable Units		2,626,197	2,210,615	100.00

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

Assets Investments (non-derivative financial assets) Cash Accrued dividend receivable Derivative assets Dther assets Dther assets Dther assets Liabilities Recemptions payable Distributions payable to holders of redeemable units Derivative liabilities Total Net Assets Attributable to holders of Redeemable Units for each class Units Hedged Units Redemptions units outstanding [note 6] Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Dividends Dividends Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of derivatives Net change in unrealized appreciation (depreciation) of derivatives	December 31 2018 (\$) 10,507,371 223,006 23,864 1,202 4,130 10,759,573 15,003 90,800 91,624 197,427 10,562,146 6,290,809 4,271,337 250,000 250,000 255,16 17.09 December 31 2018 (\$)	December 3 2017 (\$ 7,933,452 31,442 5,196 5,176 1,148 7,976,417 8,503 2,278 7,500 18,28 7,958,136 6,926,068 1,032,07 250,000 50,000
Investments (non-derivative financial assets) Cash Accrued dividend receivable Derivative assets Dther assets Dther assets Dther assets Liabilities Accrued liabilities Redemptions payable to holders of redeemable units Derivative liabilities Total net assets attributable to holders of Redeemable units Total Net Assets Attributable to Holders of Redeemable Units for each class Units Hedged Units Redeemable units outstanding [note 6] Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Dividends Dividends Dividends Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	223,006 23,864 1,202 4,130 10,759,573 15,003 90,800 91,624 197,427 10,562,146 6,290,809 4,271,337 250,000 250,000 250,000 251.16 17.09	7,933,452 31,442 5,196 5,175 1,144 7,976,417 8,503 2,276 7,500 18,283 7,958,136 6,926,065 1,032,077 250,000 50,000
Cash Accrued dividend receivable Derivative assets Dther assets Dther assets Derivative assets Distributions payable Distributions payable to holders of redeemable units Derivative liabilities Total net assets attributable to holders of redeemable units Total Net assets attributable to Holders of Redeemable Units for each class Units Hedged Units Redeemable units outstanding [note 6] Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Dther danges in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	223,006 23,864 1,202 4,130 10,759,573 15,003 90,800 91,624 197,427 10,562,146 6,290,809 4,271,337 250,000 250,000 250,000 251.16 17.09	31,443 5,199 5,175 1,144 7,976,417 8,503 2,278 7,500 18,287 7,958,136 6,926,065 1,032,077 250,000 50,000
Accrued dividend receivable Derivative assets Other assets Cher assets Accrued liabilities Redemptions payable Distributions payable to holders of redeemable units Derivative liabilities Total net assets attributable to holders of redeemable units Total net assets attributable to Holders of Redeemable Units for each class Units Hedged Units Redeemable units outstanding [note 6] Units Hedged Units Net assets attributable to holders of redeemable units per unit Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	23,864 1,202 4,130 10,759,573 15,003 90,800 91,624 197,427 10,562,146 6,290,809 4,271,337 250,000 250,000 251.16 17.09 December 31	5,199 5,175 1,148 7,976,417 8,500 2,276 7,500 18,287 7,958,136 6,926,065 1,032,077 250,000 50,000
Derivative assets Deferre asset Deferre assets Defe	1,202 4,130 10,759,573 15,003 90,800 91,624 197,427 10,562,146 6,290,809 4,271,337 250,000 250,000 250,000 251.16 17.09	5,175 1,148 7,976,417 8,500 2,278 7,500 18,287 7,958,136 6,926,065 1,032,077 250,000 50,000 27.70
Other assets	4,130 10,759,573 15,003 90,800 91,624 197,427 10,562,146 6,290,809 4,271,337 250,000 250,000 255,000 255,16 17.09	1,148 7,976,417 8,500 2,278 7,500 18,287 7,958,136 6,926,068 1,032,077 250,000 50,000
Liabilities Accrued liabilities Accrued liabilities Accrued liabilities Distributions payable Distributions payable to holders of redeemable units Derivative liabilities Total net assets attributable to holders of redeemable units Total Net Assets Attributable to Holders of Redeemable Units for each class Units Hedged Units Redeemable units outstanding [note 6] Units Hedged Units Net assets attributable to holders of redeemable units per unit Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	10,759,573 15,003 90,800 91,624 197,427 10,562,146 6,290,809 4,271,337 250,000 250,000 25,16 17.09 December 31	7,976,417 8,503 2,276 7,500 18,283 7,958,136 6,926,065 1,032,07 250,000 50,000
Accrued liabilities Redemptions payable Distributions payable to holders of redeemable units Derivative liabilities Total net assets attributable to holders of redeemable units Total Net Assets Attributable to Holders of Redeemable Units for each class Units Hedged Units Redeemable units outstanding [note 6] Units Hedged Units Net assets attributable to holders of redeemable units per unit Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	15,003 90,800 91,624 197,427 10,562,146 6,290,809 4,271,337 250,000 250,000 250,000 25,16 17.09 December 31	8,503 2,278 7,500 18,28 7,958,136 6,926,065 1,032,07 250,000 50,000 27.70
Accrued liabilities Redemptions payable Distributions payable to holders of redeemable units Derivative liabilities Total net assets attributable to holders of redeemable units Total Net Assets Attributable to Holders of Redeemable Units for each class Units Hedged Units Redeemable units outstanding [note 6] Units Hedged Units Net assets attributable to holders of redeemable units per unit Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	90,800 91,624 197,427 10,562,146 6,290,809 4,271,337 250,000 250,000 250,000 25,16 17.09 December 31	2,278 7,500 18,28 7,958,136 6,926,065 1,032,07 250,000 50,000 27.70
Redemptions payable Distributions payable to holders of redeemable units Distributions payable to holders of redeemable units Image: Comparison of the emable units Total net assets attributable to holders of Redeemable Units for each class Image: Comparison of the emable units of the emable units of the emable units of the emable units outstanding [note 6] Units Hedged Units Redeemable units outstanding [note 6] Image: Units Hedged Units Image: Comparison of the emable units per unit Units Hedged Units State assets attributable to holders of redeemable units per unit Image: Comparison of the emable units per unit Units Hedged Units State assets attributable to holders of redeemable units per unit Image: Comparison of the emable units per unit Units Hedged Units State assets attributable to holders of redeemable units per unit Image: Comparison of the emable units per unit Units Hedged Units State assets attributable to holders of redeemable units per unit Image: Comparison of the emable units per unit Units Image: Comparison of the ematter of	90,800 91,624 197,427 10,562,146 6,290,809 4,271,337 250,000 250,000 250,000 25,16 17.09 December 31	2,278 7,500 18,28 7,958,136 6,926,065 1,032,07 250,000 50,000 27.70
Distributions payable to holders of redeemable units Derivative liabilities Total net assets attributable to holders of redeemable units Total Net Assets Attributable to Holders of Redeemable Units for each class Units Hedged Units Redeemable units outstanding [note 6] Units Hedged Units Net assets attributable to holders of redeemable units per unit Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	91,624 197,427 10,562,146 6,290,809 4,271,337 250,000 250,000 250,000 25,16 17.09 December 31	7,500 18,28 7,958,136 6,926,065 1,032,07 250,000 50,000 27.70
Derivative liabilities Total net assets attributable to holders of redeemable units Total Net Assets Attributable to Holders of Redeemable Units for each class Units Hedged Units Redeemable units outstanding [note 6] Units Hedged Units Net assets attributable to holders of redeemable units per unit Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	91,624 197,427 10,562,146 6,290,809 4,271,337 250,000 250,000 250,000 25,16 17.09 December 31	18,28 7,958,136 6,926,065 1,032,07 250,000 50,000 27.70
Total Net Assets Attributable to Holders of Redeemable Units for each class Units Hedged Units Redeemable units outstanding [note 6] Units Hedged Units Net assets attributable to holders of redeemable units per unit Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	10,562,146 6,290,809 4,271,337 250,000 250,000 25,16 17.09 December 31	7,958,136 6,926,066 1,032,07 250,000 50,000 27.70
Total Net Assets Attributable to Holders of Redeemable Units for each class Units Hedged Units Redeemable units outstanding [note 6] Units Hedged Units Net assets attributable to holders of redeemable units per unit Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	6,290,809 4,271,337 250,000 250,000 25.16 17.09 December 31	6,926,065 1,032,07 250,000 50,000 27.70
Units Hedged Units Redeemable units outstanding [note 6] Units Hedged Units Net assets attributable to holders of redeemable units per unit Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	4,271,337 250,000 250,000 25.16 17.09 December 31	1,032,07 250,000 50,000 27.70
Hedged Units Redeemable units outstanding [note 6] Units Hedged Units Net assets attributable to holders of redeemable units per unit Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	4,271,337 250,000 250,000 25.16 17.09 December 31	1,032,07 250,000 50,000 27.70
Redeemable units outstanding [note 6] Units Hedged Units Net assets attributable to holders of redeemable units per unit Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	250,000 250,000 25.16 17.09 December 31	250,000 50,000 27.70
Units Hedged Units Net assets attributable to holders of redeemable units per unit Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Dividends Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	250,000 25.16 17.09 December 31	<u>50,000</u> 27.70
Hedged Units Net assets attributable to holders of redeemable units per unit Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on foreign exchange Net realized appreciation (depreciation) of investments	250,000 25.16 17.09 December 31	<u>50,000</u> 27.70
Net assets attributable to holders of redeemable units per unit Units Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	25.16 17.09 December 31	27.70
Hedged Units STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	17.09 December 31	
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017 Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	December 31	20.64
Revenues Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments		
Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments		
Dividends Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	2010 (ψ)	December 3 2017 (\$
Other changes in fair value of investments and derivatives Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments		2011 (4
Net realized gain (loss) on sale of investments Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	409,263	131,641
Net realized gain (loss) on derivatives Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments		
Net realized gain (loss) on foreign exchange Net change in unrealized appreciation (depreciation) of investments	322,932	962,128
Net change in unrealized appreciation (depreciation) of investments	(185,723)	3,844
	935	(1,229
Net change in unrealized appreciation (depreciation) of derivatives	(1,112,862)	284,360
	(95,597)	5,175
	(661,052)	1,385,919
Foreign exchange gain (loss) on cash	2,919	(139
Curanana India 71	(658,133)	1,385,780
Expenses [note 7] Management fees	97,653	56,088
HST expense	9,407	6,432
Transaction costs [note 3 and note 9]	3,273	2,516
Independent Review Committee fees	2,243	1,660
Interest expense	2,245	1,000
	112,584	66,702
Expenses waived by manager	(2,243)	(1,660
	110,341	65,042
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	(768,474)	1,320,738
Withholding taxes	32,986	14,542
ncrease (Decrease) in net assets attributable to holders of redeemable units ncrease (Decrease) in net assets attributable to holders of redeemable units for each class	(801,460)	1,306,196
Units	(168,118)	
Hedged Units		1 274 124
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		1,274,125 32.071
Units	(633,342)	1,274,128 32,071
Hedged Units		

On behalf of the Trustee,

FT Portfolios Canada Co.

421

..... Director

..... Director

First Trust AlphaDEX[™] U.S. Industrials Sector Index ETF statements of changes in net assets attributable to holders of redeemable units

	December 31 2018 (\$)	December 31 2017 (\$)	December 31 2018 (\$)	December 31 2017 (\$)
	Units	Units	Hedged Units	Hedged Units
Net assets attributable to holders of redeemable units, beginning of year	6,926,065	7,220,975	1,032,071	-
			,,.	
Increase (Decrease) in net assets attributable to holders of redeemable units	(168,118)	1,274,125	(633,342)	32,071
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	33,023,517	7,807,404	3,917,883	1,000,000
Reinvested distributions	324.075			1,000,000
Redemption of units	(33,402,430)	(9,331,439)	-	-
	(54,838)	(1,524,035)	3,917,883	1,000,000
Distributions to holders of redeemable units from:	(107 100)		(15.000)	
Net investment income	(187,162)	-	(45,266)	-
Capital gains Return of capital	(225,106) (32)	-	- (9)	-
	(412,300)	(45,000) (45,000)	(45,275)	
	(112,000)	(10,000)	(10,210)	
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	(635,256)	(294,910)	3,239,266	1,032,071
Net assets attributable to holders of redeemable units, end of year	6,290,809	6,926,065	4,271,337	1,032,071
			December 31 2018 (\$)	December 31 2017 (\$
			Total	Tota
Net assets attributable to holders of redeemable units, beginning of year			7,958,136	7,220,975
Increase (Decrease) in net assets attributable to holders of redeemable units			(801,460)	1,306,196
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			36,941,400	8,807,404
Reinvested distributions			324,075	-
Redemption of units			(33,402,430)	(9,331,439
·			3,863,045	(524,035
Distributions to holders of redeemable units from:				
Net investment income			(232,428)	-
Capital gains			(225,106)	_
Return of capital			(223, 100)	(45,000
··· · · · · · · · · ·			(457,575)	(45,000
				707.404
Increase (Decrease) in not coasts attributable to belders of redeemable write for the war				
Increase (Decrease) in net assets attributable to holders of redeemable units for the year			2,604,010	737,161

First Trust AlphaDEX[™] U.S. Industrials Sector Index ETF STATEMENTS OF CASH FLOW For the years ended December 31, 2018 and 2017

	December 31	December 31
	2018 (\$)	2017 (\$
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(801,460)	1,306,196
Adjustments for:		
Net realized (gain) loss on sale of investments	(322,932)	(962,128
Change in unrealized (appreciation) depreciation of investments and derivatives	1,208,459	(289,535
Dividends receivable	(18,665)	(1,876
Other assets	(2,982)	(860
Other liabilities	6,500	5,421
Purchases of investments	(46,995,444)	(15,669,776
Proceeds from the sale of investments	43,631,595	16,178,425
	(3,294,929)	565,867
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	36,941,400	8,807,404
Amount paid on redemptions of units	(33,404,708)	(9,329,161
Distributions paid to unitholders	(50,200)	(37,500
	3,486,492	(559,257
Increase (Decrease) in cash for the year	191,563	6,610
Cash, beginning of year	31,443	24,833
Cash, end of year	223,006	31,443
	057.040	445 000
Dividends received, net of withholding taxes	357,612	115,223

First Trust AlphaDEX[™] U.S. Industrials Sector Index ETF Notes to Financial Statements - Specific Information For the year ended December 31, 2018

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, 2018 and 2017:

	Financial Assets at Fair Value (\$) As at December 31, 2018)
	Level 1	Level 2	Level 3	Total
Equities	10,507,371		-	10,507,371
Derivative assets*	_	1,202		1,202
Derivative liabilities*	_	(91,624)		(91,624)
Total	10,507,371	(90,422)	-	10,416,949
	Financial Assets at Fair Value (\$) As at December 31, 2017)
	Level 1	Level 2	Level 3	Total
Equities	7,933,452	_	-	7,933,452
Derivative assets*	_	5,175	_	5,175
Total	7,933,452	5,175	-	7,938,627

* 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, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Units	Hedged Units
Outstanding units – January 1, 2017	300,000	_
Redeemable units issued	300,000	50,000
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(350,000)	_
Outstanding units – December 31, 2017	250,000	50,000
Redeemable units issued	1,250,000	200,000
Redeemable units issued on reinvestments	-	-
Redeemable units redeemed	(1,250,000)	_
Outstanding units – December 31, 2018	250,000	250,000

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 - The net capital losses and non-capital losses as at December 31, 2018 and 2017 were as follows:

Net Capital	Net Capital Losses (\$)		Losses (\$)
2018	2017	2018	2017
_	—	—	4,656

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, 2018 and 2017 are as follows:

Transaction Cost (\$)	
2018	2017
3,273	2,516

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management F	Fee Expense	Management Fee Payable (\$)		
2018	2017	2018	2017	
97,653	56,088	13,224	7,525	

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 30, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At Decemb	er 31, 2018	At December 31, 2017		
Index	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)	
Units					
Russell 1000® Producer Durables Index	497,477	(497,477)	393,945	(393,945)	
Russell 1000® Index	503,814	(503,814)	427,370	(427,370)	
S&P 500 Industrials Index	492,196	(492,196)	385,986	(385,986)	
Hedged Units*					
Russell 1000® Producer Durables Index USD	518,073	(518,073)	N/A	N/A	
Russell 1000® Index USD	529,692	(529,692)	N/A	N/A	
S&P 500 Industrials Index USD	511,208	(511,208)	N/A	N/A	

*Data at December 31, 2017 is not available as the Hedged Units lack sufficient trading history.

