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**First Trust Vest Fund of Buffer ETFs (Canada)  
ETF • BUFR**

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Annual Management Report of Fund Performance  
December 31, 2025

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# **ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE**

## **December 31, 2025**

### **First Trust Vest Fund of Buffer ETFs (Canada) ETF (the “First Trust ETF”)**

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

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

### **Forward Looking Statements**

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

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# First Trust Vest Fund of Buffer ETFs (Canada) ETF

## Management Report of Fund Performance

### For the year ended December 31, 2025

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#### **Investment Objective and Strategy**

The fundamental investment objective of **First Trust Vest Fund of Buffer ETFs (Canada) ETF** (the "First Trust ETF") is to provide the holders of Units ("Unitholders") with capital appreciation and exposure to U.S. large capitalization companies included in the S&P 500® Index through investment in an equally weighted portfolio of First Trust Vest Funds (as defined herein) which are equity buffer ETFs.

To achieve its investment objectives, The First Trust ETF will invest in an equally weighted portfolio (at the time of purchase) of First Trust Vest Funds (initially, First Trust Vest U.S. Equity Buffer ETF – August, First Trust Vest U.S. Equity Buffer ETF – November, First Trust Vest U.S. Equity Buffer ETF – February and First Trust Vest U.S. Equity Buffer ETF – May).

Under normal market conditions each of these four ETF holdings invest substantially all of its assets in FLEXible EXchange® Options ("FLEX Options") that reference the price return of the SPDR® S&P 500® ETF Trust, "SPY." The investment objective of SPY is to seek to provide investment results that, before expenses, correspond generally to the price and yield performance of the S&P 500® Index. FLEX Options are customized equity or index option contracts that trade on an exchange but provide investors with the ability to customize key contract terms like exercise prices, styles and expiration dates.

#### **Risk**

The risks associated with an investment in the First Trust ETF remain as discussed in the First Trust ETF's most recent prospectus. There have been no significant changes during the reporting year that affected the overall level of risk associated with the First Trust ETF.

#### **Results of Operations**

##### **General**

The First Trust ETF's net asset value as of December 31, 2025, was \$12,571,560 or \$27.94 per unit. The First Trust ETF's net asset value as of December 31, 2024, was \$18,878,423 or \$25.17 per unit.

There were no cash distributions paid nor declared for the year ended December 31, 2025 by the First Trust ETF.

##### **Investment Performance**

For the year ended December 31, 2025, the First Trust ETF returned 10.99% compared to S&P 500® CAD-Hedged Index (the "benchmark") total return of 14.46%. Unlike the benchmark, the First Trust ETF's return is net of fees and expenses.

The First Trust ETF holds First Trust Vest Funds (initially, First Trust Vest U.S. Equity Buffer ETF – August, First Trust Vest U.S. Equity Buffer ETF – November, First Trust Vest U.S. Equity Buffer ETF – February and First Trust Vest U.S. Equity Buffer ETF – May). Each of these four underlying ETFs holds a combination of FLEX options on an ETF (ticker: SPY) that tracks the S&P 500® Index, as well as a currency forward position. The currency forward is short the U.S Dollar and long the Canadian Dollar and is intended to minimize the impact of changes in the Canadian/U.S. dollar exchange rate on the four underlying ETFs' performance.

The combined performance of the option positions is dependent, in large part, on a) the performance of SPY, b) the change in the amount of time remaining to the options expiration date (annual reset date), and c) changes in the market's view on future volatility of SPY. We estimate that for the reporting year, the impact of holding the options on the First Trust ETF performance was approximately 13.68%.

The cost (or benefit) to the First Trust ETF due to the currency forwards is dependent, in part, on the interest rate differences between the U.S. and Canada. We estimate that for the reporting year, the impact of holding the currency forwards on the First Trust ETF performance was approximately -1.56%.

Finally, we estimate that for the reporting year, the impact of expenses and taxes (HST) on the First Trust ETF performance was approximately -1.13%.

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# First Trust Vest Fund of Buffer ETFs (Canada) ETF

## Management Report of Fund Performance

### For the year ended December 31, 2025

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#### **Recent Developments**

The First Trust ETF performance is dependent on the performances of the four underlying ETFs held by the First Trust ETF, which are, in turn, dependent on the price performance of SPY, as well as the performance of the currency forward positions, which are based on interest rate differentials between the U.S. and Canada.

For the year ended December 31, 2025, U.S. stock markets rose, with large cap stocks outperforming mid and small caps. International markets outperformed the U.S.

