Amendment no. 1 dated March 17, 2025 to the prospectus of the First Trust ETF dated October 7, 2024 (the "**Prospectus**").

First Trust
Portfolios Canada®

First Trust Vest SMID Rising Dividend Achievers Target Income ETF
(the "First Trust ETF")

This amendment no. 1 amends the Prospectus in respect of the First Trust ETF.

This amendment no. 1 to the Prospectus provides certain additional information relating to the First Trust ETF. The Prospectus should be read subject to this additional information.

Amendments

Effective as of March 21, 2025, the Prospectus is hereby amended as follows:

The second paragraph under the subheading "Investment Strategies – The Index" is hereby deleted and replaced with the following:

"According to the Index Provider, the Index is designed to measure the performance of a selection of securities that have increased their dividend value over the previous three year and five year annual periods. The Index includes securities selected on criteria including, but not limited to, five year dollar dividend increase, current dividend yield and payout ratio. See "Overview of the Sectors to which the First Trust ETF Invests" for further information."

What are your legal rights?

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or for non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or consult with a legal advisor.

CERTIFICATE OF THE FIRST TRUST ETF AND THE TRUSTEE, MANAGER AND THE PROMOTER

The prospectus dated October 7, 2024, as amended by this amendment no. 1 dated March 17, 2025, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus, as amended, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

Dated: March 17, 2025.

FT PORTFOLIOS CANADA CO.,
as Trustee and Manager of the First Trust ETF

(Signed) "*Andrew Roggensack*"
Chair
(as chief executive officer)

(Signed) "*Susan Johnson*"
Chief Financial Officer

On behalf of the Board of Directors of FT Portfolios Canada Co.

(Signed) "*Eric Anderson*"
Director

(Signed) "*David McGarel*"
Director

(Signed) "*Andrew Roggensack*"
Director

FT PORTFOLIOS CANADA CO.,
as Promoter of the First Trust ETF

(Signed) "*Andrew Roggensack*"
Chair
(as chief executive officer)

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PROSPECTUS

Initial Public Offering October 7, 2024

This prospectus qualifies the distribution of Units (defined below) of the following First Trust exchange-traded fund:

First Trust Vest SMID Rising Dividend Achievers Target Income ETF
(the "First Trust ETF")

The First Trust ETF is an exchange traded mutual fund established as a trust under the laws of the Province of Ontario.

The First Trust ETF seeks to provide the holders of Units ("**Unitholders**") with current income with a secondary objective of providing capital appreciation by investing primarily in a portfolio of equity securities included in the Nasdaq US Small Mid Cap Rising Dividend Achievers™ Index (the "**Index**") as well as listed options on the Russell 2000® Index or exchange-traded funds that track the Russell 2000® Index. See "Investment Objectives".

The First Trust ETF is offering two classes of units called "units" and "Hedged Units". The units and Hedged Units are collectively referred to as the "Units".

The Portfolio Advisor (defined below) will generally hedge substantially all of the U.S. dollar currency exposure in the portion of the First Trust ETF's portfolio allocable to the Hedged Units of the First Trust ETF back to the Canadian dollar. Accordingly, the net asset value ("**NAV**") per Unit of the Hedged Units and the units may not be the same as a result of whether such class hedges its U.S. dollar currency exposure.

Units of the First Trust ETF are being issued and sold on a continuous basis and there is no maximum number of units that may be issued. See "Overview of the Legal Structure of the First Trust ETF".

FT Portfolios Canada Co. (the "**Manager**") is the trustee, manager and promoter of the First Trust ETF and is responsible for the administration of the First Trust ETF. The Manager is located in Toronto, Ontario, Canada. See "Organization and Management Details – The Trustee, Manager and Promoter".

First Trust Advisors L.P. (the "**Portfolio Advisor**"), an affiliate of the Manager, is the portfolio advisor of the First Trust ETF. The Portfolio Advisor is located in the United States. See "Organization and Management Details – The Portfolio Advisor".

Unitholders may redeem Units for cash, as described herein, subject to a redemption discount. Unitholders may also exchange a Prescribed Number of Units (as defined herein) (or integral multiple thereof) for Baskets of Securities (as defined herein) of the Constituent Issuers (as defined herein) held by the First Trust ETF and cash in the discretion of the Manager.

The Units of the First Trust ETF have been conditionally approved for listing on Cboe Canada Inc. (the "**Exchange**"). Subject to satisfying the Exchange's original listing requirements in respect of the First Trust ETF, Units of the First Trust ETF will be listed on the Exchange and offered on a continuous basis, and an investor will be able to buy or sell Units of the First Trust ETF on the Exchange through registered brokers and dealers in the province or territory where the investor resides.

The First Trust ETF issues Units directly to Designated Brokers (as defined herein) and Dealers (as defined herein).

Investors may incur customary brokerage commissions in buying or selling Units of the First Trust ETF. All orders to purchase Units directly from the First Trust ETF must be placed by Dealers or Designated Brokers. See “Purchases of Units – Offerings and Continuous Distribution” and “Purchases of Units – Buying and Selling Units”.

No underwriter has been involved in the preparation of this prospectus or has performed any review of the contents of the prospectus.

For a discussion of the risks associated with an investment in Units of the First Trust ETF, see “Risk Factors”. Your investment in any of the First Trust ETF is not guaranteed by any entity, including the Manager or the Portfolio Advisor.

In the opinion of legal counsel, provided that the Units of the First Trust ETF are listed on the Exchange, or that the First Trust ETF qualifies as a mutual fund trust or is otherwise a registered investment within the meaning of the *Income Tax Act* (Canada), the Units of the First Trust ETF will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans, tax-free savings accounts and first home savings accounts. See “Eligibility for Investment”.

Registration of interests in, and transfer of, the Units will be made only through CDS Clearing and Depository Services Inc. Beneficial owners will not have the right to receive physical certificates evidencing their ownership.

Additional information about the First Trust ETF is or will be available in the most recently-filed annual financial statements, any interim financial statements filed after the most recent annual financial statements, the most recently-filed annual management report of fund performance (“**MRFP**”), any interim MRFP filed after the most recently-filed annual MRFP and the most recently-filed ETF Facts for the First Trust ETF. These documents are or will be incorporated by reference into, and legally form an integral part of, this prospectus. See “Documents Incorporated by Reference”.

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CERTIFICATE OF THE FIRST TRUST ETF AND THE TRUSTEE, MANAGER AND PROMOTER C-1

GLOSSARY OF TERMS

Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.

ADRs, GDRs and EDRs – American Depositary Receipts, Global Depositary Receipts and European Depositary Receipts, respectively. ADRs, GDRs and EDRs are each a type of negotiable financial security that is traded on a local stock exchange or global stock exchange, as applicable, but represent a security that is issued by a foreign publicly-listed company.

August 12 Tax Amendments – as defined under "Income Tax Considerations – Proposed Amendments to the Capital Gains Inclusion Rate and the Capital Losses Deduction Rate".

Basket of Securities – a group of securities or assets determined by the Portfolio Advisor from time to time representing the constituents of the First Trust ETF.

Canadian securities legislation – the applicable securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the securities regulatory authorities.

capital gains refund **–** as defined under "Income Tax Considerations – Taxation of the First Trust ETF".

CDS – CDS Clearing and Depository Services Inc.

CDS Participant – a participant in CDS that holds Units on behalf of beneficial owners of Units.

CFA **–** as defined under "Income Tax Considerations – Taxation of the First Trust ETF".

Constituent Issuers – the issuers included in the portfolio of the First Trust ETF from time to time.

Constituent Securities – the securities of the Constituent Issuers.

CRA – Canada Revenue Agency.

CRS Rules – as defined under "International Information Reporting".

Custodian – CIBC Mellon Trust Company.

Custodian Agreement – the custodian agreement between the First Trust ETF and the Custodian, as may be amended from time to time.

Dealer – a registered dealer (that may or may not be a Designated Broker) that has entered or will enter, as applicable, into a Dealer Agreement with the Manager, on behalf of the First Trust ETF, pursuant to which the Dealer may subscribe for Units of the First Trust ETF as described under "Purchases of Units – Issuance of Units".

Dealer Agreement **–** an agreement between the Manager, on behalf of the First Trust ETF, and a Dealer, as amended from time to time.

Declaration of Trust – the master declaration of trust as amended and restated, as may be amended from time to time governing the First Trust ETF.

Designated Broker **–** a registered dealer that has entered or will enter, as applicable, into a Designated Broker Agreement with the Manager, on behalf of the First Trust ETF pursuant to which the Designated Broker agrees to perform certain duties in relation to the First Trust ETF.

Designated Broker Agreement – an agreement between the Manager, on behalf of the First Trust ETF, and a Designated Broker, as amended from time to time.

designated rating organization – has the meaning ascribed to such term in NI 81-102.

distribution payment date – a day that is no later than the 15th day of the month following the month of the applicable distribution record date, on which the First Trust ETF pays a distribution to its Unitholders.

distribution record date – a date determined by the Manager as a record date for the determination of Unitholders of the First Trust ETF entitled to receive a distribution.

DPSPs – deferred profit sharing plans as defined in the Tax Act.

EBITDA – earnings before interest, taxes, depreciation and amortization.

EIFEL Rules – as defined under "Income Tax Considerations – Taxation of the First Trust ETF".

ETF – an exchange traded fund.

Exchange – Cboe Canada Inc.

FAPI – as defined under "Income Tax Considerations – Taxation of the First Trust ETF".

FHSAs – first home savings accounts as defined in the Tax Act.

First Trust ETF – First Trust Vest SMID Rising Dividend Achievers Target Income ETF.

FT Portfolios Canada Co. – FT Portfolios Canada Co., a corporation established under the laws of the Province of Nova Scotia and registered as an investment fund manager and mutual fund dealer with the Ontario Securities Commission.

Hedged Unit – as defined below under "Unit".

HST – the harmonized sales tax imposed under the *Excise Tax Act* (Canada) that is applicable in certain provinces of Canada.

IFRS – IFRS Accounting Standards.

IGA – as defined under "International Information Reporting".

Index – a benchmark or index, provided by the Index Provider, or a replacement or alternative benchmark or index that applies substantially similar criteria to those currently used by the Index Provider for the benchmark or index or a successor index that is comprised of or would be comprised of the same or similar Constituent Securities, used by the First Trust ETF.

Index Provider – the third-party provider of the Index with respect to which FT Portfolios Canada Co. has entered into sub-licensing arrangements permitting FT Portfolios Canada Co. to use the Index and certain trademarks in connection with the operation of the First Trust ETF. ***IRC*** – the Independent Review Committee of the First Trust ETF.

License Agreement – the license agreement between FT Portfolios Canada Co. and the Index Provider with respect to the Index, or the sub-license agreement between FT Portfolios Canada Co. and First Trust Portfolios L.P. with respect to the Index.

Manager – FT Portfolios Canada Co.

MER – management expense ratio.

***MRFP* –** management report of fund performance.

NASDAQ, Inc. – The NASDAQ OMX Group, Inc.

NAV and ***NAV per Unit (of a class) –*** the net asset value of the First Trust ETF and the net asset value per Unit of a class of the First Trust ETF, calculated by the Valuation Agent as described under "Calculation of Net Asset Value".

NI 81-102 – National Instrument 81-102 *Investment Funds*.

NI 81-107 – National Instrument 81-107 *Independent Review Committee for Investment Funds.*

NRT Rules – as defined under "Risk Factors – General Risks Relating to an Investment in the First Trust ETF – Other Tax-Related Risks".

Period – as defined under "Income Tax Considerations – Proposed Amendments to the Capital Gains Inclusion Rate and the Capital Losses Deduction Rate".

Period 1 – as defined under "Income Tax Considerations – Proposed Amendments to the Capital Gains Inclusion Rate and the Capital Losses Deduction Rate".

Period 2 – as defined under "Income Tax Considerations – Proposed Amendments to the Capital Gains Inclusion Rate and the Capital Losses Deduction Rate".

Permitted Merger – as defined under "Unitholder Matters – Matters Requiring Unitholder Approval".

Portfolio Advisor – the portfolio advisor of the First Trust ETF, namely First Trust Advisors L.P., and if applicable, its successors.

Portfolio Advisor Agreement – means the portfolio advisory agreement between the Portfolio Advisor and the Manager, as it may be amended from time to time.

Prescribed Number of Units – in relation to a particular First Trust ETF, the number of Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

Proxy Voting Policy – as defined under "Proxy Voting Disclosure for Portfolio Securities Held".

RDSPs – registered disability savings plans as defined in the Tax Act.

Registered Plans – means, collectively, RRSPs, RRIFs, DPSPs, RDSPs, RESPs, TFSAs and FHSAs.

Registrar and Transfer Agent – TSX Trust Company.

Reportable Jurisdictions – as defined under "International Information Reporting".

RESPs – registered education savings plans as defined in the Tax Act.

RRIFs – registered retirement income funds as defined in the Tax Act.

RRSPs – registered retirement savings plans as defined in the Tax Act.

securities regulatory authorities – the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian securities legislation in force in such province or territory.

SEDAR+ – System for Electronic Data Analysis and Retrieval +.

SIFT **–** a specified investment flow-through trust or partnership as defined in the Tax Act.

SIFT Rules **–** rules in the Tax Act that are applicable to SIFT trusts and SIFT partnerships as defined in the Tax Act.

Sub-Advisor –the sub-advisor of the Underlying Fund, namely Vest Financial LLC, and if applicable, its successors.

substituted property – as defined under "Income Tax Considerations – Taxation of the First Trust ETF".

Tax Act – the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

Tax Proposals **–** as defined under "Income Tax Considerations".

TER **–** trading expense ratio.

TFSAs – tax-free savings accounts as defined in the Tax Act.

Trading Day – a day on which: (i) a regular session of the TSX and the Exchange is held; (ii) the primary market or exchange for the majority of the securities held by the First Trust ETF is open for trading; and (iii) the Index Provider calculates and publishes data relating to the Index.

Transitional Year – as defined under "Income Tax Considerations – Proposed Amendments to the Capital Gains Inclusion Rate and the Capital Losses Deduction Rate".

Transitional Year Reporting – as defined under "Income Tax Considerations – Taxation of Unitholders".

TSX **–** the Toronto Stock Exchange.

Underlying Foreign Trust – as defined under "Income Tax Considerations – Taxation of the First Trust ETF".

Underlying Fund **–** means the U.S. listed exchange-traded fund, FT Vest SMID Rising Dividend Achievers Target Income ETF.

Underlying Trust – as defined under "Income Tax Considerations – Taxation of the First Trust ETF".

unit **–** as defined below under "Unit".

Unit **–** a unit ("**unit**") or a Hedged Unit ("**Hedged Unit**") of the First Trust ETF, representing a redeemable, transferable unit or Hedged Unit, as applicable, which represents an equal, undivided interest in the net assets of the First Trust ETF.

Unitholder – a holder of Units of the First Trust ETF.

U.S. and ***United States*** **–** means United States of America.

Valuation Agent **–** CIBC Mellon Global Securities Services Company.

Valuation Date **–** each Trading Day and any other day designated by the Manager on which the NAV and NAV per Unit of a class of the First Trust ETF will be calculated. If the First Trust ETF elects to have a December 15 year-end for tax purposes as permitted by the Tax Act, the NAV per Unit of a class will be calculated on December 15.