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as December 31, 2018 and 2017:

	At December 31, 2018		At Decembe	r 31, 2017
Currency	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	6,366,680	60.28	6,924,830	87.02

As at December 31, 2018, 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 \$63,667 (December 31, 2017 – \$69,248). 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 concentration risk for the years ended December 31, 2018 and 2017:

	As a % of net assets attributable to holders of redeemable units				
Sector	December 31, 2018	December 31, 2017			
Industrials	90.50	89.39			
Information Technology	8.27	7.77			
Materials	0.71	1.58			
Health Care	-	0.95			
Total	99.48	99.69			

First Trust AlphaDEX[™] U.S. Industrials Sector Index ETF Notes to Financial Statements - Specific Information **For the year ended December 31, 2018**

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

def daminine - Soft Cert (i) Value (i) 9. Value (i) 9. Value (i) AGCO Cop. 1.04 1.03.27 12.0.0 1.0.0 <th></th> <th>Numbers</th> <th>A</th> <th>Es in</th> <th></th>		Numbers	A	Es in	
Industrian-96.09% - - - AGCO Con, 1.065 118.15 110.020 1. AGCO Con, 1.046 118.15 110.020 1. AGCO Con, 1.041 118.15 110.020 1. All Lans Conp. 1.041 110.220 1. 1. Alles A Conp. 3.200 110.240 1. 1. Alles A Conp. 3.200 110.240 1. 1. Anatak Inc. 3.200 110.240 1. 1. 1. Anatak Inc. 3.200 110.240 1.		Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total
ACCO Cop. 1.449 11.44	Industrials—90.50%				
Ar Loss Origo 38.09 (19.00) 10.000 10.000 Alses Ar Goup he 366 40.07 19.020 10.000 10.000 Alles Thransinson Holings he. 3.22 10.000 17.23,33 10.000 Antes K. 3.67 17.23,47 17.23,83 10.000 Carlies Loss Inc. 1.54 17.23,97 17.23,83 10.000 Carlies Loss Inc. 1.54 17.23,97 17.23,83 10.000 Carlies Loss Inc. 1.54 17.23,97 17.23,83 10.000 Carlies Loss Inc. 1.54 17.54 17.54 10.000 Carlies Loss Inc. 4.54 12.000 12.84 10.000 10.000 Carlies Loss Inc. 4.54 12.000 10.000 10.000 10.000 10.000 10.000 Carlies Loss Inc. 2.200 12.21,18 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000 10.000					0.35
Alass Ar Origon In: 1,441 00,202 00,124 00 Allison Transmission Holdings Inc. 3,202 10,107 103,038 10 Antex Inc. 3,207 107,127 17,237 17,238 10 Breing Ca, The Normer Workshein Inc. 1,207 122,070 1 1 Crift Rotinger Workshein Inc. 1,207 123,070 1 1 Crift Rotinger Workshein Inc. 1,207 123,070 1 <td></td> <td></td> <td></td> <td></td> <td>1.18</td>					1.18
Akegon IC. 386 4.07 4.86.20 103.177 103.020 103.177 103.020 103.177 103.020 103.177 103.020 103.177 103.020 103.177 103.020 103.177 103.020 10					1.42
Alleon framemission Holdings Inc. 3.20 10.71 10.80.75 17.83.75 17.82.85 0.00 Beeng Co, They 2.75 17.84.75 <td></td> <td></td> <td></td> <td></td> <td>1.53</td>					1.53
Andrek in: 947 72.8 73.8 73.2 73.2 CH. Rakman Wadwie in: 1.367 158.43 151.35 151.35 CH. Rakman Wadwie in: 1.367 158.43 151.35 151.35 Charpe Dine 674 150.95 151.35 151.35 Charpe Dine 674 150.95 151.35 151.35 Charpe Dine 674 150.95 151.35 151.35 151.35 Charpe Dine 674 150.95 151.35 151.35 152.35 151.35 </td <td>•</td> <td></td> <td></td> <td></td> <td>0.38</td>	•				0.38
Bearing Co, Theip 276 127, 37 121, 37 121, 37 121, 37 121, 35	-				1.83 0.74
C.H. Bonson Workwok Inc. 1.847 1.847 1.840.00 1.840.00 Catasylin Inc. 877 146.078 122.38 1.1 Catasylin Inc. 440.7 150.81 146.078 123.38 1.2 Casa Motors Inc. 440.7 150.81 146.078 123.31 1.2 Costs Orogo Inc. 151 77.4588 74.148 0.0 Casa Motors Inc. 228 38.885 141.33 0.0 Castrongo Inc. 228 168.08 157.27 1.0 Castrongo Inc. 228 168.08 157.27 1.0 Deat Ar Lines Inc. 2.88 168.08 173.17 1.0 Deat Art Lines Inc. 2.88 168.08 173.17 1.0 Deata Art Lines Inc. 1.54 144.16 1.1 1.0 1.1 Deata Art Lines Inc. 1.54 168.03 173.17 1.0					1.15
Carisle Cos Inc. 943 71,222 71,420	÷ , ,				1.13
Categraphics 877 840.078 152.08 154.079 Cates Alorgs NG, Cates X' 460.07 83.637 31.26 0.00 Capa Holdings NG, Cates X' 101 74.686 72.25.11 22. 0.00 101.07					0.71
Christ Cop. 674 674 56.0 51.0 50.0 Cope Holongs SA, Ches A'' 2.065 25.25.7 25.16 20.00 Cope Holongs SA, Ches A'' 2.065 72.07.01 70.00 70.00 CSX Corp. 2.09 38.05 41.23.30 70.00 70.00 Contribution Co. 2.09 38.05 41.23.30 70.00 70.00 Deter A Co. 4.05 72.77 77.010 70.00					1.44
Case Harbors Inc. 46.2 55.637 25.14 2.05 Costar forcap Inc. 16.1 74.649 74.149 0.0 Costar forcap Inc. 16.90 152.47 157.61 0.0 Contras-Wright Corp. 28.9 90.85 141.33 0.0 Contras-Wright Corp. 28.9 190.85 171.37 171.65 Deat Ar Lines Inc. 2.00 190.93 190.946 171.79 171.65 Doratdor Co. Inc. 2.00 190.93 190.946 171.79 140.14 10.15 Doratdor Co. Inc. 2.00 190.93 114.14 10.15 10.03 10.04.14 10.15 Experisor Experiso	•				1.46
Cope Hodings BA. Class W 2,065 722,571 225,178 22 CSNE Corop. 1,669 72,474 153,499 1.00 CSNE Corop. 2,86 91,82,474 153,499 1.00 Carlies Wirght Corop. 2,86 91,82,474 153,439 1.00 Detes A Co. 2,86 161,83 160,946 117,377 1.00 Detes A Co. 2,800 160,846 117,377 1.00 Detes A Co. 2,800 160,846 114,41 1.00 Dever Cop. 7,84 146,670 107,102 1.00 Dever Cop. 1,38 116,870 107,102 1.00 Stentor Cop. 3,39 30,394 0.00 1.00 122,523 0.00 Generee A Wirging Inc. 1,393 132,671 0.00 0.00 1.00 122,523 0.00 Generee A Wirging Inc. 1,807 14,839 1.00 1.00 122,523 0.00 0.00 Hebring Inc. 1,807 1.00					0.29
Cashar Group Inc. 194 74,448 0 CSX Corp. 1260 152.44 153.49 1.0 Currins Inc. 28 39.885 41.333 0.0 Currins Mind, Corp. 268 121.984 115.522 1.0 Denet AC 268 189.303 149.948 1.0 Denet Gop. 2.86 143.03 169.948 1.0 Denet Gop. 1.86 143.19 144.914 1.0 Enter Cop. 1.86 143.19 146.914 1.0 Enter Cop. 1.33 103.07 120.07 1.0 Enter Cop. 1.33 103.07 120.07 1.0 Enter Con. 1.33 103.07 130.94 0.0 Gardine Dener Holdings Inc. 1.07 40.857 0.0 0.0 HiCO Cop. 1.08 19.27 10.7 0.0 0.0 HiCO Cop. 1.08 10.32 0.0 0.0 0.0 0.0 0.0 0.0 0.0		2,095			2.13
Currais Min, Inc. 28 39.885 41.23 0.0 Currais Min, Inc. 64 121.944 115.22 0.0 Dens A.Co. 64 121.944 115.22 0.0 Dens Arco. 2.39 118.946 115.297 10 Dens foro. 2.39 118.946 114.916 11.91 Dens foro. 7.86 15.86 7.421 0.0 Dens foro. 1.36 120.307 120.307 121.33 Exten foro. 1.36 120.307 120.307 121.33 FedSt Cop. 3.87 3.8.37		161	74,898	74,146	0.70
Christe-Minipit Corp. 466 72.717 67.618 0 Derie A Con 664 121.944 132.22 13 Deria A Cunes Inc. 2.869 169.366 173.247 10 Deria Acton Co. Inc. 2.869 181.368 73.421 00 Eaton Cop. PLC 1.564 149.160 144.914 11 Exerston Electic Co. 1.333 120.307 122.700 12.1 Exerston Electic Co. 1.33 120.337 30.394 00 Certesse A Wyoring Inc. 1.38 182.75 185.74 11.10 Scather Derwer Holdings Inc. 1.582 79.897 30.091 00 HEICO Cop. 1.76 18.864 191.137 11.10 33.892 10.0 Usbappi Holdings Inc. 1.582 79.897 80.099 00 10 10.0 10.0 10.0 10.0 10.0 10.0 10.0 10.0 10.0 10.0 10.0 10.0 10.0 10.0 10.0 10.0	CSX Corp.	1,809	152,474	153,439	1.45
Dense A. Co. 64. 12.99 139.22 15.237 Densita Ar Lonse Inc. 2.89 198.343 198.948 10 Densiton Co. Inc. 2.89 198.303 198.948 10 Densiton Co. Inc. 2.89 198.303 198.948 10 Dense Corp. 7.86 81.568 73.421 00 Exent Corn. PLC 1.363 130.33 30.394 00 FeedEX Corp. 38 33.33 30.394 00 Controle Corp. 387 30.384 30.611 00 Controle Corp. 387 30.384 00 00 00 Controle Corp. 1.88 49.795 81.574 10 00 <td>Cummins Inc.</td> <td>226</td> <td>39,885</td> <td>41,233</td> <td>0.39</td>	Cummins Inc.	226	39,885	41,233	0.39
Delta ArL Lines Inc. 2.860 100.466 175.277 175.277 Doret Corp. 758 81.658 77.471 0.01 Eaton Con, PLC 1.361 116.670 144.914 0.1 Emerson Electric Co. 1.313 116.670 144.914 0.1 Expeditions International of Washington Inc. 1.313 116.670 138 30.373 30.384 0.0 Controler Derver Holdings Inc. 1.176 40.851 32.832 0.0 0.0 Controler Derver Holdings Inc. 1.62 79.897 80.009 0 0 HEICO Corp. 1.62 79.897 80.009 0 0 0 HEICO Corp. 1.62 79.897 80.009 0	Curtiss-Wright Corp.	485	72,717	67,616	0.64
Donalson Co. Inc. 198 198.303 198.948 1.1 Dover Corp. PLC 1.9.48 191.910 141.914 1.1 Entens Corp. PLC 1.9.48 191.910 141.914 1.1 Entens Corp. PLC 1.9.48 191.910 140.710 1.1 Expeditors International of Washington Inc. 1.9.33 10.337 30.394 0.0 Fortie Corp. 397 38.397 30.834 0.0 <td>Deere & Co.</td> <td>664</td> <td>121,994</td> <td>135,222</td> <td>1.28</td>	Deere & Co.	664	121,994	135,222	1.28
Dover Corp. 78 81.658 73.421 0.0 Exten Corp. PLC 1.343 116.670 144.914 11 Emerson Electric Co. 1.313 116.670 107.102 11 Expections International of Vashington Inc. 1.383 120.397 128.700 1.1 Expections International of Vashington Inc. 1.38 120.397 30.394 0.0 Contros Corp. 138 93.973 30.394 0.0 0.0 Scatture Dorwer Holdings Inc. 1.176 40.851 32.822 0.0 Disappi Holdings Inc. 1.562 79.897 80.009 0.0 HEIOC Corp. 1.602 141.004 135.890 10.00 Disappi Holdings Inc. 1.002 141.004 135.890 10.00 Libbel Inc. 1.002 144.044 155.69 10.00 J.B. Hutt Transport Services Inc. 2.20 38.681 37.921 0.0 J.B. Hutt Transport Services Inc. 3.81 16.412 154.667 11.76 J.B. Hutt			160,946	157,297	1.49
Eaton Coxp. PLC 1.546 140, 160 144, 914 1.1 Emerson Electric Co. 1.363 116, 670 17, 102 1.1 Expeditors International of Washington Inc. 1.363 120, 377 126, 700 1.1 Feditx Corp. 138 139, 373 30, 394 0.0 Cardner Derver Hiddings Inc. 1.38 182, 795 185, 734 1.1 Conseese & Wyoning Inc., Class 'A' 1.88 182, 795 185, 734 1.1 Ho Supply Hiddings Inc. 1.667 186, 894 191, 137 1.1 Horsyng Hiternational Inc. 1.677 78, 987 800, 09 0.0 Hubbel Inc. 1.607 186, 894 191, 137 1.1 Hubbel Inc. 220 38, 814 37, 921 0.0 0.0 JB. Hunt Transport Services Inc. 281 39, 44 39, 43 0.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 <td></td> <td></td> <td></td> <td></td> <td>1.61</td>					1.61
Emerson Electric Co. 1.313 116.670 107.102 1.1 Expeditors International of Washington Inc. 1.383 120.397 126.700 1.3 Fortise Corp. 1.38 39.373 30.94 0.0 Cardner Denver Holdings Inc. 1.17 40.851 22.823 0.0 Cenesse & Wyorning Inc., Class V 1.562 79.987 80.00 0.0 HEICO Corp. 1.562 79.987 80.00 0.0 HUBSophy Holdings Inc. 1.562 79.987 80.00 0.0 HUBSophy Holdings Inc. 1.672 79.897 80.00 0.0 HUBSophy Holdings Inc. 1.017 128.197 10.00 10.137 11.13 11.137 11.13 Hubrings Inc. 1.017 8.035 17.94 10.02 11.01 10.00 Lable Always Corp. 2.00 3.881 17.97.92 0.0 1.0 Jables Always Corp. 8.85 19.098 19.10 1.0 1.0 1.0 1.0 1.0 1.0	•				0.70
Expeditors International of Washington Inc. 1.863 120.397 126.700 11 FedEx Corp. 397 38.373 30.304 02 Gardner Denver Holdings Inc. 1.76 40.851 32.832 00 Genesse & Wyoning Inc., Class 'A' 1.83 182.705 185.74 0.10 HD Supply Holdings Inc. 1.80 18.84 191.17 11.1 Honeywell International Inc. 1.87 18.844 191.17 11.1 Hatbell Inc. 1.002 141.004 195.800 10.1 Huntington Ingalis Industries Inc. 220 30.841 35.802 0.00 JB. Hunt Transport Services Inc. 281 196.912 194.802 0.00 JB. Hunt Transport Services Inc. 3821 166.612 194.667 1.1 JB. Hunt Transport Services Inc. 3821 166.612 194.667 1.1 JB. Hunt Transport Services Inc. 3821 166.612 194.667 1.1 JB. Hunt Transport Services Inc. 3825 166.612 194.643 1.1					1.37
FedEx Corp. 138 39,373 30,384 0.0 Forthe Corp. 397 38,367 36,671 0.0 Gendere Burver Holdings Inc. 1,78 40,851 32,523 0.0 DS Supply Holdings Inc. 1,828 182,775 185,774 0.0 HEICO Corp. 1,807 188,884 191,137 1.0 Honsywell Interational Inc. 1,002 141,004 135,680 0.0 Huntington Ingalis Industries Inc. 0.002 141,004 135,680 0.0 JB. Hunt Transport Services Inc. 266 76,484 69,110 0.0 JB. Hunt Transport Services Inc. 3821 164,612 154,667 1.0 JB. Hunt Transport Services Inc. 3,821 164,612 154,667 1.0 Jahnson Controls International PLC 3,821 164,612 154,667 1.0 Kright XSmit Transportation Holdings Inc. 1,876 41,612 154,667 1.0 Jarchondings Inc. 1,367 161,866 178,542 10 1.0					1.01
Forthe Corp. 397 38,397 39,397 39,397 39,397 39,397 39,397 39,3					1.20
Cardner berwer Holdings Inc. 1,176 40,851 32,822 0.0 Genesse & Wyoning Inc., Class 'A' 1,838 182,795 185,734 1.1 D Supply Holdings Inc. 1,807 188,894 191,137 1.1 HelCO Corp. 1,007 188,894 191,137 1.0 Hubbel Inc. 1,002 141,004 138,890 1.0 Hubbel Inc. 266 76,494 69,110 0.0 J.B. Hunt Transport Services Inc. 281 39,841 35,692 0.0 J.B. Hunt Transport Services Inc. 3,821 164,692 158,503 1.7 J.B. Hunt Transport Services Inc. 3,821 164,692 158,503 1.7 J.B. Hunt Transport Services Inc. 3,821 164,692 158,503 1.7 J.B. Hunt Transport Services Inc. 3,821 164,692 158,503 1.7 J.B. Services Inc. 1,875 144,915 1.1 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8					0.29
Genese & Wyoming Inc., Class 'A' 1.838 182,796 185,734 1.1 HD Supply Holdings Inc. 1,562 79,967 80,009 0.0 HEIGO Cop. 1,167 188,894 191,137 1.1 Honeywell International Inc. 417 82,030 75,214 0.0 Huutington Ingalls Industries Inc. 206 76,404 69,110 0.0 JB. Hurt Transport Services Inc. 220 38,881 37,921 0.0 JB. Hurt Transport Services Inc. 38,281 196,989 183,323 1.1 Johnson Controls International PLC 38,281 164,612 156,503 1.1 Kript Cop. 1,622 157,573 149,159 1.1 Kript Cop. 1,622 157,573 149,159 1.1 Landstar System Inc. 1,774 146,04 372,22 0.0 Landstar System Inc. 1,977 141,043 376,22 0.0 Landstar System Inc. 1,977 141,043 376,22 0.0 Landstar System Inc.					0.33
HD Supply Holdings Inc. 1.662 79.987 80.009 0.0 HEICO Cop. 1.807 188.84 191.137 1.1 Honeywell International Inc. 1.002 141.004 135.890 1.0 Hubbell Inc. 1.002 141.004 135.890 1.0 Huntington Ingalis Industries Inc. 266 76.484 69.110 0.0 J.B. Hunt Transport Services Inc. 220 38.681 37.921 0.0 J.B. Hunt Transport Services Inc. 281 39.941 35.692 0.0 Jathise Airways Corp. 28.635 199.699 189.353 1.1 Johnson Controls International PLC 3.821 164.612 155.603 1.1 Krigb Corp. 1.622 157.573 149.159 1.1 Krigb Corp. 1.62 157.573 149.159 1.1 Landstar System Inc. 1.62 157.573 149.159 1.1 Landstar System Inc. 1.367 181.860 176.542 1.0 Landstar System Inc. 1.57 141.542 156.53 100.2 Macquarie Infrastructure Co	-				1.76
HEICO Corp. 1.807 18.894 191,137 1.1 Honeywell International Inc. 117 82.000 75.214 0.000 Huntington Ingalis Industries Inc. 266 76.484 69.110 0.000 J.B. Hunt Transport Services Inc. 281 39.941 35.692 0.000 J.B. Hunt Transport Services Inc. 8.635 196.989 198.323 0.000 J.B. Stort Transport Services Inc. 8.635 196.989 198.323 0.000 Johnson Controls International PLC 8.635 196.989 198.323 0.000 Kright Swift Transportation Holdings Inc. 1.622 157.573 149.159 0.000 Landstar System Inc. 1.67 41.604 37.222 0.000 <					0.76
Honeywell International Inc. 417 82.030 75,214 0.0 Hubbell Inc. 10.02 141,004 135,890 1.0 Hubbell Inc. 266 76,484 69,10 0.0 UBC Corp. 281 39,941 35,692 0.0 J.B. Hunt Transport Services Inc. 281 39,941 35,692 0.0 Johrson Controls International PLC 36,83 166,698 189,823 1.1 Karasa City Southen Industries Inc. 1,178 159,261 153,503 1.1 Karasa City Southen Industries Inc. 1,822 157,573 149,159 1.1 Kirght South Transportation Holdings Inc. 1,867 416,604 37,222 0.0 La Bachologies Inc. 1,967 41,604 37,222 0.0 La Bachologies Inc. 1,967 181,896 178,542 1.1 Lincoln Electric Holdings Inc. 1,967 181,896 174,542 1.1 MarpowerGroup Inc. 1,967 181,896 174,040 0.0 Macquarie Infrastructure Cop. 3,825 199,443 190,405 1.1 <t< td=""><td></td><td></td><td></td><td></td><td>1.81</td></t<>					1.81