The S&P 500® Index, the well-known measure of U.S. large-cap stocks, ended the year up 17.86%. Mid-and small capitalization stocks, as measured by the S&P MidCap 400® Index and the Russell 2000® Index, rose 7.48% and 12.79%, respectively. The Nasdaq-100® Index, a tech-heavy market measure, rose 21.02% over the year. Non-U.S. stock markets had higher returns: MSCI EAFE (a broad measure of stocks in developed markets, excluding the U.S.) rose by 32.03%, while the MSCI Emerging Markets Index rose 34.29% over the year.

U.S. economic data showed a picture of a stable, growing economy. For the first three quarters of 2025, U.S. gross domestic product (“GDP”) growth rates (seasonally adjusted, annualized rate) came in at 2.0%, 2.1%, and 2.3%, sequentially. A Bloomberg survey of economists shows a consensus projection of 2.1% GDP growth in 2026.

Unemployment in the U.S. rose in 2025, although the overall rate is still at historically low levels. The rate was 4.1% in December 2024 and had increased to 4.4% by December 2025.

U.S. inflation levels declined in 2025. As the year began, inflation (as measured by the Consumer Price Index (CPI - Year over Year) was running at 2.9% (year-over-year), but as of the most recent monthly report (for December 2025) had declined to 2.7%.

The Fed’s Open Market Committee (“FOMC”) continued to cut rates in late 2025. This was achieved through three separate 25 basis point cuts in September, October, and December. By year end the FOMC had cut the rate by a total of 75 basis points, bringing the target range down to 3.50-3.75%.

#### **Related Party Transactions**

FT Portfolios Canada Co. is the Manager of the First Trust ETF and is a Canadian affiliate of First Trust Advisors L.P., the investment advisor (the “Advisor”) of the First Trust ETF. Also, First Trust Capital Partners, LLC, an affiliate of the Manager, owns a 44.3% ownership interest (49.3% voting) in VestGroup Inc., the holding company of Vest Financial LLC, the sub-advisor to the First Trust ETF.

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

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

# First Trust Vest Fund of Buffer ETFs (Canada) ETF Management Report of Fund Performance For the year ended December 31, 2025

## Financial Highlights

The following tables show selected key financial information about the First Trust ETF and are intended to help you understand the First Trust ETF's financial performance for the two years ended December 31, and for the period from commencement of operations to December 31, 2023. This information is derived from the First Trust ETF's audited annual financial statements.

### Net Asset Value per Unit

BUFR	2025	2024	2023 <sup>(a)</sup>
Net asset value, beginning of period/year <sup>(1)</sup>	\$25.17	\$22.11	\$20.00 <sup>(b)</sup>
Increase (Decrease) from operations:			
Total revenue	-	-	-
Total expenses	(0.04)	(0.04)	(0.02)
Realized gains (losses) for the period/year	0.02	1.13	-
Unrealized gains (losses) for the period/year	0.51	1.98	2.52
Total increase (decrease) from operations <sup>(2)</sup>	\$ 0.49	\$3.07	\$2.50
Distributions:			
From income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	(0.17)	-
Return of capital	-	(0.13)	-
Total annual distributions <sup>(3)</sup>	\$ -	\$(0.30)	\$ -
Net asset value, end of period/year <sup>(4)</sup>	\$27.94	\$25.17	\$22.11

(a) December 31, 2023 does not relate to the full year as the First Trust ETF commenced operations on May 25, 2023.

(b) Seed capital

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

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

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

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

### Ratios and Supplemental Data

BUFR	2025	2024	2023
Net asset value (000's)	\$12,572	\$18,878	\$6,632
Number of units outstanding	450,000	750,000	300,000
Management expense ratio <sup>(1)</sup>	1.11%	1.12%	1.10%
Management expense ratio before waivers or absorption	1.12%	1.13%	1.11%
Trading expense ratio <sup>(2)</sup>	0.02%	0.03%	0.04%
Portfolio turnover rate <sup>(3)</sup>	35.80%	43.87%	0.80%

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

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

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

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# First Trust Vest Fund of Buffer ETFs (Canada) ETF

## Management Report of Fund Performance

### For the year ended December 31, 2025

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#### Management Fees

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

*The First Trust ETF's management fee will also bear the weighted management fees of the First Trust Vest Funds.*