Valuation Time **–** 4:00 p.m. (Toronto time) or such other time the Manager deems appropriate on each Valuation Date.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Units of the First Trust ETF and should be read together with the more detailed information and statements contained elsewhere in this prospectus or incorporated by reference in this prospectus. Capitalized terms used but not defined herein shall have the meanings ascribed thereto under the heading "Glossary of Terms".

Issuer:	First Trust Vest SMID Rising Dividend Achievers Target Income ETF (the "**First Trust ETF**"). The First Trust ETF is an exchange traded mutual fund established as a trust under the laws of the Province of Ontario. FT Portfolios Canada Co. is the trustee, manager and promoter of the First Trust ETF. First Trust Advisors L.P. (the "**Portfolio Advisor**") is the Portfolio Advisor of the First Trust ETF. See "Overview of the Legal Structure of the First Trust ETF".
Offerings:	The First Trust ETF is offering two classes of units called "units" and "Hedged Units". The units and Hedged Units are collectively referred to as the "Units". The Portfolio Advisor will generally hedge substantially all of the U.S. dollar currency exposure in the portion of the First Trust ETF's portfolio allocable to the Hedged Units of the First Trust ETF, if applicable, back to the Canadian dollar. Accordingly, the net asset value ("**NAV**") per Unit of the Hedged Units and the units may not be the same as a result of whether such class hedges its U.S. dollar currency exposure.
Continuous Distribution:	The Units of the First Trust ETF have been conditionally approved for listing on Cboe Canada Inc. (the "**Exchange**"). Subject to satisfying the Exchange's original listing requirements in respect of the First Trust ETF, Units of the First Trust ETF will be listed on the Exchange and offered on a continuous basis, and an investor will be able to buy or sell Units of the First Trust ETF on the Exchange through registered brokers and dealers in the province or territory where the investor resides. Units of the First Trust ETF 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 ETF are Canadian dollar denominated. Investors may incur customary brokerage commissions in buying or selling Units of the First Trust ETF. The First Trust ETF issue Units directly to Designated Brokers and Dealers. From time to time as may be agreed between the First Trust ETF and the Designated Brokers and Dealers, the Designated Brokers and Dealers may agree to accept Constituent Securities as payment for Units from prospective purchasers. See "Purchases of Units – Offerings and Continuous Distribution" and "Purchases of Units – Buying and Selling Units".
Investment Objectives:	The First Trust ETF seeks to provide the holders of Units ("**Unitholders**") with current income with a secondary objective of providing capital appreciation by investing primarily in a portfolio of equity securities included in the Nasdaq US Small Mid Cap Rising Dividend Achievers™ Index (the "**Index**") as well as listed options on the Russell 2000® Index or exchange-traded funds that track the Russell 2000® Index. See "Investment Objectives".

Investment Strategies:

The First Trust ETF will seek to achieve its investment objectives by investing all or substantially all of its assets in FT Vest SMID Rising Dividend Achievers Target Income ETF (the "**Underlying Fund**"). The Underlying Fund seeks to achieve its investment objectives by investing primarily in a portfolio of equity securities within the Index and by utilizing an option strategy consisting of writing (selling) U.S. exchange-traded call options on the Russell 2000® Index, or exchange-traded funds that track the Russell 2000® Index.

Use of Derivative Instruments

The First Trust ETF will invest in derivative instruments in connection with the hedging of the U.S. dollar currency exposure in respect of the Hedged Units. Any investment in derivative instruments shall be in compliance with applicable Canadian securities legislation and be consistent with the investment objective and investment strategy of the First Trust ETF.

See "Investment Strategies".

Special Considerations for Purchasers:

The provisions of the so-called "early warning" requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units. In addition, the First Trust ETF has obtained exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the Units of a class of the First Trust ETF through purchases on the Exchange, without regard to the take-over bid requirements of Canadian securities legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to FT Portfolios Canada Co. not to vote more than 20% of the Units of the class of the First Trust ETF at any meeting of Unitholders.

Distributions:

Cash distributions on Units of the First Trust ETF will be made as set forth in the following table, if at all.

First Trust ETF	Frequency of Distributions
First Trust Vest SMID Rising Dividend Achievers Target Income ETF	Monthly

Cash distributions on Units of the First Trust ETF are expected to be 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 returns of capital, which may be paid in the Manager's sole discretion. To the extent that the expenses of the First Trust ETF exceed the income generated by the First Trust ETF in any given month, it is not expected that a monthly distribution will be paid.

On an annual basis, the First Trust ETF will ensure that the net income and net realized capital gains of the First Trust ETF have been distributed to Unitholders to such an extent that the First Trust ETF will not be liable for ordinary income tax thereon. To the extent that the First Trust ETF has not distributed the full amount of its net income or capital gains in any year, the difference between such amount and the amount actually distributed by the First Trust ETF will be paid as a "reinvested distribution". Reinvested distributions, net of any required withholding tax, will be reinvested automatically in additional Units at a price equal to the NAV per Unit of the First Trust ETF and the Units will be immediately consolidated such that the number of outstanding Units following the distribution will equal the number of Units outstanding prior to the distribution. See "Distribution Policy".

In addition to the distributions described above, the First Trust ETF may from time to time pay additional distributions on its Units, including without restriction in connection with a special dividend or in connection with returns of capital.

Foreign Currency Hedging:	As the First Trust ETF will seek to hedge its 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. See "Investment Strategies – Foreign Currency Hedging".
Exchanges and Redemptions:	Unitholders may redeem Units for cash, subject to a redemption discount. Unitholders may also exchange a Prescribed Number of Units (or integral multiple thereof) for Baskets of Securities and cash or, in the discretion of the Manager, cash only. See "Redemption and Exchange of Units".
Termination:	The First Trust ETF does not have a fixed termination date but may be terminated by the Manager upon not less than 60 days' written notice to Unitholders. See "Termination of the First Trust ETF". In the event that the Index Provider ceases to calculate the Index or the License Agreement is terminated, the Manager may terminate the First Trust ETF on 60 days' notice, change the investment objective of the Underlying Fund, seek to replicate an alternative index or make such other arrangements as the Manager considers appropriate and in the best interests of Unitholders of the First Trust ETF in the circumstances. See "Investment Strategies – Termination of the Index or License Agreement".
Documents Incorporated by Reference:	Additional information about the First Trust ETF is or will be available in the most recently-filed annual financial statements, any interim financial statements filed after the most recent annual financial statements, the most recently-filed annual MRFP, any interim MRFP filed after the most recently-filed annual MRFP and the most recently-filed ETF Facts for the First Trust ETF. These documents are or will be incorporated by reference into, and legally form an integral part of, this prospectus. These documents are or will be publicly available on the First Trust ETF's website at www.firsttrust.ca and may be obtained upon request, at no cost, by calling 1.877.622.5552 or by contacting a registered dealer. These documents and other information about the First Trust ETF are or will be publicly available at www.sedarplus.ca. See "Documents Incorporated by Reference".
Eligibility for Investment:	In the opinion of Osler, Hoskin & Harcourt LLP, provided that the First Trust ETF qualifies as a mutual fund trust within the meaning of the Tax Act, is a "registered investment" within the meaning of the Tax Act, or that the Units of the First Trust ETF are listed on a "designated stock exchange", within the meaning of the Tax Act, which includes the Exchange, the Units of the First Trust ETF will be qualified investments for trusts governed by Registered Plans. Holders of TFSAs, FHSAs or RDSPs, subscribers of RESPs, and annuitants of RRSPs or RRIFs, should consult with their tax advisers as to whether Units would be a prohibited investment for such accounts or plans in their particular circumstances. See "Eligibility for Investment".
Risk Factors:	There are certain general risks inherent in an investment in the First Trust ETF and indirectly in the Underlying Fund as the First Trust ETF obtains exposure to portfolio securities through its investment in the Underlying Fund. These risk factors include the following: (i) risks relating to investments in equity securities and market risk; (ii) issuer risks; (iii) risks associated with investments in listed call options; (iv) risks associated with the use of options;

(v) risks associated with portfolio correlation;

(vi) U.S. tax risks associated with investment in options;

(vii) risk of error in replicating or tracking the Index;

(viii) risks relating to the performance of the Designated Brokers in relation to rebalancing of and adjustments to the Index;

(ix) potential difficulties in the calculation of the Index and the possible termination of the calculation of the Index or the License Agreement;

(x) risks associated with the Index model and data inputs of the Index;

(xi) risks relating to investments in investment funds;

(xii) risks that the asset classes held in the First Trust ETF will underperform the market;

(xiii) the possibility that Constituent Securities may be cease-traded, which may impact the exchange and redemption rights of the Units;

(xiv) fluctuations in the NAV and NAV per Unit of the First Trust ETF;

(xv) the possibility that the First Trust ETF will be unable to acquire or dispose of illiquid securities;

(xvi) risks associated with a distribution in-kind of assets in connection with the termination of the First Trust ETF;

(xvii) risks associated with the use of derivative transactions;

(xviii) the risks associated with foreign currency exposure;

(xix) the Units may trade in the market at a premium or a discount to the NAV per Unit and there can be no guarantee that the Units will trade at prices that reflect their NAV;

(xx) potential conflicts of interest regarding the allocation of time and resources to the First Trust ETF by the Manager, Portfolio Advisor, the Sub-Advisor and their directors, officers, affiliates and associates;

(xxi) the residency of the Portfolio Advisor is outside Canada and therefore it may be difficult to enforce legal rights against it;

(xxii) withholding tax risk;

(xxiii) changes in legislation, including tax legislation;

(xxiv) other tax-related risks;

(xxv) the potential of no active public trading market for the Units;

(xxvi) risks associated with reliance on the Manager;

(xxvii) risks associated with reliance on the Portfolio Advisor;

(xxviii) risk the First Trust ETF's portfolio is too concentrated and not sufficiently diversified;

(xxix) risks associated with foreign investments;

(xxx) risk of loss, as an investment in Units is not guaranteed; and

(xxxi) risks associated with cyber security;

See "Risk Factors".

Income Tax Considerations: A Unitholder who is resident in Canada for the purposes of the Tax Act will generally be required to include in the Unitholder's income for tax purposes for any year the amount of net income and any net taxable capital gains of the First Trust ETF paid or payable to the Unitholder in the year and deducted by the First Trust ETF in computing its income. Any non-taxable distributions from the First Trust ETF (other than the non-taxable portion of any net realized capital gains of the First Trust ETF) paid or payable to a Unitholder in a taxation year, such as a return of capital, will reduce the adjusted cost base of the Unitholder's Units of the First Trust ETF. To the extent that a Unitholder's adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the adjusted cost base of the Unit to the Unitholder will be nil immediately thereafter. Any loss realized by the First Trust ETF cannot be allocated to, and cannot be treated as a loss of, the Unitholders of the First Trust ETF. Upon the actual or deemed disposition of a Unit held by the Unitholder as capital property, including the exchange or redemption of a Unit, a capital gain (or a capital loss) will generally be realized by the Unitholder to the extent that the proceeds of disposition of the Unit exceed (or are less than) the aggregate of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition.

The Declaration of Trust governing the First Trust ETF requires that the First Trust ETF distribute its net income and net realized capital gains, if any, for each taxation year to Unitholders to such an extent that the First Trust ETF will not be liable in any taxation year for ordinary income tax.

If the First Trust ETF is deemed to be a "financial institution" for purposes of the Tax Act it would be subject to special tax rules. See "Income Tax Considerations – Status of the First Trust ETF".

Each investor should satisfy himself or herself as to the tax consequences of an investment in Units by obtaining advice from his or her own tax advisor. See "Income Tax Considerations".

Organization and Management Details

Trustee, Manager and Promoter: FT Portfolios Canada Co. is the trustee, manager and promoter of the First Trust ETF. The Manager was incorporated under the *Companies Act of Nova Scotia* on November 19, 2001. The Manager operates as the manager of investment funds in Canada. The head office and principal place of business of the Manager is located at 40 King Street West, Suite 5102, Toronto, Ontario M5H 3Y2.

The Manager has taken the initiative and may be considered to be a promoter of the First Trust ETF and will provide all management and administrative services required for the First Trust ETF. The Manager may from time to time employ or retain any other person or entity, including the Portfolio Advisor to assist the Manager in managing or providing administrative and investment advisory services to the First Trust ETF. See “Organization and Management Details – The Trustee, Manager and Promoter”.

Portfolio Advisor: First Trust Advisors L.P., an affiliate of the Manager, is the Portfolio Advisor of the First Trust ETF. The Portfolio Advisor was established in 1991 and provides asset management and investment advisory services to its clients. The Portfolio Advisor is an investment advisor located in the United States and is a non-Canadian advisor registered as a portfolio manager with the Ontario Securities Commission under the Securities Act (Ontario). The Portfolio Advisor is also an investment advisor registered with the U.S. Securities and Exchange Commission under the *U.S. Investment Advisers Act of 1940*. See “Organization and Management Details –The Portfolio Advisor”.

Custodian and Valuation Agent: CIBC Mellon Trust Company is the custodian of the assets of the First Trust ETF and has been given the authority to appoint sub-custodians. The address of the Custodian is 1 York Street, Suite 900, Toronto, Ontario M5J 0B6. The Custodian is entitled to receive fees from the Manager as described under “Fees and Expenses” and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the First Trust ETF.

CIBC Mellon Global Securities Services Company acts as the valuation agent of the First Trust ETF. The valuation agent is responsible for certain fund accounting and valuation services to the First Trust ETF including, without limitation, calculating the NAV, NAV per Unit, net income and net realized capital gains of the First Trust ETF. See “Organization and Management Details – Custodian and Valuation Agent”.

Registrar and Transfer Agent: TSX Trust Company, at its principal offices in Toronto, Ontario, is the registrar and transfer agent for the Units of the First Trust ETF. The register of the First Trust ETF is kept in Toronto. See “Organization and Management Details – Registrar and Transfer Agent”.

Auditor: Deloitte LLP, Chartered Professional Accountants, at its principal offices in Toronto, Ontario, is the auditor of the First Trust ETF. See “Organization and Management Details – Auditor”.

SUMMARY OF FEES AND EXPENSES

The following table lists the fees and expenses payable by the First Trust ETF. The value of a Unitholder’s investment in the First Trust ETF will be reduced by the Unitholder’s proportionate share of the fees and expenses charged to the First Trust ETF. For further particulars, see “Fees and Expenses”.

Management Fees: The First Trust ETF will pay the Manager a management fee as set forth in the table below, 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 is responsible for providing managerial, administrative and compliance services to the First Trust ETF. See “Organization and Management Details – The Trustee, Manager and Promoter – Duties and Services to be Provided by the Trustee, Manager and Promoter” for a description of the services provided by the Manager. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

As the First Trust ETF will invest substantially all of its net assets in units of the Underlying Fund, the First Trust ETF will bear the management fees and, if applicable, other fund expenses, associated with the Underlying Fund in which it invests. The management fee payable to the Manager will not be payable in respect of the portion of the First Trust ETF’s portfolio assets invested in the Underlying Fund to the extent that such fee would be duplicative.