Hubbell Inc. 1,002 141,004 135,800 11 Hundington Ingalis Industries Inc. 266 76,844 69,110 00 J.B. Hunt Transpot Services Inc. 281 39,941 35,662 00 J.B. Hunt Transpot Services Inc. 281 196,969 199,323 11 Johnson Controls International PLC 3,821 164,612 154,667 11 Kanasa City Southen Industries Inc. 1,178 199,261 153,503 14 Kridy Corp. 1,822 157,573 149,159 14 14 Landstar System Inc. 1,367 18,860 209,710 165,594 14 Landstar System Inc. 1,367 18,860 171 76,525 76,53 00 Landstar System Inc. 1,367 18,869 176,542 14 13 18 16 Landstar System Inc. 1,157 18,273 180,300 17 15 180,300 17 Macquarie Infrastructure Corp. 3,625 190,428 180,930 17<					0.71
Idex Cop. 220 38,681 37,921 0.0 J.B. Hun Transport Services Inc. 281 39,941 35,692 0.0 Jelblue Airways Cop. 8.65 169,699 183,232 1.1 Johnson Controls International PLC 3.821 164,612 154,667 1.1 Kansac City Southern Industries Inc. 1,178 159,261 155,503 1.6 Kingbr Cop. 1,62 157,573 149,169 1.4 Landstar System Inc. 4,850 209,710 165,994 1.3 Landstar System Inc. 1,87 41,804 37,222 0.0 Landstar System Inc. 1,97 81,10 70,420 0.0 Landstar System Inc. 1,97 81,10 70,420 0.0 Macquarie Infrastructure Cop. 3,65 190,428 180,390 1.1 Macquarie Infrastructure Cop. 3,65 190,428 180,309 1.1 Nordson Cop. 261 37,590 36,604 0.0 Nordson Cop. 242 38,5		1,002	141,004	135,890	1.29
J.B. Hunt Transport Services Inc. 281 39,941 35,692 0.0 JetBlue Ainways Corp. 6,635 196,989 189,323 1.1 Johnson Controls International PLC 3,821 194,4612 154,667 1.4 Kanasa City Southem Industries Inc. 1,178 159,261 153,503 1.4 Kirby Corp. 1,622 157,573 149,169 1.1 Kirby Corp. 1,622 157,573 149,169 1.1 La Technologies Inc. 1,367 181,896 178,542 1.0 Landstra System Inc. 1,367 181,896 178,542 0.0 Lockheed Martin Corp. 3,625 190,428 180,930 1.1 Macquarie Infrastructure Corp. 3,625 190,428 180,930 1.1 Macquarie Infrastructure Corp. Theory 3,625 39,431 0.0 0.0 Macquarie Infrastructure Corp. Theory 3,625 39,431 0.0 1.5 118,930 119,188 1.1 Macquarie Infrastructure Corp. Theory 242 38,552 39,431 0.0 1.5 1.5 1.5 1.5	Huntington Ingalls Industries Inc.	266	76,484	69,110	0.65
JetBlue Ainways Corp. 8,635 196,989 189,323 11 Johnson Controls International PLC 3,821 164,612 154,667 16 Kanass City Southern Industries Inc. 1,178 159,261 153,503 14 Kindy Corp. 1,622 157,573 149,159 16 Landstar System Inc. 1,677 41,604 37,222 00 Landstar System Inc. 1,677 41,810 70,420 00 Macquarie Infrastructure Corp. 3,625 190,422 11,5 11,81,930 11,18 Middleby Corp. (The) 2,625 39,431 00 11,5 11,83,93 11,18 11,93 11,93 11,93 11,93 11,93 11,93 11,93	ldex Corp.	220	38,681	37,921	0.36
Johnson Controls International PLC 3,821 164,612 154,667 1 Kansas City Southern Industries Inc. 1,178 159,221 153,503 14. Kright-Swift Transportation Holdings Inc. 4,880 209,710 165,594 14. L3 Technologies Inc. 1,677 416,04 37,222 00. Landstar System Inc. 1,367 181,896 176,542 10. Lincoln Electric Holdings Inc. 1,367 181,896 176,542 00. Lincoln Electric Holdings Inc. 1,367 181,896 176,542 00. Macquarie Infrastructure Corp. 3,625 190,428 180,930 11. ManpowerGroup Inc. 1,155 162,734 137,740 13. Middleby Corp. (The) 261 37,550 36,604 00. Middleby Corp. (The) 261 37,550 36,614 01. Nordson Corp. 242 38,552 39,431 01. Old Dominion Freight Line Inc. 262 199,216 189,045 11.	J.B. Hunt Transport Services Inc.	281	39,941	35,692	0.34
Kansas City Southern Industries Inc. 1,178 159,261 153,503 1 Kirby Corp. 1,622 157,573 149,159 1. Knight-Swift Transportation Holdings Inc. 4,650 209,710 165,994 1. La Technologies Inc. 157 41,604 37,222 0. Landstar System Inc. 1,367 181,896 176,525 76,536 0.0 Lockheed Martin Corp. 3,625 190,428 180,930 1. 1. Macquarie Infrastructure Corp. 3,625 190,428 180,930 1. 1. Middley Corp. (The) 261 37,590 36,604 0.0 1.	JetBlue Airways Corp.	8,635	196,989	189,323	1.79
Kirby Car. 1,622 157,573 149,159 1.4 Knight-Swift Transportation Holdings Inc. 4,850 209,710 165,994 1.3 L3 Technologies Inc. 1367 41,804 37,222 0.3 Landstar System Inc. 1.367 181,896 178,542 1.0 Lincoln Electric Holdings Inc. 711 76,525 76,536 0.0 Lockheed Martin Corp. 3,625 190,428 180,930 1.1 Macquarie Infrastructure Corp. 3,625 190,428 180,930 1.1 Middleby Corp. (The) 2.61 37,590 36,604 0.0 Nordson Corp. 2.42 38,552 39,431 0.0 Nordson Corp. 2.42 38,552 39,431 0.1 Old Dominion Freight Line Inc. 9.26 189,216 189,045 1.1 Old Dominion Freight Line Inc. 1.962 151,585 153,051 1.4 PACCAR Inc. 1.962 151,585 153,051 1.4 Parker Hannifin Corp. 1.964 <td></td> <td></td> <td></td> <td></td> <td>1.46</td>					1.46
Knight-Swift Transportation Holdings Inc. 4,850 209,710 165,994 1.1 L3 Technologies Inc. 157 41,604 37,222 0.0 Landstar System Inc. 1,367 181,896 178,542 0.0 Lincoln Electric Holdings Inc. 711 76,525 76,536 0.0 Lockheed Martin Corp. 197 81,110 70,420 0.0 Macquarie Infrastructure Corp. 3,625 190,428 180,930 1.1 Middleby Corp. (The) 261 37,590 36,604 0.2 Nordson Corp. 242 38,552 39,431 0.0 Nordson Corp. 2926 189,246 116,519 11 Old Dominion Freight Line Inc. 624 104,014 105,199 1.1 Oshcosh Corp. 1,962 151,585 153,051 1.1 PacCAR Inc. 1,962 151,585 153,051 1.1 Pactar Hannifin Corp. 4,013 198,948 144,878 109,945 1.1 Quanta Services Inc., Inc.					1.45
L3 Technologies Inc. 157 41,604 37,222 0.2 Landstar System Inc. 1,367 181,896 178,542 1.4 Lincoln Electric Holdings Inc. 711 76,525 76,536 0.0 Lockheed Matin Cop. 197 81,100 70,420 0.0 Macquarie Infrastructure Cop. 3,625 190,428 180,930 1.1 Middleby Corp. (The) 261 37,590 36,604 0.2 Mord Narie Infrastructure Corp. 261 37,590 36,604 0.2 Mordson Corp. 262 38,552 39,431 0.2 Nordson Corp. 242 38,552 39,431 0.1 Old Dominion Freight Line Inc. 296 189,216 189,045 1.1 Old Dominion Freight Line Inc. 1,962 151,585 153,061 1.4 PACCAR Inc. 1,962 151,585 153,061 1.4 Parker Hannifin Corp. 774 41,855 39,921 0.1 Quanta Services Inc., Inc. 1,623 155,670 155,211 1.4 Regal-Beloit Corp. 1,623 <td></td> <td></td> <td></td> <td></td> <td>1.41</td>					1.41
Landstar System Inc.1,367181,896178,5421.1Lincoln Electric Holdings Inc.71176,52576,5360.0Lockheed Martin Corp.19781,11070,4200.0Macquarie Infrastructure Corp.3,625190,428180,9301.1ManpowerGroup Inc.1,557182,734137,7401.1Middleby Corp. (The)26137,59036,6040.0Mordson Corp.22638,55239,4310.0Nordson Corp.226188,216188,0451.1Nordson Corp.24238,55239,4310.0Nordson Corp.242148,579157,1061.1Old Dominion Freight Line Inc.624104,014105,1991.1Oshkosh Corp.1,877148,579157,1061.1PACCAR Inc.1,962151,585153,0511.1Parker Hannifin Corp.545109,447110,9651.1Quanta Services Inc., Inc.4,010169,818164,7811.1Regal-Beloit Corp.1,623155,670155,2111.4Regal-Beloit Corp.1,623155,670155,2111.4Regal-Beloit Corp.1,623155,670155,2111.4Regal-Beloit Corp.1,623155,670155,2111.4Regal-Beloit Corp.1,623155,670155,2111.4Robert Half International Inc.1,428111,731111,5121.1Robert Half International Inc.1,615<					1.57
Lincoln Electric Holdings Inc. 711 76,525 76,536 0.0 Lockheed Martin Corp. 197 81,110 70,420 0.0 Macquarie Infrastructure Corp. 3,625 190,428 180,930 1.1 ManpowerGroup Inc. 1,557 162,734 137,740 1.1 Middleby Corp. (The) 261 37,590 36,604 0.2 NSC Industrial Direct Co. Inc., Class 'A' 1,135 118,930 119,188 1.1 Nordson Corp. 242 38,552 39,431 0.0 Nordson Corp. 242 38,552 39,431 0.0 Old Dominion Freight Line Inc. 2926 189,216 189,045 1.1 Old Dominion Freight Line Inc. 1,962 151,585 153,051 1.4 PACCAR Inc. 1,962 151,585 153,051 1.4 Parker Hamifin Corp. 545 109,447 110,965 1.4 Quanta Services Inc., Inc. 4,010 169,818 164,781 1.4 Republic Services Inc., Inc.	-				0.35
Lockheed Martin Corp. 197 81,110 70,420 0.0 Macquarie Infrastructure Corp. 3,625 190,428 180,930 1.1 ManpowerGroup Inc. 1,557 162,734 137,740 1.1 Middleby Corp. (The) 261 37,590 36,604 0.1 MSC Industrial Direct Co. Inc., Class 'A' 11,35 118,930 119,188 1.1 Nordson Corp. 242 38,552 39,431 0.0 Old Dominion Freight Line Inc. 624 104,014 105,199 1.1 Old Dominion Freight Line Inc. 1,877 148,579 157,106 1.4 PACCAR Inc. 1,962 151,585 153,051 1.4 Parker Hamifin Corp. 54 109,447 110,965 1.4 Quanta Services Inc., Inc. 1,623 155,670 </td <td></td> <td></td> <td></td> <td></td> <td>1.69 0.72</td>					1.69 0.72
Macquarie Infrastructure Corp. 3,625 190,428 180,930 1. ManpowerGroup Inc. 1,557 162,734 137,740 1. Middleby Corp. (The) 261 37,590 36,604 0.3 MSC Industrial Direct Co. Inc., Class 'A' 1,135 118,930 119,188 1. Nordson Corp. 242 38,552 39,431 0.3 Nordolk Southern Corp. 242 38,552 39,431 0.3 Oshosh Corp. 242 38,552 39,431 0.3 Oshosh Corp. 242 189,216 189,045 1. Oshosh Corp. 1,877 148,579 157,106 1. PACCAR Inc. 1,962 151,585 153,051 1. Parker Hannifin Corp. 545 109,447 110,965 1. Quarta Services Inc., Inc. 1,623 155,670 155,211 1. Regal-Beloit Corp. 1,623 155,670 155,211 1. Regal-Beloit Corp. 1,623 155,670 155,211 </td <td>-</td> <td></td> <td></td> <td></td> <td>0.72</td>	-				0.72
ManpowerGroup Inc. 1,557 162,734 137,740 1.1 Middleby Corp. (The) 261 37,590 36,604 0.0 MSC Industrial Direct Co. Inc., Class 'A' 1,135 118,930 119,188 1.1 Nordson Corp. 242 38,552 39,431 0.0 Norfolk Southern Corp. 242 38,552 39,431 0.0 Old Dominion Freight Line Inc. 926 189,216 189,045 1.1 Old Dominion Freight Corp. 1,877 148,579 157,106 1.4 Oshcosh Corp. 1,877 148,579 157,106 1.4 PACCAR Inc. 1,962 151,585 153,051 1.4 Parker Hannifin Corp. 545 109,447 110,965 1.1 Quanta Services Inc., Inc. 774 41,855 39,921 0.2 Quanta Services Inc., Inc. 1,623 155,670 155,211 1.4 Regal-Beloit Corp. 1,283 152,809 135,816 1.1 Robert Hafl International Inc. 1,428 </td <td></td> <td></td> <td></td> <td></td> <td>1.71</td>					1.71
Middleby Corp. (The) 261 37,590 36,604 0.00000000000000000000000000000000000					1.30
MSC Industrial Direct Co. Inc., Class 'A' 1,135 118,930 119,188 1. Nordson Corp. 242 38,552 39,431 0. Nordson Corp. 242 38,552 39,431 0. Old Dominion Freight Line Inc. 926 189,216 189,045 1. Old Dominion Freight Line Inc. 624 104,014 105,199 1. Oshkosh Corp. 1,877 148,579 157,106 1. PACCAR Inc. 1,962 151,585 153,051 1. Parker Hannifin Corp. 545 109,447 110,965 1. Quanta Services Inc., Inc. 4,010 169,818 164,781 1. Regal-Beloit Corp. 1,380 125,809 135,816 1. Regal-Beloit Corp. 1,380 125,809 135,816 1. Republic Services Inc. 1,380 125,809 135,816 1. Robert Haff International Inc. 1,428 111,731 111,512 1. Rollins Inc. 1,651 81,571 </td <td></td> <td></td> <td></td> <td></td> <td>0.35</td>					0.35
Nordson Corp. 242 38,552 39,431 0.0 Nordsik Southern Corp. 926 189,216 189,045 1.1 Old Dominion Freight Line Inc. 624 104,014 105,199 1.1 Oshkosh Corp. 1,877 148,579 157,106 1.4 PACCAR Inc. 1,962 151,585 153,051 1.4 Parker Hannifin Corp. 545 109,447 110,965 1.4 Pentair PLC 774 41,855 39,921 0.5 Quanta Senices Inc., Inc. 4,010 169,818 164,781 1.4 Regal-Beloit Corp. 1,380 125,809 135,517 1.4 Regal-Beloit Corp. 1,380 125,809 135,516 1.4 Regal-Beloit Corp. 1,380 125,809 135,516 1.4 Republic Senices Inc. 1,380 125,809 135,516 1.4 Robert Haff International Inc. 1,428 111,731 111,512 1.4 Rollins Inc. 1,651 81,571 81,367					1.13
Norfolk Southern Corp. 926 189,216 189,045 1. Old Dominion Freight Line Inc. 624 104,014 105,199 1. Oshkosh Corp. 1,877 148,579 157,106 1. PACCAR Inc. 1,962 151,585 153,051 1. Parker Hannifin Corp. 545 109,447 110,965 1. Parker Hannifin Corp. 545 109,447 110,965 1. Quanta Senvices Inc., Inc. 4,010 169,818 164,781 1. Regal-Beloit Corp. 1,623 155,670 155,211 1. Republic Services Inc. 1,380 125,809 135,816 1. Robert Haff International Inc. 1,428 111,731 111,512 1. Rollins Inc. 1,651 81,571 81,367 0. Roper Technologies Inc. 118 43,453 42,935 0.					0.37
Old Dominion Freight Line Inc. 624 104,014 105,199 1.1 Oshkosh Corp. 1,877 148,579 157,106 1.4 PACCAR Inc. 1,962 151,585 153,051 1.4 Parker Hannifin Corp. 545 109,447 110,965 1.4 Parker Hannifin Corp. 545 109,447 110,965 1.4 Pentair PLC 774 41,855 39,921 0.5 Quanta Services Inc., Inc. 4,010 169,818 164,781 1.4 Regal-Beloit Corp. 1,623 155,670 155,211 1.5 Republic Services Inc. 1,380 125,809 135,816 1.5 Robert Half International Inc. 1,428 111,731 111,512 1.4 Rollins Inc. 1,651 81,571 81,367 0.5 Roper Technologies Inc. 118 43,453 42,935 0.5	•				1.79
PACCAR Inc. 1,962 151,585 153,051 1.4 Parker Hannifin Corp. 545 109,447 110,965 1.4 Pentair PLC 774 41,855 39,921 0.3 Quanta Services Inc., Inc. 4,010 169,818 164,781 1.4 Regal-Beloit Corp. 1,623 155,670 155,211 1.4 Republic Services Inc. 1,380 125,809 135,816 1.3 Robert Half International Inc. 1,428 111,731 111,512 1.4 Rollins Inc. 1,651 81,571 81,367 0.7 Roper Technologies Inc. 118 43,453 42,935 0.7	Old Dominion Freight Line Inc.	624	104,014	105,199	1.00
Parker Hannlifin Corp. 545 109,447 110,965 11. Pentair PLC 774 41,855 39,921 0. Quanta Services Inc., Inc. 4,010 169,818 164,781 1. Regal-Beloit Corp. 1,623 155,670 155,211 1. Republic Services Inc. 1,380 125,809 135,816 1. Robert Half International Inc. 1,428 111,731 111,512 1. Rolins Inc. 1,651 81,571 81,367 0. Roper Technologies Inc. 118 43,453 42,935 0.	Oshkosh Corp.	1,877	148,579	157,106	1.49
Pentair PLC 774 41,855 39,921 0. Quanta Services Inc., Inc. 4,010 169,818 164,781 1. Regal-Beloit Corp. 1,623 155,670 155,211 1. Republic Services Inc. 1,380 125,809 135,816 1. Robert Half International Inc. 1,428 111,731 111,512 1. Rolins Inc. 1,651 81,571 81,367 0. Roper Technologies Inc. 118 43,453 42,935 0.	PACCAR Inc.	1,962	151,585	153,051	1.45
Quanta Services Inc., Inc. 4,010 169,818 164,781 1.1 Regal-Beloit Corp. 1,623 155,670 155,211 1.4 Republic Services Inc. 1,380 125,809 135,816 1.4 Robert Half International Inc. 1,428 111,731 111,512 1.4 Rollins Inc. 1,651 81,571 81,367 0.7 Roper Technologies Inc. 118 43,453 42,935 0.7	Parker Hannifin Corp.	545	109,447	110,965	1.05
Regal-Beloit Corp. 1,623 155,670 155,211 1.4 Republic Services Inc. 1,380 125,809 135,816 1.4 Robert Half International Inc. 1,428 111,731 111,512 1.4 Rollins Inc. 1,651 81,571 81,367 0.7 Roper Technologies Inc. 118 43,453 42,935 0.7					0.38
Republic Services Inc. 1,380 125,809 135,816 1.1 Robert Half International Inc. 1,428 111,731 111,512 1.1 Rollins Inc. 1,651 81,571 81,367 0.1 Roper Technologies Inc. 118 43,453 42,935 0.1					1.56
Robert Half International Inc. 1,428 111,731 111,512 1.1 Rollins Inc. 1,651 81,571 81,367 0.7 Roper Technologies Inc. 118 43,453 42,935 0.7	o				1.47
Rollins Inc. 1,651 81,571 81,367 0. Roper Technologies Inc. 118 43,453 42,935 0.					1.29
Roper Technologies Inc. 118 43,453 42,935 0.4					1.06
					0.77
ryger system inc. 2,284 185,595 150,137 1.					0.41
	Ryuei System IIIC.	2,284	105,595	150,137	1.42