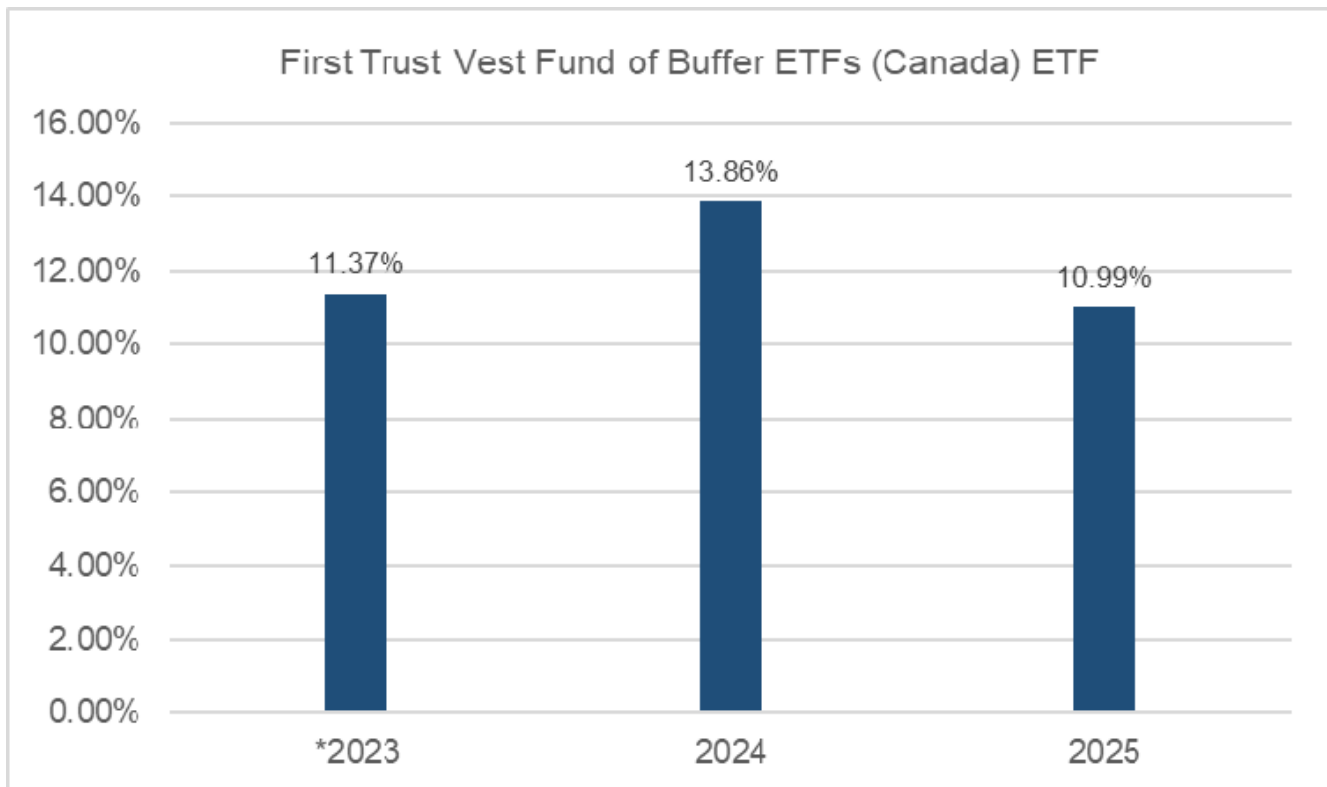
#### Past Performance

##### General

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

##### Year by Year Returns

The bar chart below shows the First Trust ETF's performance for the years ended December 31 and for the period from commencement of operations to December 31, 2023 and illustrates how the investment fund's performance has changed from year to year. The chart also shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



*\*First Trust ETF Commencement: May 25, 2023*

# First Trust Vest Fund of Buffer ETFs (Canada) ETF

## Management Report of Fund Performance

### For the year ended December 31, 2025

#### Annual Compound Returns

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

Returns	1-year	3-year	5-year	10-year	Since Inception
First Trust Vest Fund of Buffer ETFs (Canada) ETF	10.99%	-	-	-	14.02%
S&P 500® CAD-Hedged Index	14.46%	-	-	-	20.05%

*S&P 500® Index is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization. The S&P 500® CAD-Hedged Index uses a currency-hedged strategy to reduce the risk of currency fluctuations, although potential currency gains may be sacrificed. The amount hedged is adjusted on a monthly basis.*

#### Summary of Investment Portfolio

The table below sets out the percentage (based on total net asset value) of the First Trust ETF's holdings as at December 31, 2025. This summary of portfolio holdings may change due to ongoing portfolio transactions of the First Trust ETF. A quarterly update is available at [www.firsttrust.ca](http://www.firsttrust.ca).

Holdings	% of ETF Total Net Asset Value
First Trust Vest U.S. Equity Buffer ETF - August	25.00%
First Trust Vest U.S. Equity Buffer ETF - February	25.03%
First Trust Vest U.S. Equity Buffer ETF - May	25.09%
First Trust Vest U.S. Equity Buffer ETF - November	24.86%
Cash and Cash Equivalents	0.03%
Other Assets, Less Liabilities	-0.01%
Total	100.00%

#### Portfolio Breakdown

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

Breakdown	% of ETF Total Net Asset Value
Exchange-Traded Funds	99.98%
Cash and Cash Equivalents	0.03%
Other Assets, Less Liabilities	-0.01%
Total	100.00%

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