First Trust ETF	Annual Management Fee (%)
First Trust Vest SMID Rising Dividend Achievers Target Income ETF[(1)]	0.15% of NAV of the Units

Note:

(1) The First Trust ETF will invest in the Underlying Fund and accordingly the First Trust ETF will also bear the management fee (being 0.85% per annum on the net asset value of the Underlying Fund) which is payable on the portion of its portfolio assets invested in the Underlying Fund. Accordingly, the total management fee borne by Unitholders in connection with its Units will be 1.00% per annum of the NAV of the Units.

See "Fees and Expenses – Management Fees".

Operating Expenses: In addition to the payment of the management fee, the 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 ETF was 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 ETF, including fees payable to the Portfolio Advisor, Custodian, Valuation Agent and Registrar and Transfer Agent and fees payable to other service providers. See "Organization and Management Details – The Trustee, Manager and Promoter – Duties and Services to be Provided by the Trustee, Manager, and Promoter" and See "Fees and Expenses – Operating Expenses".

OVERVIEW OF THE LEGAL STRUCTURE OF THE FIRST TRUST ETF

The First Trust ETF is an exchange traded mutual fund established as a trust under the laws of the Province of Ontario. The head and registered office of the First Trust ETF and FT Portfolios Canada Co. is located at 40 King Street West, Suite 5102, Toronto, Ontario M5H 3Y2. The First Trust ETF has been established pursuant to the Declaration of Trust.

The Units of the First Trust ETF have been conditionally approved for listing on the Exchange. Subject to satisfying the Exchange's original listing requirements in respect of the First Trust ETF, Units of the First Trust ETF will be listed on the Exchange and offered on a continuous basis, and an investor will be able to buy or sell Units of the First Trust ETF on the Exchange 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 of the First Trust ETF.

The following table sets out the full legal name as well as the ticker symbols for the First Trust ETF:

Legal Name	Ticker Symbol	
First Trust Vest SMID Rising Dividend Achievers Target Income ETF	units	Hedged Units
	SDVD	SDVD.F

INVESTMENT OBJECTIVES

The First Trust ETF seeks to provide Unitholders with current income with a secondary objective of providing capital appreciation by investing primarily in a portfolio of equity securities included in the Index as well as listed options on the Russell 2000® Index or exchange-traded funds that track the Russell 2000® Index.

INVESTMENT STRATEGIES

The First Trust ETF will seek to achieve its investment objectives by investing all or substantially all of its assets in the Underlying Fund. The Underlying Fund seeks to achieve its investment objectives by investing primarily in a portfolio of equity securities within the Index and by utilizing an option-strategy consisting of writing (selling) U.S. exchange-traded call options on the Russell 2000® Index or U.S.-listed ETFs that track the Russell 2000® Index. The Underlying Fund seeks to provide investors with a target income of approximately 8.0% (before fees and expenses) above the Russell 2000® Index annualized yield.

The Portfolio Advisor has retained Vest Financial LLC (the "**Sub-Advisor**") to act as the sub-advisor to provide investment advisory and portfolio management services in respect of the Underlying Fund in connection with the Underlying Fund's option-strategy. The Sub-Advisor was established in 2012 and is an investment advisor located in the United States. The Sub-Advisor is also an investment advisor registered with the U.S. Securities and Exchange Commission under the U.S. *Investment Advisers Act of 1940*. The principal office of the Sub-advisor is located at 1765 Greensboro Station Place, Tower 1, 9th Floor, McLean, Virginia, United States.

The Index

NASDAQ, Inc. (the "**Index Provider**") is the index provider for the Index.

According to the Index Provider, the Index is designed to measure the performance of securities in the small- to mid-capitalization space determined by the Index Provider to have increased their dividend value over the previous three-year and five-year annual periods, while being best positioned to continue the dividend increase. See "Overview of the Sectors to which the First Trust ETF Invests" for further information.

Further information about the Index is available on the First Trust website at www.firsttrust.ca.

Change in the Index

The Portfolio Advisor (and in turn, the Manager) may, subject to any required unitholder approval, change the Index of the Underlying Fund (and the First Trust ETF) to another index that provides investors with substantially the same exposure to the asset class to which the Underlying Fund is currently exposed. If the Portfolio Advisor (and in turn, the Manager) changes the Index of the Underlying Fund (and the First Trust ETF), or any index replacing such index, the Manager will issue a press release identifying the new index, describing its constituent securities and specifying the reasons for the change in the index.

Termination of the Index or License Agreement

The Index Provider calculates, determines and maintains the Index. In the event that the Index Provider ceases to calculate the Index or the License Agreement is terminated, the Manager may terminate the First Trust ETF on 60 days' notice, change the investment objective of the First Trust ETF, seek to replicate an alternative index or make such other arrangements as the Manager considers appropriate and in the best interests of Unitholders of the First Trust ETF in the circumstances.

Use of the Index

The Manager and the First Trust ETF are permitted to use the Index pursuant to the License Agreement described below under "Material Contracts – License Agreement". The Manager and the First Trust ETF do not accept responsibility for, or guarantee the accuracy and/or completeness of the Index or any data included in the Index.

Use of Derivative Instruments

The First Trust ETF will invest in derivative instruments in connection with the hedging of the U.S. dollar currency exposure in respect of the Hedged Units. Any investment in derivative instruments shall be in compliance with applicable Canadian securities legislation and be consistent with the investment objective and investment strategy of the First Trust ETF. Details of the risks associated with derivative instruments are set out in the section entitled "Risk Factors".

Foreign Currency Hedging

As the First Trust ETF will seek to hedge its 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. See "Risk Factors – General Risks Relating to an Investment in the First Trust ETF – Foreign Currency Exposure".

Rebalancing and Adjustment

The Index will be rebalanced and adjusted on a quarterly basis in March, June, September and December and reconstituted annually in March. The portfolio of the Underlying Fund will then be rebalanced and adjusted following such adjustment to the Index by the Portfolio Advisor.

OVERVIEW OF THE SECTORS IN WHICH THE FIRST TRUST ETF INVESTS

The First Trust ETF will invest all or substantially all of its assets in the Underlying Fund. The Underlying Fund invests primarily in a portfolio of equity securities included in the Index and by utilizing an option strategy consisting of writing (selling) U.S. exchange-traded call options on the Russell 2000® Index, or exchange-traded funds that track the Russell 2000® Index. The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 7% of the total market capitalization of that index, as of the most recent reconstitution. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® Index is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

INVESTMENT RESTRICTIONS

The First Trust ETF is subject to certain restrictions and practices contained in Canadian securities legislation. The First Trust ETF is managed in accordance with these restrictions and practices, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities. See "Exemptions and Approvals". A change to the fundamental investment objective of the First Trust ETF would require the approval of the Unitholders of the First Trust ETF. See "Unitholder Matters – Matters Requiring Unitholder Approval".

FEES AND EXPENSES

Management Fees

The First Trust ETF will pay the Manager a management fee as set forth in the table below, 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 is responsible for providing managerial, administrative and compliance services to the First Trust ETF. See "Organization and Management Details – The Trustee, Manager and Promoter – Duties and Services to be Provided by the Trustee, Manager and Promoter" for a description of the services provided by the Manager. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

As the First Trust ETF will invest substantially all of its net assets in units of the Underlying Fund, the First Trust ETF will bear the management fees and, if applicable, other fund expenses, associated with the Underlying Fund in which it invests. The management fee payable to the Manager will not be payable in respect of the portion of the First Trust ETF's portfolio assets invested in an Underlying Fund to the extent that such fee would be duplicative.

First Trust ETF	Annual Management Fee (%)
First Trust Vest SMID Rising Dividend Achievers Target Income ETF(1)	0.15% of NAV of the Units

Note:

(1) The First Trust ETF will invest in the Underlying Fund and accordingly the First Trust ETF will also bear the management fee (being 0.85% per annum on the net asset value of the Underlying Fund) which is payable on the portion of its portfolio assets invested in the Underlying Fund. Accordingly, the total management fee borne by Unitholders in connection with their Units will be 1.00% per annum of the NAV of the Units.

Operating Expenses

In addition to the payment of the management fee, the 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 ETF was 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 ETF, including fees payable to the Portfolio Advisor, Custodian, Valuation Agent and Registrar and Transfer Agent and fees payable to other service providers. See "Organization and Management Details – The Trustee, Manager and Promoter – Duties and Services to be Provided by the Trustee, Manager and Promoter".

RISK FACTORS

In addition to the considerations set out elsewhere in this prospectus, there are certain general risks inherent in an investment in the First Trust ETF and indirectly in the Underlying Fund as the First Trust ETF obtains exposure to portfolio securities through its investment in the Underlying Fund. The following are certain considerations relating to an investment in Units that prospective investors should consider before purchasing such Units.

Equity Investment and Market Risk

Equities such as common shares give the holder part ownership in a company. The value of an equity security changes with the fortunes of the company that issued it. General market conditions and the health of the economy as a whole can also affect equity prices. War, acts of terrorism, spread of infectious diseases or other public health issues, recessions, or other events may also lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Such events may affect certain geographic regions, countries, sectors and industries more significantly than others. Certain securities may be particularly sensitive to general market movements, which may result in a greater degree of price volatility for such securities and in the NAV of the First Trust ETF that invests in such securities under specific market conditions and over time. Equity related securities that provide indirect exposure to the equity securities of an issuer, such as convertible debentures, can also be affected by equity risk.

Issuer Risk

The value of a security may decline for a number of reasons that directly relate to the issuer or an entity providing credit support or liquidity support, such as management performance, financial leverage, and reduced demand for the issuer's goods, services or securities.

Call Options Risk

The use of call options involves risks different from those associated with ordinary portfolio securities transactions and depends on the ability of the Underlying Fund's portfolio managers to forecast market movements correctly. As the seller (writer) of a call option, the fund will lose money if the value of the reference index or security rises above the strike price and the buyer exercises the option; however, such loss will be partially offset by any premium received from the sale of the option. When writing a call option, the Underlying Fund will have no control over the exercise of the option by the option holder. A number of factors may influence the option holder's decision to exercise the option, including the value of the underlying security or index, price volatility, currency exchange rates, dividend yield and interest rates. To the extent that these factors increase the value of the call option, the option holder is more likely to exercise the option, which may negatively affect the fund. The effective use of options also depends on the Underlying Fund's ability to terminate option positions at times deemed desirable to do so. There is no assurance that the Underlying Fund will be able to effect closing transactions at any particular time or at an acceptable price. In addition, there may at times be an imperfect correlation between the movement in values of options and their reference index or security and there may at times not be a liquid secondary market for certain options. Additionally, the options on the Russell 2000® Index may perform differently than options on an ETF that tracks the Russell 2000® Index due to differences in the performance of the underlying ETF itself due to cash drag, differences between the portfolio of the ETF and the components of the index, expenses and other factors. Options may also involve the use of leverage, which could result in greater price volatility than other securities.

Options Risk

The use of options involves investment strategies and risks different from those associated with ordinary portfolio securities transactions and depends on the ability of the Underlying Fund's portfolio managers to forecast market movements correctly. The prices of options are volatile and are influenced by, among other things, actual and anticipated changes in the value of the underlying instrument, or in interest or currency exchange rates, including the anticipated volatility, which in turn are affected by fiscal and monetary policies and by national and international political and economic events. The effective use of options also depends on the Underlying Fund's ability to terminate option positions at times deemed desirable to do so. There is no assurance that the Underlying Fund will be able to effect closing transactions at any particular time or at an acceptable price. In addition, there may at times be an imperfect correlation between the movement in values of options and their underlying securities and there may at times not be a liquid secondary market for certain options.

Portfolio Correlation Risk

The Underlying Fund's portfolio is composed of both equity securities and written call options. Because the equity securities held by the fund are securities contained in the Index and the options are written on the Russell 2000® Index or ETFs that track the Russell 2000® Index, the fund's investments are not correlated, meaning their performance is independent of one another. Market events may impact one position held by the Underlying Fund more than the other position and the returns from the fund's investments in equity securities and written call options may not move in the same direction as one another.

Underlying Fund US Tax Risks Associated with Investment in Options

The Underlying Fund may invest a portion of its assets in options on indexes. The treatment of such derivatives to the Underlying Fund may, in part, be based upon informal guidance issued by the Internal Revenue Service a number of years ago. Although the Underlying Fund believes that it is treating such derivatives consistently with current US tax law, if the Internal Revenue Service were to disagree, the fund could lose its status as a "regulated investment company" (**RIC**). The Underlying Fund may also invest a portion of its assets in certain options on an underlying ETF that may not qualify as "Section 1256 contracts" under Section 1256 of the Code, and disposition of such options will likely result in short-term or long-term capital gains or losses. If the Underlying Fund did not qualify as a RIC for any taxable year and certain relief provisions were not available, the fund's taxable income would be subject to tax at the fund level and to a further tax at the shareholder level when such income is distributed. In such event, in order to requalify for taxation as a RIC, the fund might be required to recognize unrealized gains, pay substantial taxes and interest and make certain distributions. This would cause investors to incur higher tax liabilities than they otherwise would have incurred and would have a negative impact on fund returns. In such event, the Underlying Fund's Board of Trustees may determine to reorganize or close the fund or materially change the fund's investment objective and strategies.

Risk of Error in Replicating or Tracking the Index

The Underlying Fund in which the First Trust ETF will invest, will not replicate exactly the performance of the Index because the Underlying Fund will write/sell options (as described above). Additionally, the total return generated by the units of the Underlying Fund will be reduced by the management fee payable to the Manager and transaction costs incurred in adjusting the portfolio of securities held by the Underlying Fund and other expenses of the Underlying Fund, whereas such transaction costs and expenses are not included in the calculation of the Index.

Also, deviations in the tracking of the Index by the First Trust ETF (and the Underlying Fund) could occur for a variety of reasons, including as a result of certain other ETFs being included in the portfolio of securities held by the Underlying Fund. It is also possible that, for a period of time, the Underlying Fund may not fully replicate the performance of the Index due to extraordinary circumstances.

Adjustments to the Basket of Securities necessitated by the rebalancing of or adjustment to the Index could affect the underlying market for Constituent Securities of the Index, which in turn would be reflected in the value of the Index. Similarly, subscriptions for Units by Designated Brokers and Dealers may impact the market for Constituent Securities of the Index, as the Designated Broker or Dealer seeks to buy or borrow such securities to constitute Baskets of Securities to deliver to the First Trust ETF (or Underlying Fund) as payment for the units to be issued.

Rebalancing and Adjustment Risk

Adjustments to the portfolio of the Underlying Fund held by the First Trust ETF to reflect rebalancing of and adjustments to the Index may depend on the ability of the Underlying Fund's authorized participants, ability to deliver Constituent Securities to the Underlying Fund. If an authorized participant fails to perform, the Underlying Fund may be required to sell or purchase, as the case may be, Constituent Securities of the Index in the market. If this happens, the Underlying Fund would incur additional transaction costs and security mis-weights that would cause the performance of the First Trust ETF to deviate more significantly from the performance of the Index than would otherwise be expected.

Calculation and Termination of the Index

If the computer or other facilities of the Index Provider or the relevant stock exchange malfunction for any reason, calculation of value of the Index and the determination by the Manager of the Prescribed Number of Units and Baskets of Securities may be delayed and trading in Units may be suspended for a period of time.

In the event that the Index Provider ceases to calculate the Index or the License Agreement is terminated, the Manager may terminate the First Trust ETF on 60 days' notice, change the investment objective of the First Trust ETF, seek to replicate an alternative index or make such other arrangements as the Manager considers appropriate and in the best interests of Unitholders of the First Trust ETF in the circumstances.