First Trust AlphaDEX[™] U.S. Industrials Sector Index ETF Notes to Financial Statements - Specific Information **For the year ended December 31, 2018**

Yaychex Inc. Xerox Corp.	453 2,475	39,267 88,267	40,291	0.38
Genpact Ltd. Pavchex Inc	1,093 453	40,005 39 267	40,274 40 291	0.38
Flir Systems Inc.	4,449 1,634	113,387	97,126	0.01
Booz Allen Hamilton Holding Corp. Conduent Inc.	2,693 4,449	162,842 107,547	165,699 64,564	1.57 0.61
Automatic Data Processing Inc.	661	118,446	118,322	1.12
Information Technology—8.27% Accenture PLC, Class 'A'	388	78,505	74,693	0.71
Xylem Inc.	1,678	152,671 10,000,799	152,843 9,558,259	1.45 90.50
XPO Logistics Inc.	1,465	163,895	114,081	1.08
WESCO International Inc.	1,635	112,731	107,141	1.01
Wabtec Corp. Waste Management Inc.	1,591 744	187,104 83,183	152,585 90,388	1.44 0.86
W.W. Grainger Inc.	464	167,708	178,862	1.69
Verisk Analytics Inc., Class 'A'	828	121,958	123,257	1.17
United Technologies Corp.	238	38,445	34,597	0.33
United Rentals Inc.	614	99,932	85,944	0.72
United Continental Holdings Inc. United Parcel Service Inc., Class 'B'	1,128 575	119,372 81,593	128,940 76,560	1.22 0.72
Union Pacific Corp.	824	151,591	155,498	1.47
Trinity Industries Inc.	6,342	223,525	178,270	1.69
TransDigm Group Inc.	177	74,179	82,172	0.78
Textron Inc.	1,401	104,881	87,963	0.83
Stericycle Inc.	1,138	74,674	57,002	0.54
Stanley Black & Decker Inc.	225	35,605	36,781	0.35
Spirit Aerosystems Holdings Inc., Class 'A'	366	39,848	36,021	0.34
Southwest Airlines Inc.	2,674	178,616	169,677	1.6
Snap-On Inc.	547	109,690	108,497	1.0
Sensata Technologies Holding PLC	1,351	197,874 79,718	170,593 82,702	0.7

SCHEDULE OF INVESTMENT PORTFOLIO As at December 31, 2018 Schedule 1

	Credit Rating of	Settlement C	urrencv	Amount C	urrencv	Amount	Forward	Current	Appreciation (Depreciation)
Counterparty	Counterparty*	Date	Sell	Sold	Buy	Bought	Rate	Rate	\$
Bank of New York Mellon (The), New York	A-1+	1/31/2019	CAD	300,000	USD	220,799	1.359	1.364	1,202
									1,202
Bank of New York Mellon (The), New York	A-1+	1/31/2019	USD	2,721,088	CAD	3,640,000	0.748	0.733	(71,960)
Bank of New York Mellon (The), New York	A-1+	1/31/2019	USD	637,516	CAD	850,000	0.750	0.733	(19,664)
									(91,624)

 * Commercial paper rating per Stand and Poor's Commerical Paper Guide

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

STATEMENTS OF FINANCIAL POSITION As at December 31, 2018 and December 31, 2017		
	December 31 2018 (\$)	December 3 2017 (\$
Assets		
Investments (non-derivative financial assets)	41,335,457	26,509,334
Cash	106,273	81,237
Accrued dividend receivable	77,133	10,071
Derivative assets	2,405	5,150
Other assets	6,361 41,527,629	2,944 26,608,736
Liabilities	41,527,623	20,000,730
Accrued liabilities	27,490	19,039
Distributions payable to holders of redeemable units	77,000	52,000
Derivative liabilities	132,019	02,000
	236,509	71,039
Total net assets attributable to holders of redeemable units	41,291,120	26,537,697
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Units	35,122,211	25,513,428
Hedged Units	6,168,909	1,024,269
Redeemable units outstanding [note 6]		
Units	1,000,000	800,000
Hedged Units	300,000	50,000
Net assets attributable to holders of redeemable units per unit		
Units	35.12	31.89
Hedged Units	20.56	20.49
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 2017		
	December 31 2018 (\$)	December 3 2017 (\$
Revenues		
Dividends	362,493	265,750
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	4,906,189	2,375,175
Net realized gain (loss) on derivatives	(268,968)	3,844
Net realized gain (loss) on foreign exchange	(3,622)	745
Net change in unrealized appreciation (depreciation) of investments	(3,391,241)	2,227,626
Net change in unrealized appreciation (depreciation) of derivatives	(134,764)	5,150
	1,470,087	4,878,290
Foreign exchange gain (loss) on cash	6,520	(2,832
Expanses Insta 71	1,476,607	4,875,458
Expenses [note 7] Management fees	280,137	151,420
HST expense	30,084	16,536
		,
Transaction costs [note 3 and note 9]	14,872	9,311
Independent Review Committee fees	6,275	4,286
Interest expense	29 331,397	8 181,561
Expenses waived by manager	(6,275)	(4,286
	325,122	177,275
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	1,151,485	4,698,183
Withholding taxes	48,996	26,897
Increase (Decrease) in net assets attributable to holders of redeemable units	1,102,489	4,671,286
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		
Units	1,731,979	4,647,017
Hedged Units	(629,490)	24,269
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Units Hedged Units	1.72	6.38 0.49
	(4.37)	

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

On behalf of the Trustee, FT Portfolios Canada Co.

- 1

..... 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, 2018 and 2017

For the years ended December 31, 2018 and 2017				
	December 31	December 31	December 31	December 3 ⁴
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$
	Units	Units	Hedged Units	Hedged Units
Net assets attributable to holders of redeemable units, beginning of year	25,513,428	8,886,202	1,024,269	
Increase (Decrease) in net assets attributable to holders of redeemable units	1,731,979	4,647,017	(629,490)	24,269
Redeemable unit transactions [note 6]				
Proceeds from issuance of units	26,054,941	28,911,910	5,800,130	1,000,000
Reinvested distributions	3,275,700	126,080	-	2,540
Redemption of units	(17,911,637)	(16,729,701)	-	-
· · · · · · · · · · · · · · · · · · ·	11,419,004	12,308,289	5,800,130	1,002,540
Distributions to holders of redeemable units from:				
Net investment income	-	(68,515)	-	
Capital gains	(3,542,173)	(259,565)	(26,000)	(2,540
Return of capital	(27)	-	-	-
	(3,542,200)	(328,080)	(26,000)	(2,540
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	9,608,783	16,627,226	5,144,640	1,024,269
Net assets attributable to holders of redeemable units, end of year	35,122,211	25,513,428	6,168,909	1,024,269
			December 31	December 3
			2018 (\$)	2017 (\$
			Total	Total
Net assets attributable to holders of redeemable units, beginning of year			26,537,697	8,886,202
Increase (Decrease) in net assets attributable to holders of redeemable units			1,102,489	4,671,286
Redeemable unit transactions [note 6]				
Proceeds from issuance of units			31,855,071	29.911.910
Reinvested distributions			3,275,700	128,620
Redemption of units			(17,911,637)	(16,729,701
			17,219,134	13,310,829
Distributions to holders of redeemable units from:				
Net investment income			-	(68,515
Capital gains			(3,568,173)	(262,105
Return of capital			(27)	-
			(3,568,200)	(330,620
Increase (Decrease) in net assets attributable to holders of redeemable units for the year			14,753,423	17,651,495
Net assets attributable to holders of redeemable units, end of year			41,291,120	26,537,697
See accompanying notes which are an integral part of these financial statements.			, . ,	.,,

First Trust AlphaDEX[™] U.S. Technology Sector Index ETF

	December 31 2018 (\$)	December 3 ⁻ 2017 (\$
Cash flows from (used in) Operating Activities	(*)	(+
Increase (Decrease) in net assets attributable to holders of redeemable units	1,102,489	4,671,286
Adjustments for:		
Net realized (gain) loss on sale of investments	(4,906,189)	(2,375,175
Change in unrealized (appreciation) depreciation of investments and derivatives	3,526,005	(2,232,776
Dividends receivable	(67,062)	(6,822
Other assets	(3,417)	(1,765
Other liabilities	8,451	13,079
Purchases of investments	(75,329,412)	(50,603,646
Proceeds from the sale of investments	62,018,237	37,566,720
	(13,650,898)	(12,969,099
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	31,855,071	29,911,910
Amount paid on redemptions of units	(17,911,637)	(16,729,701
Distributions paid to unitholders	(267,500)	(193,750
	13,675,934	12,988,459
Increase (Decrease) in cash for the year	25,036	19,360
Cash, beginning of year	81,237	61,877
Cash, end of year	106,273	81,237
Dividends received, net of withholding taxes	246,435	232,031

First Trust AlphaDEX[™] U.S. Technology Sector Index ETF Notes to Financial Statements - Specific Information For the year ended December 31, 2018

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, 2018 and 2017:

	Financial Assets at Fair Value (\$) As at December 31, 2018					
	Level 1	Level 2	Level 3	Total		
Equities	41,335,457	-	_	41,335,457		
Derivative assets*	_	2,405	-	2,405		
Derivative liabilities*	_	(132,019)	1	(132,019)		
Total	41,335,457	(129,614)	-	41,205,843		
	Financial Assets at Fair Value (\$) As at December 31, 2017					
	Level 1	Level 2	Level 3	Total		
Equities	26,509,334		-	26,509,334		
Derivative assets*	_	5,150	_	5,150		
Total	26,509,334	5,150	_	26,514,484		

* 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, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Units	Hedged Units
Outstanding units – January 1, 2017	350,000	_
Redeemable units issued	1,000,000	50,000
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(550,000)	_
Outstanding units – December 31, 2017	800,000	50,000
Redeemable units issued	700,000	250,000
Redeemable units issued on reinvestments	_	_
Redeemable units redeemed	(500,000)	_
Outstanding units – December 31, 2018	1,000,000	300,000

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 and non-capital losses as at December 31, 2018 and 2017.

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, 2018 and 2017 are as follows:

Transaction Cost (\$)			
2018 2017			
14,872	9,311		

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management F (\$)	ee Expense	Manageme	nt Fee Payable (\$)
2018	2017	2018	2017
280,137	151,420	24,327	16,848

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At December 31, 2018		At December 31, 2017				
Index	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)			
Units							
Russell 1000® Technology Index	1,988,167	(1,988,167)	1,280,498	(1,280,498)			
Russell 1000® Index	2,417,595	(2,417,595)	1,472,905	(1,472,905)			
S&P 500 Information Technology Index	1,984,038	(1,984,038)	1,305,710	(1,305,710)			
Hedged Units*							
Russell 1000® Technology Index USD	2,070,750	(2,070,750)	N/A	N/A			
Russell 1000® Index USD	2,516,693	(2,516,693)	N/A	N/A			
S&P 500 Information Technology Index USD	2,060,427	(2,060,427)	N/A	N/A			

*Data at December 31, 2017 is not available as the Hedged Units lack sufficient trading history.

First Trust AlphaDEX[™] U.S. Technology Sector Index ETF Notes to Financial Statements - Specific Information For the year ended December 31, 2018

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2018 and 2017:

	At December 31, 2018		At December	r 31, 2017
Currency	Net Exposure (\$) % Net Assets		Net Exposure (\$)	% Net Assets
United States Dollar	35,389,145	85.71	25,508,709	96.12

As at December 31, 2018, 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 \$353,891 (December 31, 2017 - \$225,087). 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 concentration risk for the years ended December 31, 2018 and 2017:

	As a % of net assets attributable to holders of redeemable units				
Sector	December 31, 2018 December 31, 20 ⁴				
Information Technology	97.34	99.89			
Communication Services	2.77	-			
Total	100.11	99.89			

First Trust AlphaDEX[™] U.S. Technology Sector Index ETF Notes to Financial Statements - Specific Information For the year ended December 31, 2018

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number	Average	Fair	
	of Shares	Cost (\$)	Value (\$)	% of Total
Communication Services—2.77% Alphabet Inc., Class 'A'	225	320,045	320,980	0.78
RingCentral Inc.	7,293	717,553	820,806	1.99
	1,200	1,037,598	1,141,786	2.77
Information Technology—97.34%		,,	, ,	
Activision Blizzard Inc.	1,548	140,592	98,418	0.24
Adobe Inc.	2,011	551,286	621,123	1.50
Advanced Micro Devices Inc.	21,968	496,322	553,629	1.34
Akamai Technologies Inc.	1,758	170,921	146,593	0.36
Amdocs Ltd.	4,114	347,198	329,011	0.80
Amphenol Corp., Class 'A'	2,887	333,907	319,327	0.77
Analog Devices Inc.	2,936	343,420	344,026	0.83
ANSYS Inc. Apple Inc.	1,454 2,405	304,680 589,846	283,736 517,909	0.69 1.25
Arista Networks Inc.	1,021	286,405	293,688	0.71
ARRIS International PLC	15,666	534,683	653,807	1.58
Arrow Electronics Inc.	5,523	538,786	519,883	1.26
Aspen Technology Inc.	2,383	298,626	267,354	0.65
Atlassian Corp. PLC	7,058	546,855	857,374	2.08
Autodesk Inc.	2,608	489,554	457,908	1.11
Broadcom Inc.	2,750	866,475	954,643	2.31
Cadence Design Systems Inc.	2,837	165,508	168,401	0.41
CDW Corp.	6,105	593,104	675,515	1.64
Citrix Systems Inc.	2,442	325,984	341,583	0.83
Cognex Corp.	4,863	348,256	256,729	0.62
Cognizant Technology Solutions Corp., Class 'A'	1,667	170,952	144,467	0.35
Coherent Inc.	2,365	486,310	341,306	0.83
CommScope Holding Inc.	4,180	181,366	93,530	0.23
Dell Technologies Inc., Class 'V' DXC Technology Co.	12,622 5,805	865,402 634,988	842,106 421,371	2.04 1.02
EchoStar Communications Corp., Class 'A'	14,634	945,988	733,605	1.02
EPAM Systems Inc.	3,942	651,789	624,322	1.51
F5 Network Inc.	2,042	452,740	451,697	1.09
FireEye Inc.	7,563	166,743	167,368	0.41
Fortinet Inc.	7,354	535,412	707,095	1.71
Gartner Inc.	4,281	771,172	747,151	1.81
GoDaddy Inc., Class 'A'	8,138	641,230	729,038	1.77
GrubHub Holdings Inc.	4,895	706,851	513,295	1.24
Guidewire Software Inc.	4,031	440,453	441,515	1.07
Harris Corp.	1,604	347,269	294,854	0.71
Hewlett Packard Enterprise Co.	41,606	859,997	750,335	1.82
HP Inc.	10,533	304,563	294,208	0.71
IAC/InterActiveCorp IHS Markit Ltd.	3,131 2,383	634,909	782,394	1.90 0.38
Intel Corp.	2,363 11,480	166,511 695,889	156,060 735,510	1.78
International Business Machines Corp.	850	165,205	131,905	0.32
Intuit Inc.	1,790	421,841	481,044	1.17
Jabil Inc.	15,035	524,833	508,834	1.23
Leidos Holdings Inc.	1,859	153,776	133,798	0.32
LogMeIn Inc.	4,570	566,514	508,912	1.23
Manhattan Associates Inc.	4,971	334,825	287,540	0.70
Marvell Technology Group Ltd.	6,662	158,657	147,247	0.36
Match Group Inc.	12,312	708,532	718,893	1.74
Micron Technology Inc.	15,003	826,194	649,897	1.57
Microsoft Corp.	3,560	431,811	493,642	1.20
Monolithic Power Systems Inc.	1,024	180,525	162,513	0.39
Motorola Solutions Inc.	4,171	597,963	655,066	1.59
NetApp Inc.	6,321	530,135	514,918	1.25
Nutanix Inc., Class 'A'	3,010	202,532	170,904	0.41
NVIDIA Corp. NXP Semiconductors NV	1,932 3,175	544,531 375,935	352,115 317,633	0.85 0.77
Okta Inc.	3, 175 9,645	680,502	840,077	2.03
Oracle Corp.	2,494	159,424	153,727	0.37
	2,494	100,424	100,121	0.37

First Trust AlphaDEX[™] U.S. Technology Sector Index ETF Notes to Financial Statements - Specific Information **For the year ended December 31, 2018**