Data Risk of Index

The model used to determine the Constituent Securities of the Index relies on the accuracy of the underlying data (such as stock market prices) that are the inputs used to generate the data upon which rebalancing decisions are made. If such underlying data is inaccurate then the conclusions drawn from the model will similarly be less reliable predictors from which to make index constituent determinations.

Fund of Funds Investment Risk

The First Trust ETF will invest directly in units of the Underlying Fund as part of its investment strategy. Accordingly, the First Trust ETF will be subject to the risks of the Underlying Fund. Also, if the Underlying Fund suspends redemptions, the First Trust ETF will be unable to accurately value part of its investment portfolio and may be unable to redeem its Units.

Asset Class Risk

The Constituent Securities may underperform the returns of other securities that have exposure to other countries, regions, industries, asset classes or sectors. Various asset classes tend to experience cycles of outperformance and underperformance in comparison to the general securities markets.

Cease Trading of Constituent Securities

If Constituent Securities held by the Underlying Fund are cease-traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the Manager may suspend the exchange or redemption of Units until such time as the transfer of the securities is permitted by law. Thus, Units bear the risk of cease trade orders against any Constituent Security held by the Underlying Fund.

Fluctuations in NAV and NAV per Unit

The NAV per Unit will vary according to, among other things, the value of the securities held by the First Trust ETF. The Manager, the Portfolio Advisor and the First Trust ETF have no control over the factors that affect the value of the securities held by the First Trust ETF or the Underlying Fund, including factors that affect the equity and bond markets generally such as general economic and political conditions, fluctuations in interest rates and factors unique to each Constituent Issuer such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events.

Illiquid Securities

If the First Trust ETF is unable to dispose of some or all of the securities held by it, the First Trust ETF may experience a delay in the receipt of the proceeds of disposition until such time as it is able to dispose of such securities or may be able to do so only at prices which may not reflect the true value of such investments. Likewise, if certain Constituent Securities are particularly illiquid, the Manager may be unable to acquire the number of securities necessary at a price acceptable to the Manager on a timely basis.

Distributions In Kind

A portion of the First Trust ETF’s portfolio may be invested in illiquid securities and instruments. There can be no assurance that all of the First Trust ETF’s investments will be liquidated prior to the termination of the First Trust ETF and that only cash will be distributed to its Unitholders. The securities and instruments that Unitholders may receive on termination may not be readily marketable and may have to be held for an indefinite period of time and may not be qualified investments for Registered Plans.

Use of Derivative Instruments

The First Trust ETF will use derivative instruments as described under “Investment Strategies – Use of Derivative Instruments”. The use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (i) there is no guarantee that hedging to reduce risk will not result in a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when the First Trust ETF want to complete the derivative contract, which could prevent the First Trust ETF from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the First Trust ETF from completing the derivative contract; (iv) the First Trust ETF could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; (v) if the First Trust ETF has an open position in an option, a futures contract or a forward contract with a dealer who goes bankrupt, the First Trust ETF could experience a loss and, for an open futures or forward contract, a loss of margin deposited with that dealer; and (vi) if a derivative is based on a stock market index and trading is halted on a substantial number of stocks in the index or there is a change in the composition of the index, there could be an adverse effect on the derivative. In circumstances where there is an interest rate hedge employed to protect against rising interest rates, total return on the investment portfolio of the First Trust ETF may be higher with the hedge than without it when interest rates rise significantly, but may be lower when interest rates are stable or decrease.

Foreign Currency Exposure

As the First Trust ETF will invest in securities traded in U.S. dollars and other foreign currencies, the NAV of the First Trust ETF, when measured in Canadian dollars, will, to the extent such foreign currency exposure has not been hedged against, be affected by changes in the value of the U.S. dollar and other foreign currencies relative to the Canadian dollar.

Since the First Trust ETF will seek to hedge their U.S. dollar currency exposure only in respect of the Hedged Units, all of the gains or losses associated with any hedging transactions in that regard will be solely for the account of the Hedged Units.

The use of hedges involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent that the Portfolio Advisor's assessment of certain market movements is incorrect, the risk that the use of hedges could result in losses greater than if the hedging had not been used. Hedging arrangements may have the effect of limiting or reducing the total returns of the First Trust ETF or the class of Units of the First Trust ETF that employs them, as applicable, if the Portfolio Advisor's expectations concerning future events or market conditions prove to be incorrect. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Where the First Trust ETF employs a currency hedge specific to its Hedged Units, the hedging is carried out in respect of the portfolio assets attributable to the Hedged Units and it is intended that the gains/losses on, and the costs of, the relevant derivatives entered into for hedging purposes will accrue to holders of the Hedged Units. However, the assets and liabilities attributable to the Hedged Units are not "ring-fenced" from the liabilities attributable to the other class of units within the same First Trust ETF due to the fact that there is no legal segregation of assets between classes of units of a mutual fund trust. Accordingly, in the unlikely event that the First Trust ETF is unable to meet liabilities attributable to its Hedged Units out of the assets attributable to that class, the excess liabilities would have to be met out of the assets attributable to the other class of units of the same First Trust ETF and in those circumstances the other class of units within the First Trust ETF may be adversely affected by the hedging transactions undertaken in respect of the Hedged Units.

Trading Price of Units

Units of a class may trade in the market at a premium or discount to the NAV per Unit of the class. There can be no assurance that Units will trade at prices that reflect their net asset value. The trading price of the Units will fluctuate in accordance with changes in the First Trust ETF's NAV, as well as market supply and demand on the Exchange. However, given that generally only a Prescribed Number of Units are issued to Designated Brokers and Dealers, and that holders of a Prescribed Number of Units (or an integral multiple thereof) may redeem such Units at their NAV, the Manager believes that large discounts or premiums to the NAV of the Units of a class should not be sustained.

Potential Conflicts of Interest

The Manager, the Portfolio Advisor, the Sub-Advisor and their directors, officers, affiliates and associates may engage in the promotion, management or investment management of other accounts, funds or trusts that invest primarily in the securities held by the First Trust ETF or the Underlying Fund or that have similar investment objectives to the First Trust ETF or the Underlying Fund.

Although officers, directors and professional staff of the Manager, the Portfolio Advisor and the Sub-Advisor will devote as much time to the First Trust ETF or the Underlying Fund, as applicable, as is deemed appropriate to perform their duties, the staff of the Manager, the Portfolio Advisor and the Sub-Advisor may have conflicts in allocating their time and services among the First Trust ETF, the Underlying Fund and the other funds managed by the Manager, the Portfolio Advisor or the Sub-Advisor, as applicable.

Residency of the Portfolio Advisor

The Portfolio Advisor is resident outside Canada and all or a substantial portion of its assets are located outside Canada. As a result, anyone seeking to enforce legal rights against it may find it difficult to do so.

Withholding Tax Risk

In the event the First Trust ETF invests in securities of foreign issuers, at the date hereof, the First Trust ETF would be subject to foreign withholding tax on certain securities. There is no guarantee that the rate of withholding tax will not increase which may significantly affect returns.

Changes in Legislation

There can be no assurance that tax, securities or other laws will not be changed in a manner that adversely affects the distributions received by the First Trust ETF or by the Unitholders. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") will not be changed in a manner that adversely affects the First Trust ETF or the Unitholders.

For example, changes to tax legislation or the administration thereof could affect the taxation of the First Trust ETF or the issuers in which it invests.

Further, from time to time, various legislative initiatives are proposed by governments which may have a negative impact on certain issuers whose securities are held in the portfolio of a mutual fund. In addition, litigation regarding any of such issuers or the industries represented by these issuers may negatively impact the prices of securities. The impact on the portfolio of a mutual fund of any pending or proposed legislation or pending or threatened litigation cannot be predicted.

Other Tax-Related Risks

If the First Trust ETF was to not qualify as a "mutual fund trust" for the purposes of the Tax Act for any period of time, there could be negative tax consequences for the First Trust ETF and its investors.

There can be no assurances that the CRA will agree with the tax treatment adopted by the First Trust ETF in filing their tax return and the CRA could reassess the First Trust ETF on a basis that results in tax being payable by the First Trust ETF.

If the First Trust ETF experiences a "loss restriction event" (i) the First Trust ETF will be deemed to have a year-end for tax purposes, and (ii) the First Trust ETF will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the First Trust ETF will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the First Trust ETF, or a group of persons becomes a "majority-interest group of beneficiaries" of the First Trust ETF, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the First Trust ETF will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, owns Units of the First Trust ETF having a fair market value that is greater than 50% of the fair market value of all the Units of the First Trust ETF. The First Trust ETF will generally be exempt from the loss restriction event rules if it meets certain asset diversification requirements and other conditions to qualify as an "investment fund" as defined in the Tax Act. The Manager intends that the First Trust ETF will qualify as an "investment fund" at all material times. Such status is generally expected to preclude the First Trust ETF from being subject to the consequences of a "loss restriction event" described above.

In addition, if the First Trust ETF does not qualify as a "mutual fund trust" under the Tax Act it will be treated as a "financial institution" for purposes of certain special mark-to-market rules in the Tax Act if more than 50% of the Units of the First Trust ETF are held by one or more Unitholders that are themselves considered to be financial institutions. In such event, the tax year of the First Trust ETF will be deemed to end immediately before that time and any gains or losses on certain securities accrued before that time will be deemed realized by the First Trust ETF and will be distributed to Unitholders. In addition, the First Trust ETF will be required to recognize at least annually on income account any gains and losses accruing on certain types of debt obligations and equity securities that it holds and also will be subject to special rules with respect to income inclusion on these securities. Any income arising from such treatment will be included in amounts to be distributed to Unitholders. If more than 50% of the Units of the First Trust ETF cease to be held by financial institutions, the tax year of the First Trust ETF will be deemed to end immediately before that time and any gains or losses on certain securities accrued before that time will be deemed realized by the First Trust ETF and will be distributed to Unitholders. A new taxation year for the First Trust ETF will then begin and for that and subsequent taxation years, for so long as not more than 50% of the Units of the First Trust ETF are held by financial institutions, or the First Trust ETF is a mutual fund trust for purposes of the Tax Act, the First Trust ETF will not be subject to these special mark-to-market rules. Given the manner in which Units are distributed, there will be circumstances in which it will not be possible to control or identify whether the First Trust ETF has, or has ceased to, become a "financial institution". As a result, there can be no assurance that the First Trust ETF is not a "financial institution" or will not in the future become, or cease to be, a "financial institution" and no assurance as to when and to whom any distributions arising on the change in "financial institution" status of the First Trust ETF will be made, or that the First Trust ETF will not be required to pay tax on any undistributed income or taxable capital gains realized by the First Trust ETF on such event.

Certain tax rules apply to direct and indirect investments by Canadian residents in non-resident trusts (the "**NRT Rules**"). It is not expected that the NRT Rules would be applied in respect of investments, if any, made by the First Trust ETF in non-resident funds that are trusts; however, no assurances can be given in this regard.

Certain rules in the Tax Act apply to SIFT trusts and SIFT partnerships as defined in the Tax Act. If the SIFT Rules apply to a trust, including the First Trust ETF, the trust will be taxed on certain income and gains on a basis similar to that which applies to a corporation with the result that certain tax efficiencies may cease to be available.

There can be no assurances that the CRA will agree with the tax treatment adopted by the First Trust ETF in filing its tax return and the CRA could reassess the First Trust ETF on a basis that results in tax being payable by the First Trust ETF.

Risk of No Active Market for the Units

The First Trust ETF is a newly organized exchange-traded fund with no previous operating history. Although Units of the First Trust ETF will, subject to satisfying the Exchange's original listing requirements, be listed on the Exchange, there can be no assurance that an active public market for the Units will develop or be sustained.

Reliance on the Manager

Unitholders will be dependent on the ability of the Manager to effectively manage the First Trust ETF in a manner consistent with its investment objectives, strategies and restrictions. There is no certainty that the individuals who are principally responsible for providing administration to the First Trust ETF will continue to be employed by the Manager.

Reliance on the Portfolio Advisor

The returns to Unitholders will be dependent on the ability of the Portfolio Advisor providing investment advisory services to the First Trust ETF. There is no certainty that the individuals who are principally responsible for providing such advisory services to the First Trust ETF will continue to be employed by the Portfolio Advisor or that they will continue to provide such services over the entire life of the First Trust ETF.

Reliance on the Sub-Advisor

The returns to unitholders of the Underlying Fund will be dependent on the ability of the Sub-Advisor providing investment advisory services to the Underlying Fund. There is no certainty that the individuals who are principally responsible for providing such advisory services to the Underlying Fund will continue to be employed by the Sub-Advisor or that they will continue to provide such services over the entire life of the Underlying Fund.

Concentration Risk

The First Trust ETF's portfolio may be less diversified when compared to a less concentrated investment portfolio. The First Trust ETF will invest in units of the Underlying Fund which seeks to replicate the performance of the Index in addition to utilizing an option strategy to write/sell U.S. exchange-traded call options on the Russell 2000® Index, or exchange-traded funds that track the Russell 2000® Index, and may have more of its net assets invested in one or more issuers than is usually permitted for mutual funds. Also, the NAV of the Underlying Fund (and in turn the First Trust ETF) may be more volatile than that of a more broadly-diversified portfolio and may fluctuate substantially over short periods of time.

Foreign Investment Risk

The First Trust ETF's investments will provide exposure to non-Canadian (and may provide exposure to non-United States issuers) which may expose the First Trust ETF to unique risks compared to investing in securities of Canadian or United States issuers, including, among others, greater market volatility than Canadian or United States securities, less complete financial information than for Canadian or United States issuers and detrimental exposure to foreign tax regimes. In addition, adverse political, economic or social developments could undermine the value of the First Trust ETF's investments or prevent the First Trust ETF from realizing the full value of its investments. Finally, the value of the currency of the country in which the First Trust ETF has invested could decline relative to the value of the Canadian dollar.

Participation in transactions by the First Trust ETF may involve the execution and clearing of trades on or subject to the rules of a foreign market. None of the Canadian securities regulatory authorities or Canadian exchanges regulates activities of any foreign markets, including the execution, delivery and clearing of transactions, or has the power to compel enforcement of the rule of a foreign market or any applicable foreign law. Generally, any foreign transaction will be governed by applicable foreign laws. This is true even if the foreign market is formally linked to a Canadian market so that a position taken on a market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, entities such as the First Trust ETF may not be afforded certain of the protective measures provided by Canadian legislation or Canadian exchanges. In particular, funds received from investors for transactions by the First Trust ETF on foreign exchanges may not be provided the same protection as funds received in respect of transactions by the First Trust ETF on Canadian exchanges.

Risk of Loss

Your investment in the First Trust ETF is not guaranteed by any entity. Unlike bank accounts or guaranteed investment certificates, your investment in the First Trust ETF is not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Cyber Security Risk

As businesses continue to rely heavily on information technology systems, cyber security incidents continue to be a risk they must consider. A cyber security incident is an adverse intentional or unintentional action or event that threatens the integrity, confidentiality or availability of the First Trust ETF's information resources. A cyber security incident may involve gaining unauthorized access (e.g. through hacking or malicious software) to the First Trust ETF's electronic systems to disrupt business operations or steal confidential information, or which may cause system failures and disrupt business operations. Furthermore, failures or breaches of the electronic systems of the First Trust ETF's service providers (e.g. custodian, registrar and transfer agent, etc.), or the issuers of securities in which the First Trust ETF invests could cause disruptions and negatively impact the First Trust ETF's business operations, potentially resulting in financial losses to the First Trust ETF and Unitholders.