Total Net Assets Attributable to Holders of Redeemable Units		41,661,824	41,291,120	100.00
Other assets, less liabilities			85,277	0.21
Unrealized depreciation on derivatives - see Schedule 1			(132,019)	(0.32)
Unrealized appreciation on derivatives - see Schedule 1			2,405	0.00
Transaction costs		(3,848)		
Total investments		41,665,672	41,335,457	100.11
		40,628,074	40,193,671	97.34
Zendesk Inc.	9,558	722,780	761,646	1.84
Xilinx Inc.	3,386	358,718	393,704	0.95
Workday Inc., Class 'A'	2,789	498,442	607,988	1.47
Western Digital Corp.	6,955	555,346	351,029	0.85
VMware Inc., Class 'A'	1,739	331,931	325,558	0.79
VeriSign Inc.	1,695	308,697	343,145	0.83
Universal Display Corp.	1,092	173,157	139,494	0.34
Ultimate Software Group Inc. (The)	1,685	612,144	563,290	1.36
Ubiquiti Networks Inc.	5,491	621,111	745,208	1.81
Tyler Technologies Inc.	1,108	311,213	281,079	0.68
Twilio Inc.	7,865	637,291	958,841	2.32
Texas Instruments Inc.	1,198	158,286	154,556	0.37
Teradyne Inc.	3,477	163,040	148,955	0.36
Take-Two Interactive Software Inc.	1,967	326,295	276,430	0.67
Tableau Software Inc.	3,644	444,225	596,975	1.45
Synopsys Inc.	4,129	489,800	474,853	1.15
Symantec Corp.	25,511	704,017	658,068	1.59
SS&C Tecnologies Holdings Inc.	7,164	490,729	441,189	1.07
Splunk Inc.	4,490	572,191	642,704	1.56
Skyworks Solutions Inc.	4,489	560,125	410,724	0.99
ServiceNow Inc.	2,775	555,039	674,530	1.63
salesforce.com Inc.	3,414	535,903	638,389	1.55
Sabre Corp.	15,612	464,007	461,224	1.12
Red Hat Inc.	943	159,927	226,116	0.55
RealPage Inc.	8,238	605,745	541,970	1.31
Qorvo Inc.	1,672	162,663	138,623	0.34
Pure Storage Inc., Class 'A'	20,920	644,919	459,245	1.11
PTC Inc.	3,834	425,103	433,913	1.05
Pegasystems Inc.	2,054	157,651	134,121	0.32
Paycom Software Inc.	4,366	764,470	729,859	1.77
Palo Alto Networks Inc.	2,410	616,432	619,696	1.50

SCHEDULE OF INVESTMENT PORTFOLIO As at December 31, 2018

Schedule 1

	Credit Rating of	Settlement C	urrency	Amount C	urrencv	Amount	Forward	Current (Appreciation Depreciation)
Counterparty	Counterparty*	Date	Sell	Sold	Buy	Bought	Rate	Rate	\$
Bank of New York Mellon (The), New York	A-1+	1/31/2019	CAD	600,000	USD	441,599	1.359	1.364	2,405
									2,405
Bank of New York Mellon (The), New York	A-1+	1/31/2019	USD	4,051,731	CAD	5,420,000	0.748	0.733	(107,149)
Bank of New York Mellon (The), New York	A-1+	1/31/2019	USD	806,270	CAD	1,075,000	0.750	0.733	(24,870)
									(132,019)

* Commercial paper rating per Stand and Poor's Commerical Paper Guide

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

STATEMENTS OF FINANCIAL POSITION As at December 31, 2018 and December 31, 2017	December 24	December 3 ⁴
	December 31	
Assets	2018 (\$)	2017 (\$
Investments (non-derivative financial assets)	2,514,467	1,125,357
Cash	21,323	6,74
Accrued dividend receivable	3,757	2.740
Other assets	140	2,740
	2.539.687	1.134.862
Liabilities	2,000,001	1,104,002
Accrued liabilities	1,742	788
Distributions payable to holders of redeemable units	11,000	5,500
Distributions payable to holders of redeemable units	12,742	6,288
Total net assets attributable to holders of redeemable units	2,526,945	1,128,574
Total Net Assets Attributable to Holders of Redeemable Units for each class	2,520,945	1,120,37-
Units	2,526,945	1,128,574
Redeemable units outstanding [note 6]	2,520,945	1,120,37-
Units	100,000	50,000
Net assets attributable to holders of redeemable units per unit	100,000	50,000
Units	25.27	22.57
		22.51
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 20)17	
	December 31	December 3
	2018 (\$)	2017 (\$
Revenues		(
Dividends	47,558	41,754
Other changes in fair value of investments	,	,
Net realized gain (loss) on sale of investments	13,972	46,058
Net realized gain (loss) on foreign exchange	179	(92
Net change in unrealized appreciation (depreciation) of investments	90,818	(146,172
	152,527	(58,452
Foreign exchange gain (loss) on cash	366	(32
	152,893	(58,773
Expenses [note 7]		(00,110
Management fees	9,298	8,501
HST expense	1,048	1,054
Transaction costs [note 3 and note 9]	498	970
Independent Review Committee fees	213	240
Interest expense	210	2.0
	11.057	10.768
Expenses waived by manager	(213)	(240
	10,844	10,528
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	142.049	(69,301
Withholding taxes	7,105	6,293
Increase (Decrease) in net assets attributable to holders of redeemable units	134,944	(75,594
Increase (Decrease) in net assets attributable to holders of redeemable units for each class		(. 0,00
	134,944	(75,594
Units		(10,00-
Units Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Units Increase (Decrease) in net assets attributable to holders of redeemable units per unit Units	2.42	(1.51

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, 2018 and 2017

Net assets attributable to holders of redeemable units, beginning of year	2018 (\$) 1,128,574	2017 (\$)
her assets attributable to noticers of receemable units, beginning of year		1,227,668
Increase (Decrease) in net assets attributable to holders of redeemable units	134,944	(75,594)
Redeemable unit transactions [note 6]		
Proceeds from issuance of units	1,290,927	-
Reinvested distributions	2,830	24,787
Redemption of units	-	-
	1,293,757	24,787
Distributions to holders of redeemable units from:		
Net investment income	(29,225)	(24,457)
Capital gains	(1,091)	(23,830)
Return of capital	(14)	-
	(30,330)	(48,287)
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	1,398,371	(99,094)
Net assets attributable to holders of redeemable units, end of year	2,526,945	1,128,574

First Trust AlphaDEX[™] U.S. Utilities Sector Index ETF

	December 31	December 3 ⁴
	2018 (\$)	2017 (\$
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	134,944	(75,594
Adjustments for:		
Net realized (gain) loss on sale of investments	(13,972)	(46,058
Change in unrealized (appreciation) depreciation of investments	(90,818)	146,172
Dividends receivable	(1,017)	(1,385
Other assets	(116)	57
Other liabilities	954	(24
Purchases of investments	(2,112,027)	(938,961
Proceeds from the sale of investments	827,707	930,186
	(1,254,345)	14,393
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	1,290,927	-
Distributions paid to unitholders	(22,000)	(24,250
	1,268,927	(24,250
Increase (Decrease) in cash for the period year	14,582	(9,857
Cash, beginning of year	6,741	16,598
Cash, end of year	21,323	6,741
Dividends received, net of withholding taxes	39,436	34,075
Dividends received, riet of withholding taxes	39,430	5-,075

First Trust AlphaDEX[™] U.S. Utilities Sector Index ETF Notes to Financial Statements - Specific Information For the year ended December 31, 2018

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, 2018 and 2017:

	Financial Assets at Fair Value (\$) As at December 31, 2018					
	Level 1 Level 2 Level 3 Total					
Equities	2,514,467	-	-	2,514,467		
Total	2,514,467 – – 2,514,467					
	Financial Assets at Fair Value (\$) As at December 31, 2017					
	Level 1	Level 2	Level 3	Total		
Equities	1,125,357	_	-	1,125,357		
Total	1,125,357	_	_	1,125,357		

There have been no transfers from one Level to another for the years ended December 31, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Units
Outstanding units – January 1, 2017	50,000
Redeemable units issued	_
Redeemable units issued on reinvestments	_
Redeemable units redeemed	_
Outstanding units – December 31, 2017	50,000
Redeemable units issued	50,000
Redeemable units issued on reinvestments	_
Redeemable units redeemed	_
Outstanding units – December 31, 2018	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	
0.70%	

E. TAXATION (NOTE 8)

Tax loss carry-forwards – There were no net capital losses and non-capital losses as at December 31, 2018 and 2017.

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, 2018 and 2017 are as follows:

Transaction Cost (\$)		
2018 2017		
498 970		

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)	
2018	2017	2018	2017
9,298	8,501	1,536	697

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At December 31, 2018		At December	⁻ 31, 2017
Index	5% Increase (\$)	5% Decrease (\$)	5% Increase (\$)	5% Decrease (\$)
Russell 1000® Utilities Index	117,756	(117,756)	47,966	(47,966)
Russell 1000® Index	73,534	(73,534)	41,195	(41,195)
S&P 500 Utilities Index	109,417	(109,417)	46,274	(46,274)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as December 31, 2018 and 2017:

	At December 31, 2018		At Decembe	er 31, 2017
Currency	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	2,526,315	99.98	1,127,248	99.88

As at December 31, 2018, 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 \$25,263 (December 31, 2017 - \$11,272). 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, 2018

Concentration Risk – The table below summarizes the concentration risk for the years ended December 31, 2018 and 2017:

	As a % of net assets attributable to holders of redeemable units			
Sector	December 31, 2018 December 31, 201			
Utilities	69.96	79.97		
Communication Services	29.55	19.74		
Total	99.51	99.71		

First Trust AlphaDEX[™] U.S. Utilities Sector Index ETF Notes to Financial Statements - Specific Information For the year ended December 31, 2018

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number	Average	Fair	
	of Shares	Cost (\$)	Value (\$)	% of Total
Communication Services—29.55%				
AT&T Inc.	3,132	136,326	122,031	4.83
CenturyLink Inc.	4,962	143,544	102,628	4.06
Sprint Corp.	16,086	121,569	127,811	5.06
Telephone and Data Systems Inc.	3,458	140,839	153,617	6.08
T-Mobile US Inc.	1,028	84,291	89,272	3.53
Verizon Communications Inc.	1,970	141,734	151,201	5.99
		768,303	746,560	29.55
Utilities—69.96%				
Alliant Energy Corp.	424	23,654	24,456	0.97
Ameren Corp.	286	22,320	25,469	1.01
American Electric Power Co. Inc.	764	73,031	77,955	3.08
Atmos Energy Corp.	384	44,949	48,607	1.92
Avangrid Inc.	752	46,277	51,424	2.03
CenterPoint Energy Inc.	2,608	93,694	100,511	3.98
Consolidated Edison Inc.	946	93,215	98,746	3.91
Dominion Energy Inc.	256	23,498	24,975	0.99
DTE Energy Co.	496	70,276	74,688	2.96
Duke Energy Corp.	676	73,341	79,644	3.15
Edison International	266	21,242	20,616	0.82
Entergy Corp.	222	24,286	26,086	1.03
Eversource Energy	588	46,519	52,210	2.07
Exelon Corp.	1,652	86,523	101,715	4.03
Hawaiian Electric Industries Inc.	506	23,414	25,297	1.00
MDU Resources Group Inc.	2,106	72,817	68,543	2.71
National Fuel Gas Co.	1,286	91,043	89,854	3.56
NextEra Energy Inc.	628	138,702	149,024	5.90
NiSource Inc.	724	23,917	25,056	0.99
OGE Energy Corp.	1,986	93,551	106,255	4.20
PG&E Corp.	784	39,231	25,420	1.01
Pinnacle West Capital Corp.	684	72,266	79,559	3.15
PPL Corp.	1,850	75,107	71,551	2.83
Public Services Enterprise Group Inc.	1,366	93,593	97,066	3.84
Southern Co. (The)	828	48,435	49,647	1.96
UGI Corp.	976	66,287	71,085	2.81
WEC Energy Group Inc.	540	46,892	51,059	2.02
Xcel Energy Inc.	764	45,825	51,389	2.03
		1,673,905	1,767,907	69.96
Total investments		2,442,208	2,514,467	99.51
Transaction costs		(300)		
Other assets, less liabilities			12,478	0.49
Total Net Assets Attributable to Holders of Redeemable Units		2,441,908	2,526,945	100.00

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

		.
	December 31 2018 (\$)	December 3 2017 (\$
Assets	2010 (\$)	2017 (-
investments (non-derivative financial assets)	4,123,307	2,240,262
Cash	5,482	42,35
Accrued dividend receivable	14,717	3.689
Derivative assets	4,005	11,60
Other assets	442	,
	4,147,953	2,297,908
Liabilities	, ,	, - ,
Accrued liabilities	1.206	654
Distributions payable to holders of redeemable units	3,200	37,61
Derivative liabilities	84.869	07,01
	89.275	38.26
Total net assets attributable to holders of redeemable units	4,058,678	2,259,644
Total Net Assets Attributable to Holders of Redeemable Units for each class		
Units	4,058,678	2,259,644
Redeemable units outstanding [note 6]		
Units	200,000	100,000
Net assets attributable to holders of redeemable units per unit		
Units	20.29	22.60
STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2018 and 201	7	
• • •	December 31	December 3
	2018 (\$)	2017 (
Revenues		
Dividends	22,665	6,505
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments	201,333	(2,678
		126,77
Net realized dain (loss) on derivatives	(311.848)	120.77
Net realized gain (loss) on derivatives Net change in unrealized appreciation (depreciation) of investments	(311,848) (364,613)	,
Net change in unrealized appreciation (depreciation) of investments	(364,613)	138,669
	(364,613) (92,472)	138,669 2,563
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives	(364,613)	138,669 2,563 271,830
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives	(364,613) (92,472) (544,935)	138,669 2,563 271,830 (4
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash	(364,613) (92,472) (544,935) 5	138,669 2,563 271,830 (4
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7]	(364,613) (92,472) (544,935) 5	138,669 2,563 271,830 (4 271,820
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees	(364,613) (92,472) (544,935) 5 (544,930) 12,806	138,669 2,563 271,830 (4 271,820 5,313
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Transaction costs [note 3 and note 9]	(364,613) (92,472) (544,935) 5 (544,930) 12,806 3,969	138,669 2,565 271,830 (4 271,820 5,311 1,810
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense	(364,613) (92,472) (544,935) 5 (544,930) 12,806 3,969 1,128	138,66 2,56 271,83 (271,82 5,31 5,31 1,81 68
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees	(364,613) (92,472) (544,935) 5 (544,930) 12,806 3,969 1,128 674	138,66 2,56 271,83 (271,82 5,31 1,81 68 35
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees	(364,613) (92,472) (544,935) 5 (544,930) 12,806 3,969 1,128 674 674 14	138,669 2,563 271,830 (271,820 5,313 1,814 688 355
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense	(364,613) (92,472) (544,935) 5 (544,930) 12,806 3,969 1,128 674 1,128 674 14 18,591	139,665 2,563 271,830 (4 271,826 5,313 1,818 688 3355 8,183
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense	(364,613) (92,472) (544,935) 5 (544,930) 12,806 3,969 1,128 674 1,128 674 14 18,591 (674)	138,669 2,563 271,830 (271,820 5,311 1,818 688 355 355 355 355 355 355 355 355 355 3
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by manager	(364,613) (92,472) (544,935) 5 (544,930) 12,806 3,969 1,128 674 1,128 674 14 18,591 (674) 17,917	138,663 2,563 271,830 (4 271,820 5,313 1,818 684 355 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units	(364,613) (92,472) (544,935) 5 (544,930) 12,806 3,969 1,128 674 1,128 674 14 18,591 (674)	138,669 2,563 271,830 (4 271,826 5,313 1,818 688 355 355 355 355 355 355 355 355 355 3
Net change in unrealized appreciation (depreciation) of investments Net change in unrealized appreciation (depreciation) of derivatives Foreign exchange gain (loss) on cash Expenses [note 7] Management fees Transaction costs [note 3 and note 9] HST expense Independent Review Committee fees Interest expense Expenses waived by manager Expenses waived by manager Increase (Decrease) in net assets attributable to holders of redeemable units Increase (Decrease) in net assets attributable to holders of redeemable units for each class	(364,613) (92,472) (544,935) 5 (544,930) 12,806 3,969 1,128 674 14 18,591 (674) 17,917 (562,847)	138,665 2,563 271,830 (4 271,826 5,313 1,816 688 356 68 8,183 (355 (355)
Net change in unrealized appreciation (depreciation) of investments	(364,613) (92,472) (544,935) 5 (544,930) 12,806 3,969 1,128 674 1,128 674 14 18,591 (674) 17,917	138,669 2,563

On behalf of the Trustee,

FT Portfolios Canada Co.