Although to date, the First Trust ETF and the Manager have not experienced any material losses relating to cyber security incidents, there is no guarantee that the First Trust ETF or the Manager will not suffer material losses relating to cyber security incidents in the future. If they occurred, such losses could materially adversely impact the First Trust ETF's net asset value.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The investment risk level of the First Trust ETF is required to be determined in accordance with a standardized risk classification methodology that is based on the First Trust ETF's historical volatility as measured by the 10-year standard deviation of the returns of the First Trust ETF. Given that the First Trust ETF has not been offered for 10 years, the following reference index was considered for the period prior to its inception:

First Trust ETF:	Reference Index for Risk Rating Methodology:
First Trust Vest SMID Rising Dividend Achievers Target Income ETF	Russell 2000 Dividend Select Index

Using this methodology, the Manager will generally assign a risk rating of low, low to medium, medium, medium to high or high to the First Trust ETF. The standardized risk classification methodology allows for the use of discretion to classify the First Trust ETF at a higher investment risk level should the Manager deem that appropriate. The Manager has assigned the risk rating to the First Trust ETF as set forth in the table below. The risk rating below does not necessarily correspond to an investor's risk tolerance assessment. Investors are advised to consult their financial advisor for advice regarding an individual investor's personal circumstances:

First Trust ETF:	Risk Rating:
First Trust Vest SMID Rising Dividend Achievers Target Income ETF – Units	Medium to High

The First Trust ETF's risk classification is based on the Russell 2000® Dividend Select Index which represents the total dividends paid by the stocks of companies included in the Russell 2000® Index. The index is designed to measure equity performance independent of stock price changes, and it can be used as the basis for index-linked financial products such as exchange-traded funds and derivatives. See "Overview of the Sectors in which the First Trust ETF Invests" for a description of the Russell 2000® Index.

A copy of the standardized risk classification methodology used by the Manager to identify the investment risk levels of the First Trust ETF is available on request, at no cost, by calling 1.877.622.5552.

DISTRIBUTION POLICY

Distributions

Cash distributions on Units of the First Trust ETF will be made as set forth in the following table, if at all.

First Trust ETF	Frequency of Distributions
First Trust Vest SMID Rising Dividend Achievers Target Income ETF	Monthly

Cash distributions on Units of the First Trust ETF are expected to be 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 returns of capital, which may be paid in the Manager's sole discretion. To the extent that the expenses of the First Trust ETF exceed the income generated by the First Trust ETF in any given month, it is not expected that a monthly distribution will be paid.

On an annual basis, the First Trust ETF will ensure that the net income and net realized capital gains of the First Trust ETF have been distributed to Unitholders to such an extent that the First Trust ETF will not be liable for ordinary income tax thereon. To the extent that the First Trust ETF has not distributed the full amount of its net income or capital gains in any year, the difference between such amount and the amount actually distributed by the First Trust ETF will be paid as a "reinvested distribution". Reinvested distributions, net of any required withholding tax, will be reinvested automatically in additional Units at a price equal to the NAV per Unit of the First Trust ETF and the Units will be immediately consolidated such that the number of outstanding Units following the distribution will equal the number of Units outstanding prior to the distribution. The tax treatment to Unitholders of reinvested distributions is discussed under the heading "Income Tax Considerations – Taxation of Unitholders – Distributions".

In addition to the distributions described above, the First Trust ETF may from time to time pay additional distributions on its Units, including without restriction in connection with a special dividend or in connection with returns of capital.

In any case in which a subscription order from a Dealer or Designated Broker is received by the First Trust ETF on or after the date of declaration of a distribution by the First Trust ETF payable in cash and before the ex-dividend date on the Exchange, for that distribution (generally, the record date or such other date where the purchaser becomes entitled to rights connected to the Units subscribed), an additional amount equal to the amount of cash per Unit of that distribution will be added to the NAV per Unit and will be delivered in cash to the First Trust ETF in respect of each issued Unit.

PURCHASES OF UNITS

Offerings and Continuous Distribution

Units of the First Trust ETF are being issued and sold on a continuous basis and there is no maximum number of Units that may be issued.

Designated Brokers

The Manager, on behalf of the First Trust ETF, has entered or will enter, as the case may be, into a Designated Broker Agreement with a Designated Broker pursuant to which the Designated Broker agrees to perform certain duties relating to the First Trust ETF including, without limitation: (i) to subscribe for a sufficient number of Units to satisfy the original listing requirements of the Exchange; (ii) to subscribe for Units on an ongoing basis in connection with the rebalancing of and adjustments to the portfolio and when cash redemptions of Units occur as described under "Redemption and Exchange of Units – Redemption of Units for Cash"; and (iii) to post a liquid two-way market for the trading of Units on the Exchange. The Manager may, in its discretion from time to time, reimburse any Designated Broker for certain expenses incurred by the Designated Broker in performing these duties.

The Designated Broker Agreement provides that the Manager may from time to time and, in any event not more than once quarterly, require the Designated Broker to subscribe for Units of the First Trust ETF for cash in a dollar amount not to exceed 0.30% of the NAV of the First Trust ETF. The number of Units issued will be the subscription amount divided by the NAV per Unit next determined following the delivery by the Manager of a subscription notice to the Designated Broker. Payment for the Units must be made by the Designated Broker, and the Units will be issued, by no later than the next Trading Day after the subscription notice has been delivered.

Issuance of Units

To Designated Brokers and Dealers

All orders to purchase Units directly from the First Trust ETF must be placed by Designated Brokers or Dealers. The First Trust ETF reserves the absolute right to reject any subscription order placed by a Designated Broker or Dealer. No fees will be payable by the First Trust ETF to a Designated Broker or Dealer in connection with the issuance of Units. On the issuance of Units, the Manager may, in its discretion, charge an administrative fee to a Designated Broker or Dealer to offset the expenses (including any applicable Exchange additional listing fees) incurred in issuing the Units.

On any Trading Day, a Designated Broker or Dealer may place a subscription order for the Prescribed Number of Units (or an integral multiple thereof) of the First Trust ETF. If a subscription order is received by the First Trust ETF by 9:00 a.m. (Toronto time) on a Trading Day (or such later time on such Trading Day as the Manager may permit), the First Trust ETF will issue to the Designated Broker or Dealer the Prescribed Number of Units (or an integral multiple thereof) by no later than the next Trading Day after the date on which the subscription order is accepted, provided that payment for such Units has been received.

For each Prescribed Number of Units issued, a Designated Broker or Dealer must deliver payment consisting of, in the Manager's discretion: (i) one Basket of Securities and cash in an amount sufficient so that the value of the securities and the cash received is equal to the NAV of the Units next determined following the receipt of the subscription order; (ii) cash in an amount equal to the NAV of the Units next determined following the receipt of the subscription order; or (iii) a combination of securities and cash, as determined by the Manager, in an amount sufficient so that the value of the securities and cash received is equal to the NAV of the Units next determined following the receipt of the subscription order.

The Manager may, in its discretion, increase or decrease the Prescribed Number of Units from time to time. The Prescribed Number of Units will be available on the First Trust ETF's website at http://www.firsttrust.ca/Retail/ETF/ExchangeTradedFundsBrokerDealerInfo.aspx.

To Designated Brokers in Special Circumstances

Units may be issued by the First Trust ETF to Designated Brokers in connection with cash redemptions of Units as described below under "Redemption and Exchange of Units – Redemption of Units for Cash".

To Unitholders as Reinvested Distributions

Units may be issued by the First Trust ETF to Unitholders of the First Trust ETF on the automatic reinvestment of special dividends and other reinvested distributions. See "Distribution Policy".

Buying and Selling Units

The Units of the First Trust ETF have been conditionally approved for listing on the Exchange. Subject to satisfying the Exchange's original listing requirements in respect of the First Trust ETF, Units of the First Trust ETF will be listed on the Exchange and offered on a continuous basis, and an investor will be able to buy or sell Units of the First Trust ETF on the Exchange 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 of the First Trust ETF. The First Trust ETF issues Units directly to the Designated Brokers and Dealers.

From time to time as may be agreed by the First Trust ETF and the Designated Brokers and Dealers, the Designated Brokers and Dealers may agree to accept Constituent Securities as payment for Units from prospective purchasers.

Special Considerations for Unitholders

The provisions of the so-called “early warning” requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units. In addition, the First Trust ETF has obtained exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the Units of a class of the First Trust ETF through purchases on the Exchange, without regard to the take-over bid requirements of Canadian securities legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to not vote more than 20% of the Units of the class of the First Trust ETF at any meeting of Unitholders.

Non-Resident Unitholders

At no time may: (i) non-residents of Canada; (ii) partnerships that are not Canadian partnerships; or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units of a class of the First Trust ETF. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units of a class of the First Trust ETF then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of such Units are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident Unitholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the First Trust ETF as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the First Trust ETF as a mutual fund trust for purposes of the Tax Act.

Registration and Transfer through CDS

Registration of interests in, and transfers of, the Units will be made only through CDS. Units must be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner will receive only the customary confirmation and physical certificates evidencing ownership will not be issued. References in this prospectus to a holder of Units mean, unless the context otherwise requires, the owner of the beneficial interest in such Units.

Neither the First Trust ETF nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in the Units or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner’s interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The First Trust ETF has the option to terminate registration of the Units through the book-based system in which case certificates for Units in fully registered form may be issued to beneficial owners of such Units or to their nominees.

REDEMPTION AND EXCHANGE OF UNITS

Redemption of Units for Cash

On any Trading Day, Unitholders may redeem Units of the First Trust ETF for cash at a redemption price per Unit equal to the lesser of (a) 95% of the closing price for the Units on the Exchange, on the effective day of the redemption; and (b) the NAV per Unit. Because Unitholders will generally be able to sell Units at the market price on the Exchange, through a registered broker or dealer subject only to customary brokerage commissions, Unitholders are advised to consult their brokers, dealers or investment advisors before redeeming their Units for cash.

In order for a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by the Manager from time to time must be delivered to the First Trust ETF at its registered office by 9:00 a.m. (Toronto time) on the Trading Day (or such later time on such Trading Day as the Manager may permit). If a cash redemption request is not received by the delivery deadlines noted immediately above on a Trading Day, the cash redemption request will be effective only on the next Trading Day. Payment of the redemption price will be made by no later than the next Trading Day after the effective day of the redemption. The cash redemption request forms may be obtained from any registered broker or dealer.

Investors that redeem Units prior to the distribution record date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of Units, the First Trust ETF may dispose of securities or other assets to satisfy the redemption.

Exchange of Units for Baskets of Securities

On any Trading Day, Unitholders may exchange the Prescribed Number of Units (or an integral multiple thereof) for Baskets of Securities and/or cash in the discretion of the Manager.

To effect an exchange of Units, a Unitholder must submit an exchange request in the form prescribed by the Manager from time to time to the First Trust ETF at its registered office by 9:00 a.m. (Toronto time) on a Trading Day (or such later time on such Trading Day as the Manager may permit). The exchange price will be equal to the NAV of the Units on the effective day of the exchange request, payable by delivery of Baskets of Securities and cash. The Units will be redeemed in the exchange.

If an exchange request is not received by the submission deadlines noted immediately above on a Trading Day, the exchange order will be effective only on the next Trading Day. Settlement of exchanges for Baskets of Securities and cash will be made by no later than the next Trading Day after the effective day of the exchange request. The securities to be included in the Baskets of Securities delivered on an exchange shall be selected by the Portfolio Advisor, in its discretion.

Unitholders should be aware that the NAV per Unit will decline on the date of declaration of any distribution payable in cash on Units. A Unitholder that is no longer a holder of record on the applicable distribution record date will not be entitled to receive that distribution.

If Constituent Securities are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a Unitholder on an exchange in the Prescribed Number of Units may be postponed until such time as the transfer of the securities is permitted by law.

Requests for Exchange and Redemption

A Unitholder submitting an exchange or redemption request is deemed to represent to the First Trust ETF and the Manager that: (i) it has full legal authority to tender the Units for exchange or redemption and to receive the proceeds of the exchange or redemption; and (ii) the Units have not been loaned or pledged and are not the subject of a repurchase agreement, securities lending agreement or a similar arrangement that would preclude the delivery of the Units to the First Trust ETF. The Manager reserves the right to verify these representations at its discretion. Generally, the Manager will require verification with respect to an exchange or redemption request if there are unusually high levels of exchange or redemption activity or short interest in the First Trust ETF. If the Unitholder, upon receipt of a verification request, does not provide the Manager with satisfactory evidence of the truth of the representations, the Unitholder's exchange or redemption request will not be considered to have been received in proper form and will be rejected.

Conversion of Units

Unitholders may convert units into Hedged Units of the First Trust ETF or Hedged Units into units of the First Trust ETF in any month. To do so, Units must be surrendered and the Unitholder's CDS Participant must deliver to CDS (at its office in the City of Toronto) on behalf of the Unitholder, notice of the Unitholder's intention to convert at any time during the period from the first day of a month until 5:00 p.m. (Toronto time) on the last business day prior to the 16th day of such month. Units surrendered for conversion will be converted on the last Trading Day of the month (the "**Conversion Date**").

For each unit so converted, a holder will receive a number of Hedged Units equal to the Net Asset Value per unit as of the Conversion Date divided by the Net Asset Value per Hedged Unit as of the Conversion Date.

For each Hedged Unit so converted, a holder will receive a number of units equal to the Net Asset Value per Hedged Unit as of the Conversion Date divided by the Net Asset Value per unit as of the Conversion Date.

Unitholders should consult with their own tax advisors about the tax consequences of undertaking a Unit conversion.

Suspension of Exchange and Redemption

The Manager may suspend the redemption of Units or payment of redemption proceeds of the First Trust ETF: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the First Trust ETF are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the First Trust ETF, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the First Trust ETF; or (ii) with the prior permission of the securities regulatory authorities for any period not exceeding 30 days during which the Manager determines that conditions exist that render impractical the sale of assets of the First Trust ETF or that impair the ability of the Valuation Agent to determine the value of the assets of the First Trust ETF. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the First Trust ETF, any declaration of suspension made by the Manager shall be conclusive.

Costs Associated with Exchange and Redemption

Unitholders who buy and sell Units of the First Trust ETF through the facilities of the Exchange or other exchange do not pay a fee directly to the Manager or the First Trust ETF in respect of those purchases and sales.

Unitholders who exchange or redeem Units of the First Trust ETF directly through the Manager may be charged, at the Manager's discretion, an administrative fee of up to 0.15% of the exchange or redemption proceeds to offset certain transaction costs associated with the exchange or redemption of Units of the First Trust ETF.