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..... 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, 2018 and 2017

	December 31 2018 (\$)	December 31 2017 (\$)
Net assets attributable to holders of redeemable units, beginning of year	2,259,644	1,006,232
Increase (Decrease) in net assets attributable to holders of redeemable units	(562,847)	263,998
Redeemable unit transactions [note 6]		
Proceeds from issuance of units	3,537,861	2,092,132
Reinvested distributions	121,480	84,390
Redemption of units	(1,172,780)	(1,065,108)
	2,486,561	1,111,414
Distributions to holders of redeemable units from:		
Net investment income	(12,992)	-
Capital gains	(96,767)	(93,829)
Return of capital	(14,921)	(28,171)
	(124,680)	(122,000)
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	1,799,034	1,253,412
Net assets attributable to holders of redeemable units, end of year	4,058,678	2,259,644

First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged) STATEMENTS OF CASH FLOW For the years ended December 31, 2018 and 2017

	December 31 2018 (\$)	December 31 2017 (\$)
Cash flows from (used in) Operating Activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	(562,847)	263,998
Adjustments for:		
Net realized (gain) loss on sale of investments	(201,333)	2,678
Change in unrealized (appreciation) depreciation of investments and derivatives	457,085	(141,232)
Dividends receivable	(11,028)	(858)
Other assets	(442)	-
Other liabilities	552	362
Purchases of investments	(8,104,361)	(4,275,176)
Proceeds from the sale of investments	6,058,035	3,165,610
	(2,364,339)	(984,618)
Cash flows from (used in) Financing Activities		
Amount received from the issuance of units	3,537,861	2,092,132
Amount paid on redemptions of units	(1,172,780)	(1,065,108)
Distributions paid to unitholders	(37,610)	(6,000)
	2,327,471	1,021,024
Increase (Decrease) in cash for the year	(36,868)	36,406
Cash, beginning of year	42,350	5,944
Cash, end of year	5,482	42,350
Dividends received, net of withholding taxes	11,637	5,647

First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged) Notes to Financial Statements - Specific Information For the year ended December 31, 2018

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, 2018 and 2017:

	Financial Assets at Fair Value (\$) As at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Equities	4,123,307	_	_	4,123,307
Derivative assets	-	4,005	_	4,005
Derivative liabilities	_	(84,869)	_	(84,869)
Total	4,123,307	(80,864)	_	4,042,443
	Financial Assets at Fair Value (\$) As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities	2,240,262	_	_	2,240,262
Derivative assets	_	11,607	_	11,607
Total	2,240,262	11,607	_	2,251,869

There have been no transfers from one Level to another for the years ended December 31, 2018 and 2017.

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, 2018 and 2017:

Redeemable Units	Units
Outstanding units – January 1, 2017	50,000
Redeemable units issued	100,000
Redeemable units issued on reinvestments	_
Redeemable units redeemed	(50,000)
Outstanding units – December 31, 2017	100,000
Redeemable units issued	150,000
Redeemable units issued on reinvestments	_
Redeemable units redeemed	(50,000)
Outstanding units – December 31, 2018	200,000

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%	

E. TAXATION (NOTE 8)

Tax loss carry-forwards – There were no net capital losses and non-capital losses as at December 31, 2018 and 2017.

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, 2018 and 2017 are as follows:

Transaction Cost (\$)			
2018	2017		
3,969	1,818		

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the years ended December 31, 2018 and 2017, including amounts owing as at December 31, 2018 and 2017 are as follows:

Management Fee Expense (\$)		Management Fee Payable (\$)		
2018	2017	2018	2017	
12,806	5,313	1,070	582	

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At December 31, 2018		At December	r 31, 2017
Index	5% Increase (\$) 5% Decrease (\$)		5% Increase (\$)	5% Decrease (\$)
Dorsey Wright U.S. Sector				
Focus Five Index	201,716	(201,716)	74,794	(74,794)

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2018 and 2017:

	At Decemb	er 31, 2018	At Decemb	er 31, 2017
Currency	Net Exposure (\$)	% Net Assets	Net Exposure (\$)	% Net Assets
United States Dollar	(4,048,805)	(99.76)	(2,296,338)	(101.62)

As at December 31, 2018, 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 \$40,488 (December 31, 2017 - \$22,963). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk – The table below summarizes the concentration risk for the years ended December 31, 2018 and 2017:

	At December 31, 2018	At December 31, 2017
Holdings	% Net Assets	% Net Assets
Exchange-Traded Funds	101.59	99.14
Total	101.59	99.14

First Trust Dorsey Wright U.S. Sector Rotation Index ETF (CAD-Hedged) Notes to Financial Statements - Specific Information For the year ended December 31, 2018

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number	Average	Fair	
	of Shares	Cost (\$)	Value (\$)	% of Total
Exchange Traded Funds—101.59%				
First Trust AlphaDEX [™] U.S. Consumer Discretionary Sector Index ETF	33,517	880,629	802,448	19.77
First Trust AlphaDEX [™] U.S. Health Care Sector Index ETF	31,375	888,995	808,534	19.92
First Trust AlphaDEX [™] U.S. Industrials Sector Index ETF	31,913	867,708	803,033	19.78
First Trust AlphaDEX [™] U.S. Technology Sector Index ETF	24,312	814,062	845,328	20.83
First Trust AlphaDEX [™] U.S. Utilities Sector Index ETF	34,190	882,786	863,964	21.29
		4,334,180	4,123,307	101.59
Total investments		4,334,180	4,123,307	101.59
Transaction costs		(1,035)		
Unrealized appreciation on derivatives - see Schedule 1			4,005	0.10
Unrealized depreciation on derivatives - see Schedule 1			(84,869)	(2.09)
Other assets, less liabilities			16,235	0.40
Total Net Assets Attributable to Holders of Redeemable Units		4,333,145	4,058,678	100.00

SCHEDULE OF INVESTMENT PORTFOLIO As at December 31, 2018

Schedule 1

	Credit Rating of	Settlement C	urrency	Amount C	urrency	Amount	Forward		Appreciation Depreciation)
Counterparty	Counterparty*	Date	Sell	Sold	Buy	Bought	Rate	Rate	\$
Bank of New York Mellon (The), New York	A-1+	1/31/2019	CAD	325,000	USD	241,180	1.348	1.364	4,005
									4,005
Bank of New York Mellon (The), New York	A-1+	1/31/2019	USD	3,209,240	CAD	4,293,000	0.748	0.733	(84,869)
									(84,869)

* Commercial paper rating per Stand and Poor's Commerical Paper Guide

First Trust Indxx Innovative Transaction and Process ETF

STATEMENT OF FINANCIAL POSITION As at December 31, 2018

	December 31 2018 (\$)
Assets	
Investments (non-derivative financial assets)	4,426,227
Cash	36,998
Other assets	203
Liabilities	4,463,428
Accrued liabilities	644
Distributions payable to holders of redeemable units	37,725
	38,369
Total net assets attributable to holders of redeemable units	4,425,059
Total Net Assets Attributable to Holders of Redeemable Units per class	
Units	4,425,059
Redeemable units outstanding [note 6]	
Units	250,000
Net assets attributable to holders of redeemable units per unit Units	17.70
STATEMENT OF COMPREHENSIVE INCOME	
For the period from March 23, 2018 to December 31, 2018	
	December 31 2018 (\$)
Revenues	
Dividends	41,834
Other changes in fair value of investments	
Net realized gain (loss) on investments	(944)
Change in unrealized appreciation (depreciation) of foreign exchange	89
Change in unrealized appreciation (depreciation) of investments	(504,176)
	(463,197)
Foreign exchange gain (loss) on cash	820 (462,377)
Expenses [note 7]	(402,377)
Management fees	3,639
Independent Review Committee fees	396
HST expense	270
Transaction costs [note 3 and note 9]	11
	4,316
Expenses waived by manager	(396)
	3,920
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	(466,297)
Withholding taxes	6,327
Increase (Decrease) in net assets attributable to holders of redeemable units	(472,624)
Increase (Decrease) in net assets attributable to holders of redeemable units for each class Units	(472,624)
Increase (Decrease) in net assets attributable to holders of redeemable units per unit	· · · /
Units	(2.87)
See accompanying notes which are an integral part of these financial statements.	

On behalf of the Trustee,

FT Portfolios Canada Co.

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..... Director

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..... Director

First Trust Indxx Innovative Transaction and Process ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

	December 31
	2018 (\$
Net assets attributable to holders of redeemable units, beginning of year	-
Increase (Decrease) in net assets attributable to holders of redeemable units	(472,624
Redeemable unit transactions [note 6]	
Proceeds from redeemable units issued	4,935,428
Reinvested distributions	100
Redemption of redeemable units	(20
•	4,935,508
Distributions to holders of redeemable units from:	
Net investment income	(37,714
Capital gains	(109
Return of capital	(2
	(37,825
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	4,425,059
	4,425,059
Net assets attributable to holders of redeemable units, end of year	4,425,059

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

First Trust Indxx Innovative Transaction and Process ETF

STATEMENT OF CASH FLOW

For the period from March 23, 2018 to December 31, 2018

	December 31 2018 (\$)
Cash flows from (used in) Operating Activities	(+)
Increase (Decrease) in net assets attributable to holders of redeemable units	(472,624)
Adjustments for:	· · · /
Net realized (gain) loss on investments	944
Change in unrealized (appreciation) depreciation of investments	504,176
Other assets	(203)
Other liabilities	644
Purchases of investments	(4,939,333)
Proceeds from the sale of investments	7,986
	(4,898,410)
Cash flows from (used in) Financing Activities	
Amount received from the issuance of units	4,935,428
Amount paid on redemptions of units	(20)
	4,935,408
Increase (Decrease) in cash for the year	36,998
Cash, beginning of year	-
Cash, end of year	36,998
Dividends received, net of withholding taxes	35,507

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, 2018

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. Currently, the First Trust ETF seeks to replicate, to the extent possible, the performance of the Indxx Blockchain Index, net of expenses. The First Trust ETF will obtain exposure to the Indxx Blockchain Index by investing in the Underlying Fund, a U.S.-listed index ETF which itself seeks to replicate or substantially replicate the performance of such 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 year ended December 31, 2018:

	Financial Assets at Fair Value (\$) As at December 31, 2018					
	Level 1 Level 2 Level 3 Total					
Equities	4,426,227	_	_	4,426,227		
Total	4,426,227	_	_	4,426,227		

There have been no transfers from one Level to another for the year ended December 31, 2018.

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 year ended December 31, 2018:

Redeemable Units	Units
Beginning balance – March 23, 2018*	_
Redeemable units issued	250,001
Redeemable units issued on reinvestments	_
Redeemable units redeemed	(1)
Outstanding units – December 31, 2018	250,000

*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**		
Units		
0.15%		

**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 the Tirst Trust ETF that, to a reasonable person, would duplicate a fee payable by the First Trust ETF.

E. TAXATION (NOTE 8)

Tax loss carry-forwards – There were no net capital losses and non-capital losses as at December 31, 2018 and 2017.

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 year ended December 31, 2018:

Transaction Cost (\$)			
2018			
11			

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the year ended December 31, 2018, including amounts owing as at December 31, 2018 are as follows:

Management Fee Expense (\$)	Management Fee Payable (\$)
2018	2018
3,639	570

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At December 31, 2018		
Index	5% Increase (\$) 5% Decrease		
S&P 500 Index CAD	172,799	(172,799)	

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2018:

	At December 31, 2018		
Currency	Net Exposure (\$) % Net Assets		
United States Dollar	4,424,129	99.98	

As at December 31, 2018, 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 \$44,241. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk – The table below summarizes the concentration risk for the year ended December 31, 2018:

	At December 31, 2018
Holdings	% Net Assets
Exchange-Traded Funds	100.03
Total	100.03

First Trust Indxx Innovative Transaction and Process ETF Notes to Financial Statements - Specific Information For the year ended December 31, 2018

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number of Shares	Average	Fair	
		Cost (\$)	Value (\$)	% of Total
Exchange Traded Funds—100.03%				
First Trust Indxx Innovative Transaction & Process ETF	126,995	4,930,411	4,426,227	100.03
Total Exchange Traded Funds		4,930,411	4,426,227	100.03
Total investments		4,930,411	4,426,227	100.03
Transaction costs		(8)		
Other assets, less liabilities			(1,168)	(0.03)
Total Net Assets Attributable to Holders of Redeemable Units		4,930,403	4,425,059	100.00

First Trust International Capital Strength ETF

STATEMENT OF FINANCIAL POSITION As at December 31, 2018	
	December 31
	2018 (\$)
Assets	4 000 004
Investments (non-derivative financial assets)	1,668,261
Cash	8,983
Accrued dividend receivable	2,352
Other assets	358
	1,679,954
Liabilities	4 407
Accrued liabilities	1,127
Distributions payable to holders of redeemable units	1,127
Total net assets attributable to holders of redeemable units	1,678,827
Total Net Assets Attributable to Holders of Redeemable Units per class	1,070,027
Units	1,678,827
Redeemable units outstanding [note 6]	1,070,027
Units	100,000
Net assets attributable to holders of redeemable units per unit	100,000
Units	16.79
STATEMENT OF COMPREHENSIVE INCOME	
For the period from May 17, 2018 to December 31, 2018	
	December 31
	2018 (\$)
Revenues	
Dividends	19,081
Interest income for distribution purposes	3,578
Other changes in fair value of investments	
Net realized gain (loss) on investments	(12,078)
Change in unrealized appreciation (depreciation) of foreign exchange	1,495
Change in unrealized appreciation (depreciation) of investments	(290,817)
	(278,741)
Foreign exchange gain (loss) on cash	138
	(278,603)
Expenses [note 7]	
Management fees	6,208
Transaction costs [note 3 and note 9]	3,930
HST expense	449
Independent Review Committee fees	139
Encourse weight the second second	10,726
Expenses waived by manager	(139)
Increase (Decrease) in net assets attributable to holders of redeemable units before tax	10,587 (289,190)
Withholding taxes	2,073
Increase (Decrease) in net assets attributable to holders of redeemable units	(291,263)
Increase (Decrease) in net assets attributable to holders of redeemable units	(201,200)
Units	(291,263)
Increase (Decrease) in net assets attributable to holders of redeemable units per unit	(231,203)
Units	(3.78)
See accompanying notes which are an integral part of these financial statements	(0.10)

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

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the period from May 17, 2018 to December 31, 2018	
	December 31
	2018 (\$)
Net assets attributable to holders of redeemable units, beginning of year	-
Increase (Decrease) in net assets attributable to holders of redeemable units	(291,263)
Redeemable unit transactions [note 6]	
Proceeds from redeemable units issued	1,970,110
Reinvested distributions	-
Redemption of redeemable units	(20)
	1,970,090
Increase (Decrease) in net assets attributable to holders of redeemable units for the year	1,678,827
Net assets attributable to holders of redeemable units, end of year	1,678,827

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

First Trust International Capital Strength ETF

STATEMENT OF CASH FLOW

For the period from May 17, 2018 to December 31, 2018

	December 31 2018 (\$)
Cash flows from (used in) Operating Activities	
Increase (Decrease) in net assets attributable to holders of redeemable units	(291,263)
Adjustments for:	
Net realized (gain) loss on investments	12,078
Change in unrealized (appreciation) depreciation of investments	290,817
Dividends receivable	(2,352)
Other assets	(358)
Other liabilities	1,127
Purchases of investments	(2,104,483)
Proceeds from the sale of investments	133,327
	(1,961,107)
Cash flows from (used in) Financing Activities	
Amount received from the issuance of units	1,970,110
Amount paid on redemptions of units	(20)
	1,970,090
Increase (Decrease) in cash for the year	8,983
Cash, beginning of year	-
Cash, end of year	8,983
Interest received	3,578
Dividends received, net of withholding taxes	14,656
See accompanying notes which are an integral nort of these financial statements	

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

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 US 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 year ended December 31, 2018:

	Financial Assets at Fair Value (\$) As at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Equities	1,668,261	_	_	1,668,261
Total	1,668,261	_	-	1,668,261

There have been no transfers from one Level to another for the year ended December 31, 2018.