Allocations of Capital Gains to Redeeming or Exchanging Unitholders

Pursuant to the Declaration of Trust, the First Trust ETF may allocate and designate as payable any capital gains realized by the First Trust ETF as a result of any disposition of property of the First Trust ETF. In addition, the First Trust ETF has the authority to distribute, allocate and designate any capital gains of the First Trust ETF to a Unitholder of the First Trust ETF who has redeemed or exchanged Units during a year. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming Unitholder. The taxable portion of the capital gain so designated must be included in the income of the redeeming Unitholder (as taxable capital gains) and may be deductible by the First Trust ETF in computing its income, subject to subsection 132(5.3) and subsection 132(5.31) of the Tax Act. The capital gains allocated in any given taxation year to all exchanging and redeeming Unitholders of the First Trust ETF shall be an amount determined by a formula which is based on (a) the amount of capital gains designated to Unitholders on an exchange or redemption of Units in the taxation year, (b) the total amount paid for exchanges or redemptions of the Units in the taxation year, (c) the First Trust ETF's NAV at the end of the taxation year and the end of the previous taxation year, and (d) the First Trust ETF's net taxable capital gains for the taxation year.

Exchange and Redemption of Units through CDS Participants

The exchange and redemption rights described above must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold Units sufficiently in advance of the cut-off times described above to allow such CDS Participants to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

Short-Term Trading

At the present time, the Manager is of the view that it is not necessary to impose any short-term trading restrictions on the First Trust ETF as Units of the First Trust ETF are generally traded by investors on an exchange in the secondary market in the same way as other listed securities. In the few situations where the First Trust ETF are not purchased in the secondary market, purchases usually involve a Designated Broker or a Dealer upon whom the Manager may impose a redemption fee, which is intended to compensate the First Trust ETF for any costs and expenses incurred in relation to the trade.

PRICE RANGE AND TRADING VOLUME OF UNITS

No information is available as Units of the First Trust ETF have not yet been issued.

INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act for the First Trust ETF and for a prospective investor in the First Trust ETF that, for the purpose of the Tax Act, is an individual, other than a trust, is resident in Canada, holds Units of the First Trust ETF, and any securities of Constituent Issuers accepted as payment for Units of the First Trust ETF, as capital property, has not entered into a "derivative forward agreement" as defined in the Tax Act in respect of Units of the First Trust ETF or securities of such Constituent Issuers and is not affiliated and deals at arm's length with the First Trust ETF. This summary is based upon the current provisions of the Tax Act, all specific proposals to amend the Tax Act that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof ("**Tax Proposals**"), and counsel's understanding of the current published administrative policies and assessing practices of the CRA. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action and it does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the considerations described below.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Prospective investors should therefore consult their own tax advisors about their individual circumstances.

This summary is also based on the assumptions that: (i) none of the issuers of securities held by the First Trust ETF will be a foreign affiliate of the First Trust ETF or any Unitholder; (ii) none of the securities held by the First Trust ETF will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act; (iii) none of the securities held by the First Trust ETF will be an interest in a non-resident trust other than an "exempt foreign trust" as defined in the Tax Act; and (iv) no First Trust ETF will enter into any arrangement where the result is a dividend rental arrangement for the purposes of the Tax Act.

Proposed Amendments to the Capital Gains Inclusion Rate and the Capital Losses Deduction Rate

Tax Proposals released on August 12, 2024 (the "**August 12 Tax Amendments**") propose to generally increase the proportion of a capital gain that would be included in income as a taxable capital gain, or the proportion of a capital loss that would constitute an allowable capital loss, from one-half to two-thirds for any capital gains or losses realized on or after June 25, 2024. The one-half inclusion of capital gains will continue to apply to individuals (other than most types of trusts) up to a maximum of $250,000 of net capital gains per year.

Under the August 12 Tax Amendments two different inclusion and deduction rates would apply for taxation years that begin before June 25, 2024, and end after June 24, 2024 ("**Transitional Year**"). As a result, for its Transitional Year a taxpayer will be required to separately identify capital gains and capital losses realized before June 25, 2024 ("**Period 1**") and those realized after June 24, 2024 ("**Period 2**", each of Period 1 and Period 2 being a "**Period**"). The annual $250,000 threshold for an individual will be fully available in 2024 without proration and would apply only in respect of net capital gains realized in Period 2 less any net capital losses from Period 1.

If the August 12 Tax Amendments are enacted as proposed, the tax consequences described below will, in some respects, be different. The below summary only generally describes, and is not exhaustive of all possible, Canadian federal income tax considerations arising from the August 12 Tax Amendments as they relate to capital gains (or losses) of trusts and their unitholders. Accordingly, Unitholders are advised to consult their own tax advisors regarding the implications of the August 12 Tax Amendments with respect to their particular circumstances.

Status of the First Trust ETF

This summary is based on the assumption that the First Trust ETF will comply at all material times with the conditions prescribed in the Tax Act and otherwise so as to qualify as a "mutual fund trust" as defined in the Tax Act.

If the First Trust ETF does not qualify as a mutual fund trust under the Tax Act then the First Trust ETF will be treated as a "financial institution" for purposes of certain special mark-to-market rules in the Tax Act if more than 50% of the Units of the First Trust ETF are held by one or more Unitholders that are themselves considered to be financial institutions under those rules.

Provided that the First Trust ETF qualifies as a mutual fund trust within the meaning of the Tax Act, is a "registered investment" within the meaning of the Tax Act, or that the Units of the First Trust ETF are listed on a "designated stock exchange" within the meaning of the Tax Act, which includes the Exchange, the Units of the First Trust ETF will be qualified investments for trusts governed by Registered Plans.

In the case of an exchange of Units of the First Trust ETF for a Basket of Securities of the First Trust ETF, or a distribution in kind on the termination of the First Trust ETF, the investor will receive securities. The securities received by an investor as a result of an exchange of Units or a distribution in kind may or may not be qualified investments for Registered Plans. Investors should consult their own tax counsel for advice on whether or not such securities would be qualified investments for Registered Plans.

Taxation of the First Trust ETF

The First Trust ETF will include in computing its income taxable distributions received on securities held by it, including any special dividends and the taxable portion of capital gains realized by the First Trust ETF on the disposition of securities held by it. Under the SIFT Rules, certain income earned by issuers of Constituent Securities that are SIFT trusts or SIFT partnerships, when such income is distributed or allocated to the First Trust ETF, would be treated as eligible dividends from a taxable Canadian corporation. The First Trust ETF will include in computing its income any interest accruing to it on bonds held by the First Trust ETF. In the case of the First Trust ETF holding real return or inflation-adjusted bonds, any amounts in respect of inflation-related adjustments to the principal amount of the bonds will be deemed to be interest for this purpose. Any such amounts of accrued interest and amounts deemed to be interest will be reflected in distributions to Unitholders.

The Declaration of Trust governing the First Trust ETF requires that the First Trust ETF distributes its net income and net realized capital gains, if any, for each taxation year of the First Trust ETF to Unitholders to such an extent that the First Trust ETF will not be liable in any taxation year for ordinary income tax (after taking into account any applicable losses of the First Trust ETF and any capital gains refunds (as defined below) to which the First Trust ETF is entitled). If in a taxation year the income for tax purposes of the First Trust ETF exceeds the cash available for distribution by the First Trust ETF, such as in the case of the receipt by the First Trust ETF of special dividends, the First Trust ETF will distribute its income through a payment of reinvested distributions.

If the First Trust ETF is not a “mutual fund trust” under the Tax Act throughout a taxation year, the First Trust ETF (i) may become liable for alternative minimum tax under the Tax Act in such year, (ii) may be subject to a special tax under Part XII.2 of the Tax Act in such year and (iii) may be subject to rules applicable to financial institutions discussed above.

If the First Trust ETF invests in another fund (an “**Underlying Trust**”) that is a Canadian resident trust, other than a SIFT trust, the Underlying Trust may designate a portion of amounts that it distributes to the First Trust ETF as may reasonably be considered to consist of: (i) taxable dividends (including eligible dividends) received by the Underlying Trust on shares of taxable Canadian corporations; and (ii) net taxable capital gains realized by the Underlying Trust. Any such designated amounts will be deemed for tax purposes to be received or realized by the First Trust ETF as such a taxable dividend or taxable capital gain, respectively. An Underlying Trust that pays foreign withholding tax may make designations such that the First Trust ETF may be treated as having paid its share of such foreign tax for purposes of the foreign tax credit rules in the Tax Act.

If the First Trust ETF invests in another fund that for Canadian federal income tax purposes is a trust that is not resident in Canada (an “**Underlying Foreign Trust**”) that is an “exempt foreign trust” for purposes of the Tax Act and the total fair market value at any time of all fixed interests of a particular class in the Underlying Foreign Trust held by the First Trust ETF and/or persons or partnerships not dealing at arm's length with the First Trust ETF, is at least 10% of the total fair market value at that time of all fixed interests of the particular class of the Underlying Foreign Trust, the Underlying Foreign Trust will be deemed by section 94.2 of the Tax Act to be at that time a controlled foreign affiliate (“**CFA**”) of the First Trust ETF.

If the Underlying Foreign Trust is deemed to be a CFA of the First Trust ETF at the end of a particular taxation year of the Underlying Foreign Trust and earns income that is characterized as foreign accrual property income (“**FAPI**”) in that taxation year of the Underlying Foreign Trust, the First Trust ETF’s proportionate share of the FAPI of the Underlying Foreign Trust (computed under Canadian federal income tax principles and reducible by certain deductions) must be included in computing the income of the First Trust ETF for Canadian federal income tax purposes for the taxation year of the First Trust ETF in which that taxation year of the Underlying Foreign Trust ends, whether or not the First Trust ETF actually receives a distribution of that FAPI.

Under section 94.2 of the Tax Act, in computing the amount of FAPI of an Underlying Foreign Trust that is required to be included in income by the First Trust ETF, there may be deducted the portion of such FAPI that has been distributed or otherwise made payable to the First Trust ETF in the applicable taxation year.

The First Trust ETF may be subject to the suspended loss rules contained in the Tax Act. A loss realized on a disposition of property may be considered to be a suspended loss when the First Trust ETF acquires a property (a "**substituted property**") that is the same or identical to the property disposed of, within 30 days before and 30 days after the disposition and the First Trust ETF owns the substituted property 30 days after the original disposition. If a loss is suspended, the First Trust ETF cannot deduct the loss from the First Trust ETF's gains until the substituted property is sold and is not reacquired within 30 days before and after the sale.

In determining the income of the First Trust ETF, gains or losses realized upon dispositions of securities in which the First Trust ETF has invested will constitute capital gains or capital losses of the First Trust ETF in the year realized unless the First Trust ETF is a "financial institution" as described above, or is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities, or the First Trust ETF has acquired the securities in a transaction or transactions considered to be an adventure in the nature of trade.

The First Trust ETF will be entitled for each taxation year throughout which it is a "mutual fund trust" for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of its Units during the year ("**capital gains refund**"). The capital gains refund in a particular taxation year may not completely offset the tax liability of the First Trust ETF for such taxation year which may arise upon the sale of its investments in connection with redemptions of Units.

Pursuant to the Declaration of Trust, the First Trust ETF may allocate and designate as payable any capital gains realized by the First Trust ETF as a result of any disposition of property of the First Trust ETF. In addition, the First Trust ETF has the authority to distribute, allocate and designate any capital gains of the First Trust ETF to a Unitholder of the First Trust ETF who has redeemed or exchanged Units during a year. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming Unitholder. The taxable portion of the capital gain so designated must be included in the income of the redeeming Unitholder (as taxable capital gains) and may be deductible by the First Trust ETF in computing its income, subject to subsection 132(5.3) and subsection 132(5.31) of the Tax Act. The capital gains allocated in any given taxation year to all exchanging and redeeming Unitholders of the First Trust ETF shall be an amount determined by a formula which is based on (a) the amount of capital gains designated to Unitholders on an exchange or redemption of Units in the taxation year, (b) the total amount paid for exchanges or redemptions of the Units in the taxation year, (c) the First Trust ETF's NAV at the end of the taxation year and the end of the previous taxation year, and (d) the First Trust ETF's net taxable capital gains for the taxation year.

The Manager has advised counsel that, generally, the First Trust ETF will include gains and deduct losses on income account in connection with investments made through derivatives transactions, except where the First Trust ETF is not a "financial institution" for purposes of the Tax Act, such derivatives are not "derivative forward agreements" as defined in the Tax Act, and are entered into in order to hedge securities that are held on capital account by the First Trust ETF, and are sufficiently linked thereto. Such gains or losses will be recognized for tax purposes at the time they are realized by the First Trust ETF.

The First Trust ETF is required to compute its income and gains for tax purposes in Canadian dollars. Therefore, the amount of income, cost, proceeds of disposition and other amounts in respect of investments that are not Canadian dollar denominated will be affected by fluctuations in the exchange rate of the Canadian dollar against the relevant foreign currency, although, in some cases, such fluctuations may be offset through hedging transactions.

The First Trust ETF may pay foreign withholding or other taxes in connection with investments in foreign securities in respect of which foreign tax credits may not be available.

Under the Tax Act, the excessive interest and financing expenses limitation rules (the "EIFEL Rules"), if applicable to an entity, may limit the deductibility of interest and other financing-related expenses by the entity to the extent that such expenses, net of interest and other financing-related income, exceed a fixed ratio of the entity's adjusted EBITDA. The EIFEL Rules and their application are highly complex, and there can be no assurances that the EIFEL Rules will not have adverse consequences to the First Trust ETF or its Unitholders. In particular, if these rules were to apply to restrict deductions otherwise available to a First Trust ETF, the taxable component of distributions paid by the First Trust ETF to Unitholders may be increased, which could reduce the after-tax return associated with an investment in Units. Although certain investment funds that are considered to be "excluded entities" for purposes of the EIFEL Rules may be excluded from the application of the EIFEL Rules, there can be no assurance that the First

Trust ETF would qualify as an “excluded entity” for these purposes, and hence the First Trust ETF could be subject to the EIFEL Rules.

Taxation of Unitholders

Distributions

A Unitholder will be required to include in the Unitholder’s income for tax purposes for any year the amount of net income and net taxable capital gains of the First Trust ETF, if any, paid or payable to the Unitholder in the year and deducted by the First Trust ETF in computing its income, whether or not such amounts are reinvested in additional Units.

The non-taxable portion of any net realized capital gains of the First Trust ETF that is not a “financial institution”, as described above, that is paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholder’s income for the year and will not reduce the adjusted cost base of the Unitholder’s Units of the First Trust ETF. Any other non-taxable distribution, such as a return of capital, will not be included in computing the Unitholder’s income for the year but will reduce the Unitholder’s adjusted cost base (unless the First Trust ETF elects to treat such amount as a distribution of additional income). To the extent that a Unitholder’s adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the Unitholder’s adjusted cost base will be nil immediately thereafter.

Under the August 12 Tax Amendments, the amount designated by the First Trust ETF to a Unitholder for the Unitholder’s Transitional Year ending on or after December 31, 2024 in respect of the First Trust ETF’s net taxable capital gains realized in its taxation year ending on December 31, 2024 will be grossed up (i.e., multiplied by 3/2), and the grossed-up amount will be deemed to be a capital gain realized by the Unitholder on December 31, 2024.