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 year ended December 31, 2018:

Redeemable Units	Units
Beginning balance – May 17, 2018*	_
Redeemable units issued	100,001
Redeemable units issued on reinvestments	_
Redeemable units redeemed	(1)
Outstanding units – December 31, 2018	100,000

*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		
Units		
0.70%		

E. TAXATION (NOTE 8)

Tax loss carry-forwards – The net capital losses and non-capital losses as at December 31, 2018 were as follows:

Net Capital Losses (\$)	Non-Capital Losses (\$)	
2018	2018	
_	291,380	

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 year ended December 31, 2018:

Transaction Cost (\$)
2018
3,930

G. RELATED PARTY INFORMATION (NOTE 10) - The total management fees earned by the Manager for the year ended December 31, 2018, including amounts owing as at December 31, 2018 are as follows:

Management Fee Expense	
(\$)	(\$)
2018	2018
6,208	997

H. FINANCIAL RISK MANAGEMENT (NOTE 11)

Market risk - As at December 31, 2018, 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, 2018, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

	At December 31, 2018		
Index	5% Increase (\$)	5% Decrease (\$)	
MSCI EAFE Index	84,529	(84,529)	

Currency risk - The table below summarizes the First Trust ETF's net currency exposure as at December 31, 2018:

	At December 31, 2018		
Currency	Net Exposure (\$)	% Net Assets	
Euro	517,291	30.81	
British Pound Sterling	339,616	20.23	
Japanese Yen	282,778	16.84	
Hong Kong Dollar	165,777	9.87	
Swiss Francs	94,986	5.66	
South Korean Won	82,873	4.94	
Norwegian Krone	51,452	3.06	
Danish Krone	49,865	2.97	
Australian Dollar	45,046	2.68	
Swedish Krona	40,929	2.44	
Total	1,670,613	99.51	

As at December 31, 2018, 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 \$16,706. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk – The table below summarizes the concentration risk for the year ended December 31, 2018:

	At December 31, 2018	
Country	% Net Assets	
Germany	21.12	
United Kingdom	17.72	
Japan	16.80	
Switzerland	8.13	
France	7.44	
Hong Kong	7.31	
South Korea	4.88	
Norway	3.06	
Denmark	2.97	
Australia	2.68	
Macau	2.57	
Sweden	2.44	
Netherlands	2.25	
Total	99.37	

SCHEDULE OF PORTFOLIO INVESTMENTS As at December 31, 2018

	Number	Average	Fair	
	of Shares	Cost (\$)	Value (\$)	% of Total
Australia—2.68%				
CSL Ltd.	253	48,607	45,046	2.68
		48,607	45,046	2.68
Denmark—2.97%	700	E1 204	40.005	2.07
Novo Nordisk AS, Series 'B'	799	51,394 51,394	49,865 49,865	2.97 2.97
France—7.44%		51,394	49,005	2.97
Arkema	304	49,532	35,644	2.13
LVMH Moët Hennessy-Louis Vuitton SA	109	50,123	44,022	2.62
Thales SA	283	49,368	45,152	2.69
		149,023	124,818	7.44
Germany-21.12%			· · · · ·	
Adidas AG	170	52,364	48,502	2.89
BASF SE	405	51,389	38,263	2.28
Bayer AG, Registered	340	47,603	32,207	1.92
Continental AG	174	49,875	32,864	1.96
Fresenius Medical Care AG	387	50,695	34,286	2.04
Infineon Technologies AG	1,441	50,526	39,140	2.33
SAP AG	326	49,937	44,328	2.64
Siemens AG, Registered	291	50,602	44,325	2.64
Wirecard AG	196	47,031	40,714	2.42
		450,022	354,629	21.12
Hong Kong—7.31%				
AIA Group Ltd.	4,400	51,105	49,863	2.97
China Gas Holdings Ltd.	9,800	44,599	47,669	2.84
Sino Biopharmaceutical Ltd.	28,000	52,141	25,189	1.50
		147,845	122,721	7.31
Japan—16.80%	0.000	40,000	00.404	0.00
Astellas Pharma Inc. KDDI Corp.	2,200 1,400	46,022	38,404 45,757	2.29 2.72
Koito Manufacturing Co. Ltd.	600	48,339 51,643		2.72
-			42,449	
Shionogi & Co. Sony Corp.	600 600	42,099 40,095	46,866 39,803	2.79 2.37
Tokyo Electron Ltd.	200	40,095	39,803	1.86
Yamaha Motor Co. Ltd.	1,400	49,987	37,648	2.24
	1,400	325,666	282,104	16.80
Macau—2.57%		323,000	202,104	10.00
Sands China Ltd.	7,200	50,104	43,056	2.57
	.,	50,104	43,056	2.57
Netherlands-2.25%		,	,	
ASML Holding NV	176	46,167	37,760	2.25
		46,167	37,760	2.25
Norway—3.06%				
Telenor ASA	1,941	50,834	51,333	3.06
		50,834	51,333	3.06
South Korea—4.88%				
Samsung Electronics Co. Ltd.	903	51,408	42,757	2.54
SK Hynix Inc.	530	52,363	39,232	2.34
		103,771	81,989	4.88
Sweden-2.44%				_
Sandvik AB	2,103	48,581	40,929	2.44
		48,581	40,929	2.44
Switzerland—8.13%				
ABB Ltd., Registered	1,627	49,592	42,247	2.52
Ferguson PLC	476	49,342	41,555	2.47
Roche Holding AG Genusscheine	156	47,500	52,739	3.14
		146,434	136,541	8.13

United Kingdom—17.72%				
BAE Systems PLC	4,674	49,954	37,347	2.23
British American Tobacco PLC	696	45,792	30,278	1.80
Diageo PLC	1,036	47,858	50,386	3.00
Legal & General Group PLC	11,097	50,833	44,605	2.66
Prudential PLC	1,611	50,349	39,302	2.34
Rio Tinto PLC	743	50,673	48,225	2.87
Unilever PLC	662	48,764	47,327	2.82
		344,223	297,470	17.72
Total investments		1,962,671	1,668,261	99.37
Transaction costs		(3,593)		
Other assets, less liabilities			10,566	0.63
Total Net Assets Attributable to Holders of Redeemable Units		1,959,078	1,678,827	100.00

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 March 15, 2018. The units of the First Trust ETFs are listed for trading on the Toronto Stock Exchange ("TSX"), except for some of the Hedged Units¹ of the U.S. Sector Index ETFs.

First Trust ETFs	Ticker	Inception		
Actively Managed Funds Date				
First Trust Canadian Capital Strength ETF ²	FST,FST.A	November 30, 2001		
First Trust Short Duration High Yield Bond ETF (CAD-Hedged)	FSD, FSD.A	May 20, 2011		
First Trust Senior Loan ETF (CAD-Hedged)	FSL, FSL.A	August 28, 2013		
First Trust International Capital Strength	FINT	May 16, 2018		
Income Funds		111ay 10, 2010		
First Trust Value Line® Dividend Index ETF (CAD-Hedged) ³	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		
AlphaDEX [™] Dividend Funds		,		
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		
AlphaDEX [™] U.S. Sector Funds				
	FHF	October 30, 2014		
First Trust AlphaDEX [™] U.S. Financial Sector Index ETF	FHF.F	-		
First Trust AlphaDEX [™] U.S. Energy Sector Index ETF	FHE	October 30, 2014		
	FHE.F	-		
First Trust AlphaDEX [™] U.S. Consumer Discretionary Sector Index ETF	FHD	October 30, 2014		
	FHD.F	-		
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		
	FHM.F	-		
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		
	FHU.F	-		
Specialty Funds	F0D	Cantambar 00, 0040		
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		

¹The Hedged Units of the U.S. Sector Index ETFs were qualified for distribution by a prospectus last renewed on June 7, 2018. As of the date of this annual financial statements, four of the U.S. Sector Index ETFs have offered securities to the public effective December 8, 2017 (i.e. FHC.F, FHH.F, FHG.F, FHQ.F).

² First Trust AlphaDEX[™] Canadian Dividend ETF ("FDY") merged (the "Merger") with FST in order to combine FDY and FST into one Canadian equity exchange-traded fund with FST being the continuing fund. The Merger took place after required Unitholders approval. Under the Merger, holders of units in FDY became unitholders of the First Trust ETF. The Merger was implemented effective October 16, 2017.

³ On October 25, 2017, unitholders of the First Trust AlphaDEX[™] U.S. Dividend ETF (CAD-Hedged) approved a proposal to (a) change the investment objective (the "Proposal"), (b) change the management fee in respect of the common units and (c) change the name to "First Trust Value Line® Dividend Index ETF (CAD-Hedged)". The Proposal was implemented as of November 22, 2017.

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 Manager on March 22, 2019.

2. BASIS OF PRESENTATION

The information provided in these financial statements and notes thereto is as at December 31, 2018 and 2017 and for periods then ended, as applicable.

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 First Trust ETFs adopted the following standards, interpretations and amendments for the first time for the period beginning on January 1, 2018.

IFRS 9 Financial Instruments ("IFRS 9 (2014)")

The adoption of IFRS 9 (2014) has been applied retrospectively, with the First Trust ETFs utilizing the provisions allowed in the standard to not restate prior period comparative information. IFRS 9 (2014) requires assets to be carried at amortized cost or fair value, with changes in fair value recognized in profit or loss or other comprehensive income, based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Upon adoption of IFRS 9 (2014), a First Trust ETF's financial assets and liabilities previously classified as at fair value through profit or loss ("FVTPL") and amortized cost under IAS 39 "Financial Instruments: Recognition and Measurement", continued to be classified at FVTPL and amortized cost.

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 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.

IFRS 9 (2014) replaced the incurred loss model in IAS 39 with the expected credit loss model ("ECL"), as the new impairment model for financial assets measured at amortized cost. 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 (iv) 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 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 counterpart 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.

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 beginning 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 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 FHC.F, FHH.F, FHQ.F, and FHG.F. Since the 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.

Majority of the First Trust ETFs not under U.S. Sectors Funds have two classes of redeemable units in issue: Common Class and Advisor Class. For U.S. Sector Funds, four funds have also two classes of redeemable units in issue: Units and Hedged Units. FINT, FTB, FSR, and BLCK have only one class of redeemable units (See note 1 – "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").

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 assets 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 Fund'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 dollars as this is the currency which, in their opinion, most faithfully represents the economic effects of underlying transactions, events and conditions. Furthermore, Canadian dollars 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") and First Trust Short Duration High Yield Bond ETF (CAD-Hedged) ("FSD") typically do not incur transaction costs because these First Trust ETFs invest in senior loans and high yield bonds. Transaction costs are not incurred on the purchase and sale of senior loans and high yield bonds.

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 Fund 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 Fund 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 First Trust ETFs. 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.

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.

The forward foreign exchange currency agreements, as applicable, 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 ETFs 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.

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.

Majority of the 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 FHC.F, FHH.F, FHQ.F, and FHG.F.

FINT, FTB, FSR, and BLCK have also only one class of redeemable units called Units.

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 Units, an additional amount for a service fee based on the average daily 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 Units Service Fee: The Manager pays to registered dealers a service fee equal to 1.00% per annum of the NAV of the Advisor Class Units in respect of all First Trust ETFs, other than First Trust Global Risk Managed Income Index ETF ("ETP"), FSL, and FSD, and 0.50% per annum of the NAV of the Advisor Class Units in respect of ETP, FSL, and FSD, 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 NI 81-107 (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 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 Units, any such cash distributions on the Advisor Class Units are expected to be less than the distributions payable on the Common Units. Non- cash distributions are reinvested back to the First Trust ETFs.

Distributions of sufficient net realized capital gains (reduced by loss carry-forwards, 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 carry-forwards

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. COMMISSION

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 and FSD typically do not incur transaction costs because these First Trust ETFs invest 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).

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 offering memorandum. 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 Investment Manager 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 other ETFs. There is no look-through of the financial risks. Thus, they are indirectly exposed to the market risk through the investments held by the ETFs in their investment portfolio.

For the years ended December 31, 2018 and 2017, 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 rate. 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, ETP, and FSD, 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, ETP, and FSD 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 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 other 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 ETFs in their investment portfolio.

As noted above, 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, FSL, and FSD, had no significant investments in debt instruments and/or derivatives as of December 31, 2018, as applicable.

FTB and ETP - The greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. 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 funds' financial statements available on the SEDAR website at 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 risks with respect to that lender. As at December 31, 2018, the maximum credit risk exposure of this First Trust ETF is \$77,895,576 (December 31, 2017 - \$127,790,540).

FSD - 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 risks with respect to that lender. As at December 31, 2018, the maximum credit risk exposure of this First Trust ETF is \$12,408,059 (December 31, 2017 - \$17,942,360).

ETP, FSR, and FTB hold other 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 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 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 ETFs in their investment portfolio.

ETP, FTB, and FST are Canadian funds therefore they have insignificant currency risk as at December 31, 2018.

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 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 and FSD invest 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. Concentrations 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.

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 NI 81-102, 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.

As of December 31, 2018, there were no securities lending done by the First Trust ETFs.

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