The First Trust ETF will designate, to the extent permitted by the Tax Act, the portion of the net income distributed to Unitholders as may reasonably be considered to consist of, respectively: (i) taxable dividends (including eligible dividends) received or considered to be received by the First Trust ETF on shares of taxable Canadian corporations; and (ii) net taxable capital gains realized or considered to be realized by the First Trust ETF. Any such designated amount will be deemed for tax purposes to be received or realized by Unitholders in the year as a taxable dividend and as a taxable capital gain, respectively. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation will apply to amounts designated by the First Trust ETF as such taxable dividends. Capital gains so designated will be subject to the general rules relating to the taxation of capital gains described below. In addition, the First Trust ETF may make designations in respect of the income from foreign sources, if any, so that Unitholders may be able to claim a foreign tax credit in accordance with the provisions of and subject to the general limitations under the Tax Act for a portion of foreign tax, if any, paid by the First Trust ETF or an Underlying Trust. Any loss realized by the First Trust ETF for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, the Unitholders of the First Trust ETF.

Composition of Distributions

Unitholders will be informed each year of the composition of the amounts distributed to them, including amounts in respect of both cash and reinvested distributions. This information will indicate whether distributions are to be treated as ordinary income, taxable dividends (including eligible dividends), taxable capital gains, non-taxable amounts or foreign source income, and as to foreign tax deemed paid by the Unitholder as those items are applicable.

Disposition of Units

Upon the actual or deemed disposition of a Unit, including the exchange or redemption of a Unit, and including upon the termination of the First Trust ETF, a capital gain (or a capital loss) will generally be realized by the Unitholder to the extent that the proceeds of disposition of the Unit exceed (or are less than) the aggregate of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition. In general, the adjusted cost base of all Units of the First Trust ETF held by the Unitholder is the total amount paid for the Units (including brokerage commissions paid and the amount of reinvested distributions), regardless of when the investor bought them, less any non-taxable distributions (other than the non-taxable portion of capital gains) such as a return of capital and less the adjusted cost base of any Units of the First Trust ETF previously redeemed/exchanged by the Unitholder. For the purpose of determining the adjusted cost base of Units to a Unitholder, when Units of the First Trust ETF are acquired, the cost of the newly acquired Units will be averaged with the adjusted cost base of all Units of a class of the First Trust ETF owned by the Unitholder as capital property immediately before that time. The cost of Units acquired on the reinvestment of distributions of First Trust ETF will be the amount so reinvested.

Where Units of the First Trust ETF are exchanged by the redeeming Unitholder for Baskets of Securities, or where securities are received by a Unitholder on a distribution in kind on the termination of the First Trust ETF, the proceeds of disposition to the Unitholder of the Units will be equal to the fair market value of the securities so received, plus the amount of any cash received on the exchange. The cost for tax purposes of securities acquired by a redeeming Unitholder on the exchange or redemption of Units will generally be the fair market value of such securities at that time.

Where Securities of Constituent Issuers are Accepted as Payment for Units of the First Trust ETF

Where securities of Constituent Issuers are accepted as payment for Units acquired by a Unitholder, such Unitholder will generally realize a capital gain (or capital loss) in the taxation year of the Unitholder in which the disposition of such securities takes place to the extent that the proceeds of disposition for such securities, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such securities to the Unitholder. For this purpose, the proceeds of disposition to the Unitholder will equal the aggregate of the fair market value of the Units received and the amount of any cash received in lieu of fractional Units. The cost to a Unitholder of Units so acquired will be equal to the fair market value of the securities of the Constituent Issuers disposed of in exchange for such Units at the time of disposition less any cash received in lieu of fractional Units, which sum would generally be equal to or would approximate the fair market value of the Units received as consideration for the securities of Constituent Issuers. In computing the adjusted cost base of a Unit so acquired by a Unitholder, the cost of such Unit must be averaged with the adjusted cost base of any other Units then held by that Unitholder as capital property.

Taxation of Capital Gains and Capital Losses

Subject to the August 12 Tax Amendments, one-half of any capital gain realized by an investor and the amount of any net taxable capital gains realized or considered to be realized by the First Trust ETF and designated by the First Trust ETF in respect of an investor will be included in the investor's income as a taxable capital gain. Subject to the August 12 Tax Amendments, one-half of a capital loss realized by an investor will be an allowable capital loss that may be deducted from taxable capital gains subject to and in accordance with detailed rules in the Tax Act.

Taxation of Registered Plans

In general, a Registered Plan will not be taxable on the amount of a distribution paid or payable to a Registered Plan from the First Trust ETF, nor on gains realized by a Registered Plan on a disposition of a Unit. As is the case for all investments held in Registered Plans, amounts withdrawn from a Registered Plan (other than from a TFSA or a return of contributions from a RESP or certain withdrawals from a RDSP or FHSA) will generally be subject to tax.

Tax Implications of the First Trust ETF's Distribution Policy

When an investor purchases Units, a portion of the price paid may reflect income or capital gains accrued or realized before such person acquired such Units. When these amounts are payable to such Unitholder as distributions, they must be included in the Unitholder's income for tax purposes subject to the provisions of the Tax Act, even though the First Trust ETF earned or accrued these amounts before the Unitholder owned the Units. This may particularly be the case if Units are purchased near year-end before the final year-end distributions have been made.

INTERNATIONAL INFORMATION REPORTING

The First Trust ETF is required to comply with due diligence and reporting obligations imposed under amendments to the Tax Act that implemented the Intergovernmental Agreement for the Enhanced Exchange of Tax Information Agreement under the Canada-U.S. Tax Convention entered into by Canada and the U.S. (the "**IGA**"). As long as Units of the First Trust ETF continue to be registered in the name of CDS and regularly traded on the Exchange or any other established securities market, the First Trust ETF should not have any U.S. reportable accounts and, as a result, should not be required to provide information to the CRA in respect of its Unitholders. However, dealers through which Unitholders hold their Units are subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Unitholders (and, if applicable, the controlling person(s) of a Unitholder) may be requested to provide information to their dealer to identify U.S. persons holding Units. If a Unitholder, or its controlling person(s), is a "Specified U.S. Person" as defined under the IGA (including a U.S. citizen who is a resident of Canada) or if a Unitholder fails to provide the required information and indicia of U.S. status are present. Part XVIII of the Tax Act will generally require information about the Unitholder's investments held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a Registered Plan. The CRA will then provide that information to the U.S. Internal Revenue Service.

In addition, reporting obligations in the Tax Act have been enacted to implement the Organization for Economic Co-operation and Development Common Reporting Standard (the "**CRS Rules**"). Pursuant to the CRS Rules, Canadian financial institutions are required to have procedures in place to identify accounts held by tax residents of foreign countries other than the U.S. ("**Reportable Jurisdictions**") or by certain entities any of whose "controlling persons" are tax residents of Reportable Jurisdictions. The CRS Rules provide that Canadian financial institutions must report certain account information and other personal identifying details of Unitholders (and, if applicable, of the controlling persons of such Unitholders) who are tax residents of Reportable Jurisdictions to the CRA annually. Such information would generally be exchanged on a reciprocal, bilateral basis with Reportable Jurisdictions in which the account holders or such controlling persons are tax resident under the provisions and safeguards of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Under the CRS Rules, Unitholders will be required to provide such information regarding their investment in the First Trust ETF to their dealer for the purpose of such information exchange, unless the investment is held within a Registered Plan. The CRA will then provide that information to the tax authorities of the relevant Reportable Jurisdiction.

ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, provided that the First Trust ETF qualifies as a mutual fund trust within the meaning of the Tax Act, is a "registered investment" within the meaning of the Tax Act, or that the Units of the First Trust ETF are listed on a "designated stock exchange" within the meaning of the Tax Act, which includes the Exchange, the Units of the First Trust ETF will be qualified investments for trusts governed by Registered Plans.

Notwithstanding the foregoing, if Units are a "prohibited investment" for a TFSA, FHSA, RESP, RDSP, RRSP or a RRIF that acquires Units, the holder, subscriber or annuitant will be subject to a penalty tax as set out in the Tax Act. A "prohibited investment" includes a unit of a trust that does not deal at arm's length with the controlling individual. Controlling individuals of Registered Plans should consult with their tax advisors in this regard.

In the case of an exchange of Units of the First Trust ETF for a Basket of Securities of the First Trust ETF, the investor will receive securities. The securities received by an investor as a result of an exchange of Units or a distribution in kind may or may not be qualified investments for Registered Plans. Investors should consult their own tax counsel for advice on whether or not such securities would be qualified investments for Registered Plans.

ORGANIZATION AND MANAGEMENT DETAILS

The Trustee, Manager and Promoter

FT Portfolios Canada Co. is the trustee, manager and promoter of the First Trust ETF and is responsible for the administration of the First Trust ETF. FT Portfolios Canada Co. is registered with the Ontario Securities Commission as a mutual fund dealer and investment fund manager. Its head office and principal place of business is located at 40 King Street West, Suite 5102, Toronto, Ontario M5H 3Y2. It is a privately owned company and an affiliate of First Trust Portfolios L.P., a U.S. registered broker-dealer, and First Trust Advisors L.P., a U.S. registered investment advisor. The First Trust companies are a global enterprise with a history in the U.S. market since 1991 and in Canada since 1996.

Duties and Services to be Provided by the Trustee, Manager and Promoter

FT Portfolios Canada Co. is the trustee, manager and promoter of the First Trust ETF and, as such, is responsible for providing managerial, administrative and compliance services to the First Trust ETF including, without limitation, authorizing the payment of operating expenses incurred on behalf of the First Trust ETF, preparing financial statements and financial and accounting information as required by the First Trust ETF, ensuring that Unitholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time, ensuring that the First Trust ETF comply with regulatory requirements and applicable stock exchange listing requirements, preparing the First Trust ETF's reports to Unitholders and the securities regulatory authorities, determining the amount of distributions to be made by the First Trust ETF and negotiating contractual agreements with third-party providers of services, including the Index Provider, Designated Brokers, the Custodian, the Registrar and Transfer Agent, the auditor and printers.

FT Portfolios Canada Co. is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of Unitholders, and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent trustee and manager would exercise in similar circumstances.

FT Portfolios Canada Co. may resign as trustee and/or manager of the First Trust ETF upon 60 days' notice to the Unitholders. If the Manager resigns it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by the Unitholders. If the Manager is in material default of its obligations under the Declaration of Trust and such default has not been cured within 30 days after notice of the same has been given to the Manager, the Unitholders may remove the Manager and appoint a successor trustee and/or manager.

FT Portfolios Canada Co. is entitled to fees for its services as manager under the Declaration of Trust as described under "Fees and Expenses – Management Fees". In addition, FT Portfolios Canada Co. and its affiliates and each of their directors, officers, employees and agents will be indemnified by the First Trust ETF for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against any of them in the exercise of FT Portfolios Canada Co.'s duties under the Declaration of Trust, if they do not result from FT Portfolios Canada Co.'s wilful misconduct, bad faith, gross negligence or material breach of its obligations thereunder.

The management and trustee services of FT Portfolios Canada Co. are not exclusive and nothing in the Declaration of Trust or any agreement prevents FT Portfolios Canada Co. from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the First Trust ETF) or from engaging in other business activities.

FT Portfolios Canada Co. has taken the initiative in founding and organizing the First Trust ETF and is, accordingly, the promoter of the First Trust ETF within the meaning of securities legislation of certain provinces and territories of Canada.

Officers and Directors of the Trustee, Manager and Promoter

The name and municipality of residence of each of the directors and executive officers of FT Portfolios Canada Co., the trustee, manager, and promoter of the First Trust ETF, and their principal occupations are as follows:

Name and Municipality of Residence	**Position with Manager**	**Principal Occupation**
ANDREW ROGGENSACK Western Springs, Illinois	Chair (as chief executive officer), Corporate Secretary and Director	President, First Trust Portfolios L.P., First Trust Advisors L.P. and First Trust Global Enterprises L.P.
DAVID G. MCGAREL Western Springs, Illinois	Director	Managing Director, Chief Investment Officer and Chief Operating Officer of First Trust Portfolios L.P., and First Trust Advisors L.P., and Chief Operating Officer of First Trust Global Enterprises L.P.
ERIC ANDERSON West Chicago, Illinois	Director	Senior Vice President, First Trust Portfolios L.P. and First Trust Advisors L.P.
SUSAN JOHNSON Oakville, Ontario	Chief Financial Officer, Chief Compliance Officer and Ultimate Designated Person	Chief Financial Officer and Chief Compliance Officer of FT Portfolios Canada Co.

Each of the foregoing individuals has held his or her current office or a senior position with the Manager or an affiliate thereof during the past five years other than Susan Johnson who was appointed Chief Financial Officer on September 1, 2017 and Chief Compliance Officer on February 17, 2020.

As the table illustrates, Mr. Roggensack is President of First Trust Portfolios L.P., First Trust Advisors L.P. and First Trust Global Enterprises L.P. Mr. McGarel is Managing Director, Chief Investment Officer and the Chief Operating Officer of First Trust Portfolios L.P., First Trust Advisors L.P. and Chief Operating Officer of First Trust Global Enterprises L.P. Mr. Anderson is a Senior Vice President of First Trust Portfolio L.P. and First Trust Advisors L.P. First Trust Global Enterprises L.P., is a holding company that indirectly holds all of the shares of the Manager through FDPM Trust and First Trust Portfolios L.P. is a privately owned investment manager, affiliated with the Manager and located in Wheaton, Illinois.

The Portfolio Advisor

First Trust Advisors L.P. is the Portfolio Advisor of the First Trust ETF and is responsible for providing investment advisory services to the First Trust ETF. First Trust Advisors L.P. is registered with the Ontario Securities Commission as a portfolio manager. The Portfolio Advisor was established in 1991 and its principal office is located at 120 E Liberty Drive, #400, Wheaton, Illinois, 60187, United States.

Duties and Services to be Provided by the Portfolio Advisor

The Portfolio Advisor Agreement sets out the duties of the Portfolio Advisor. Under the Portfolio Advisor Agreement, the Portfolio Advisor is responsible for the implementation of the overall investment strategy of the First Trust ETF which includes the acquisition of the securities for the portfolio of the First Trust ETF.

Under the Portfolio Advisor Agreement, the Portfolio Advisor is required to act at all times on a basis which is fair and reasonable to the First Trust ETF, to act honestly and in good faith with a view to the best interests of the Unitholders of the First Trust ETF, and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent portfolio advisor would exercise in comparable circumstances. The Portfolio Advisor Agreement provides that the Portfolio Advisor shall not be liable to the Manager, the First Trust ETF, a Unitholder thereof or any other person for any loss in respect of an investment decision if such decision shall have been made with due care and in good faith, provided the Portfolio Advisor has satisfied the duties and standard of care, diligence and skill set forth above and further provided the Portfolio Advisor has not acted with wilful misconduct, bad faith, reckless disregard or gross negligence in the performance of its obligations and duties under the Portfolio Advisor Agreement or materially breached the terms of such agreement. The First Trust ETF shall indemnify the Portfolio Advisor and its directors, officers, employees and agents and save them harmless in respect of all losses, liabilities, damages, expenses and costs incurred in connection with any action, suit or proceeding or other claim that is made against the Portfolio Advisor or any of its directors, officers, employees or agents in the exercise of their duties under the Portfolio Advisor Agreement, except those resulting from the Portfolio Advisor's wilful misconduct, bad faith, reckless disregard, gross negligence or material breach of its obligations and duties under such agreement.

The Portfolio Advisor Agreement, unless terminated in accordance with its terms, will continue in effect until the termination of the Manager as manager of the First Trust ETF. The Manager can terminate the Portfolio Advisor Agreement at any time on 30 days' notice for breach thereof by the Portfolio Advisor. The Portfolio Advisor's appointment under the Portfolio Advisor Agreement may be immediately terminated by the Manager if (i) the Portfolio Advisor shall cease to carry on business, become bankrupt or insolvent, resolve to wind up, dissolve or liquidate, if a receiver of any of the assets of the Portfolio Advisor is appointed or if the Portfolio Advisor makes a general assignment for the benefit of its creditors, (ii) the Manager establishes that the Portfolio Advisor has committed any fraud or material wrongdoing in conducting its business, generally or under the Portfolio Advisor Agreement or (iii) the Portfolio Advisor has lost any registration, license or other authorization required of it to perform its services under the Portfolio Advisor Agreement. The Portfolio Advisor Agreement may be terminated by either party on 60 days' notice to the other party. The Portfolio Advisor Agreement may be assigned by the Portfolio Advisor to an affiliate thereof. In addition, pursuant to the terms of the Portfolio Advisor Agreement, the Portfolio Advisor may retain a sub-advisor to provide investment advisory and portfolio management services.

The Portfolio Advisor is entitled to fees for providing investment management services. All such fees will be paid to the Portfolio Advisor by the Manager.

The services of the Portfolio Advisor and its officers and directors are not exclusive to the Manager. The Portfolio Advisor or any of its affiliates and associates may, at any time, engage in the promotion, management or investment management of any other entity which invests primarily in the same securities as those held by the First Trust ETF and provide similar services to other investment funds and other clients and engage in other activities. Investment decisions for the First Trust ETF will be made independently of those made for other clients and independently of investments of the Portfolio Advisor. On occasion, however, the Portfolio Advisor may identify the same investment for the First Trust ETF and for one or more of its other clients. If the First Trust ETF and one or more of the other clients of the Portfolio Advisor are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

There is no one individual primarily responsible for investment management decisions made by the Portfolio Advisor for the First Trust ETF. Rather, investment decisions are made under the direction of an investment committee.

The investment committee of the First Trust ETF consists of Roger F. Testin, Jon C. Erickson, David G. McGarel, Daniel J. Lindquist, Stan Ueland, Chris Peterson and Erik Russo. The below table sets forth information about these individuals:

Name	**Title with the Portfolio Advisor**	**Length of Service**
ROGER. F. TESTIN	Senior Vice President	Since 2001
JON C. ERICKSON	Senior Vice President	Since 1994
DAVID G. MCGAREL	Managing Director and Chief Investment Officer	Since 1997
DANIEL J. LINDQUIST	Managing Director	Since 2004
STAN UELAND	Senior Vice President	Since 2005
CHRIS PETERSON	Senior Vice President	Since 2000

Name	Title with the Portfolio Advisor	Length of Service
ERIK RUSSO	Vice President	Since 2010

Each of the individuals in the foregoing table has held his or her current office or a senior position with the Portfolio Advisor or an affiliate thereof during the past five years.

Roger F. Testin is a senior vice president of the Portfolio Advisor and chairman of the investment committee in respect of Canadian funds advised by the Portfolio Advisor and presides over its meetings. As the head of the portfolio management group for the Portfolio Advisor, Mr. Testin is responsible for executing instructions from the Portfolio Advisor's strategy research group and equity research group.

Jon C. Erickson is a senior vice president of the Portfolio Advisor. As head of the Portfolio Advisor's equity research group, Mr. Erickson is responsible for determining the securities to be purchased and sold by funds that do not utilize quantitative investment strategies.

David G. McGarel is a managing director and chief investment officer of the Portfolio Advisor. As chief investment officer, Mr. McGarel consults with the investment committee on market conditions and the Portfolio Advisor's general investment philosophy.

Daniel J. Lindquist is a managing director of the Portfolio Advisor. He acts as the chairman of the investment committee and presides over investment committee meetings. Mr. Lindquist is also responsible for overseeing the implementation of investment strategies for investment funds being advised by the Portfolio Advisor.

Stan Ueland is a senior vice president of the Portfolio Advisor. He plays an important role in executing the investment strategies of each portfolio of exchange-traded funds advised by the Portfolio Advisor.

Chris Peterson is a senior vice president of the Portfolio Advisor and head of the strategy research group. Mr. Peterson is responsible for developing and implementing quantitative equity investment strategies.

Erik Russo is a vice president of the Portfolio Advisor. He plays an important role in executing the investment strategies of each portfolio of exchange-traded funds advised by the Portfolio Advisor.

Brokerage Arrangements

The Portfolio Advisor utilizes various brokers to effect securities transactions on behalf of the First Trust ETF and other exchange-traded funds of which it acts as portfolio advisor to. These brokers may directly provide FT Portfolios Canada Co. with research and related services, as outlined below, in addition to executing transactions—often referred to as "bundled services". Although the First Trust ETF may not benefit equally from each research and related service received from a broker, the Manager will endeavour to ensure that all exchange-traded funds that it manages receive an equitable benefit over time.

The Portfolio Advisor maintains a list of brokers that have been approved to effect securities transactions on behalf of the First Trust ETF. When determining whether a broker should be added to that list there are numerous factors that are considered including: (a) with respect to trading: (i) level of service; (ii) response time; (iii) availability of securities (liquidity); (iv) account management; (v) idea generation; and (vi) access to alternative markets/liquidity pools; (b) with respect to personnel: (i) back office support; and (ii) sales contacts; and (c) with respect to infrastructure: (i) trade settlement; (ii) confirmations; and (iii) reporting.

Approved brokers are monitored on a regular basis to ensure that the value of the goods and services, as outlined above, provides a reasonable benefit as compared to the amount of brokerage commissions paid for the goods and services. In conducting this analysis, the Portfolio Advisor considers the use of the goods and services, execution quality in terms of trade impact and the ability to achieve the target benchmark price, as well as the amount of brokerage commissions paid relative to other brokers and the market in general.

Additional information including the services supplied by each broker can be obtained from the Manager upon request, at no cost, by calling 1.877.622.5552.

Conflicts of Interest

The directors and officers of the Manager may be directors, officers, shareholders or Unitholders of one or more issuers in which the First Trust ETF may acquire securities. The Manager and its affiliates, including other First Trust Group entities, may be managers or portfolio advisors of one or more issuers in which the First Trust ETF may acquire securities and may be managers or portfolio advisors of funds that invest in the same securities as the First Trust ETF. Such transactions will only be undertaken where permitted by applicable securities legislation and upon obtaining any required regulatory or IRC approvals.

Independent Review Committee

The Manager has appointed an IRC for the First Trust ETF under NI 81-107. The IRC currently consists of three members, each of whom is independent of the Manager.

The mandate of the IRC is to review conflict of interest matters identified and referred to the IRC by the Manager and to give an approval or a recommendation, depending on the nature of the conflict of interest matter. At all times, the members of the IRC are required to act honestly and in good faith in the best interests of the First Trust ETF and, in connection therewith, will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Manager has established written policies and procedures for dealing with potential conflict of interest matters. At least annually, the IRC will review and assess the adequacy and effectiveness of the Manager's written policies and procedures relating to conflict of interest matters and will conduct a self-assessment of the IRC's independence, compensation and effectiveness.

The Manager will maintain records of all matters and/or activities subject to the review of the IRC, including a copy of the Manager's written policies and procedures dealing with conflict of interest matters, minutes of IRC meetings, and copies of materials, including any written reports, provided to the IRC. The Manager will also provide the IRC with assistance and information sufficient for the IRC to carry out its responsibilities under NI 81-107.

The members of the IRC are entitled to be compensated by the First Trust ETF and reimbursed for all reasonable costs and expenses for the duties they perform as IRC members. In addition, the members of the IRC are entitled to be indemnified by the First Trust ETF, except in cases of wilful misconduct, bad faith, negligence or breach of their standard of care.

The name and municipality of residence of each of the members of the IRC is as follows:

PAUL DUFFY (CHAIR) Toronto, Ontario	DAVID CONWAY Oshawa, Ontario	NANCY NG Toronto, Ontario

The initial compensation and reimbursement policy for costs and expenses of the IRC was established by the Manager. As at the date of this prospectus, each IRC member will be paid a fixed annual fee of $16,000 and fee per meeting of $1,500 for the IRC chair and $1,000 for the other IRC members, for the duties they perform as IRC members in relation to the exchange-traded funds managed by the Manager. This amount will be allocated to the exchange-traded funds managed by the Manager in a manner that is fair and reasonable.

The IRC is subject to requirements to conduct regular assessments and, for each financial year of the First Trust ETF, will prepare a report to Unitholders that describes the IRC and its activities for the financial year. A copy of this report can be obtained from the Manager upon request, at no cost, by calling 1.877.662.5552 or is available on the First Trust ETF's website at www.firsttrust.ca or SEDAR+ at www.sedarplus.ca.

Custodian and Valuation Agent

Pursuant to the Custodian Agreement, CIBC Mellon Trust Company is the custodian of the assets of the First Trust ETF and has been given authority to appoint sub-custodians. The address of the Custodian is 1 York Street, Suite 900, Toronto, Ontario, M5J 0B6. The Manager on behalf of the First Trust ETF, or CIBC Mellon Trust Company may terminate the Custodian Agreement upon at least 90 days' written notice or immediately in the event of a bankruptcy event in respect of a party that is not cured within 30 days. The Manager on behalf of the First Trust ETF may terminate the Custodian Agreement immediately if the Custodian ceases to be qualified to act as a custodian of the First Trust ETF under applicable law. The Custodian is entitled to receive fees from the Manager as described under "Fees and Expenses – Operating Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the First Trust ETF. CIBC Mellon Global Securities Services Company acts as the Valuation Agent of the First Trust ETF. The Valuation Agent is responsible for calculating NAV, NAV per Unit, net income and net realized capital gains of the First Trust ETF.

Auditor

The auditor of the First Trust ETF is Deloitte LLP, Chartered Professional Accountants, located at 8 Adelaide Street West, Suite 200, Toronto, Ontario M5H 0A9.

Registrar and Transfer Agent

TSX Trust Company, at its principal offices in Toronto, is the registrar and transfer agent for the Units. The register of the First Trust ETF is kept in Toronto.

CALCULATION OF NET ASSET VALUE

The NAV of the Units of a class of the First Trust ETF on a particular date will be equal to the aggregate value of the assets of the First Trust ETF attributable to such class less the aggregate value of the liabilities of the First Trust ETF attributable to the class, expressed in Canadian dollars at the applicable exchange rate on such date. The NAV will be calculated using the fair value of the First Trust ETF's assets and liabilities. The NAV per Unit of a class on any day will be obtained by dividing the NAV of the Units of the class on such day by the number of Units of the class then outstanding. The NAV is expected to be calculated by the Custodian or an affiliate.

Valuation Policies and Procedures

In determining the NAV of the First Trust ETF, at any time the Manager will take into account the following:

(a) the value of any cash on hand, on deposit or on call loan, prepaid expenses, cash dividends declared on an ex-dividend basis and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Manager determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Manager determines to be the fair value thereof;

(b) the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on a Valuation Date at such times as the Manager, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;

(c) the value of any security which is listed on any recognized exchange and is not security of an ETF shall be determined by the closing sale price at the Valuation Time or, if there is no closing sale price, the average between the closing bid and the closing asked price on the day on which the NAV of the First Trust ETF is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;

(d) the value of any security which is listed on any recognized exchange and is a security of an ETF, shall be determined by the closing sale price at the Valuation Time as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if there is no such price, the value of such security shall be its reported net asset value as at such time;

(e) the value of any security or other asset for which a market quotation is not readily available shall be its fair market value as determined by the Manager;

(f) the value of any security, the resale of which is restricted or limited, shall be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the First Trust ETF's acquisition cost was of the market value of such securities at the time of acquisition; provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;

(g) the value of a forward contract shall be the gain or loss with respect thereto that would be realized if, at the Valuation Time, the position in the forward contract were to be closed out unless daily limits are in effect in which case fair value shall be based on the current market value of the underlying interest;

(h) margin paid or deposited in respect of forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;

(i) all First Trust ETF property valued in a foreign currency and all liabilities and obligations of the First Trust ETF payable by the First Trust ETF in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Manager, including, but not limited to, the Manager or any of its affiliates;

(j) all expenses or liabilities (including fees payable to the Manager) of the First Trust ETF shall be calculated on an accrual basis; and

(k) all other assets of the First Trust ETF will be valued in the manner determined by the Manager or its delegate(s) to reflect their fair market value.

The NAV per Unit of a class is calculated in Canadian dollars in accordance with the rules and policies of the Canadian Securities Administrators or in accordance with any exemption therefrom that the First Trust ETF may obtain. The NAV per Unit of a class determined in accordance with the principles set out above may differ from NAV per Unit of a class determined under IFRS Accounting Standards.

Reporting of Net Asset Value

The NAV and NAV per Unit of a class will be calculated at the Valuation Time on each Valuation Date. Such information will be provided by the Manager to Unitholders on the following business day via the Internet at www.firsttrust.ca.

ATTRIBUTES OF THE UNITS

Description of the Securities Distributed

The First Trust ETF is offering two classes of units called "units" and "Hedged Units".

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any default, obligation or liability of the trust if, when the default occurs or the liability arises: (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of the Province of Ontario. The First Trust ETF will be a reporting issuer under the *Securities Act* (Ontario) and will be governed by the laws of the Province of Ontario by virtue of the provisions of the Declaration of Trust.

Certain Provisions of the Units

All Units of a class of the First Trust ETF have equal rights and privileges. Each whole Unit of a class is entitled to one vote at all meetings of Unitholders and is entitled to participate equally with respect to any and all distributions made by the First Trust ETF to Unitholders of that class, including distributions of net income and net realized capital gains and distributions upon the termination of the First Trust ETF. Units are issued only as fully-paid and are non-assessable.

Exchange of Units for Baskets of Securities

On any Trading Day, Unitholders may exchange the Prescribed Number of Units (or an integral multiple thereof) for Baskets of Securities and cash or, in the discretion of the Manager, cash only. See "Redemption and Exchange of Units – Exchange of Units for Baskets of Securities".

Redemption of Units for Cash

On any Trading Day, Unitholders may redeem Units of the First Trust ETF for cash at a redemption price per Unit of a class equal to the lesser of (i) 95% of the closing price for the Units of the class on the Exchange, on the effective day of the redemption; and (ii) the NAV per Unit of the class on the effective day of the redemption. See "Redemption and Exchange of Units – Redemption of Units for Cash".

Conversion of Units

Unitholders may convert Units into Hedged Units of the First Trust ETF or Hedged Units into Units of the First Trust ETF.

See "Redemption and Exchange of Units – Conversion of Units".

No Voting Rights

Unitholders of the First Trust ETF will not have any right to vote securities held by the First Trust ETF.

Modification of Terms

The rights attached to the Units of the First Trust ETF may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See "Unitholder Matters – Matters Requiring Unitholder Approval".

UNITHOLDER MATTERS

Meeting of Unitholders

A meeting of the Unitholders of the First Trust ETF may be called at any time by the Manager and shall be called by the Manager upon written request of Unitholders of the First Trust ETF holding in the aggregate not less than 5% of the Units of the First Trust ETF. Except as otherwise required or permitted by law, meetings of Unitholders of the First Trust ETF will be held if called by the Manager upon written notice of not less than 21 days nor more than 50 days before the meeting. At any meeting of Unitholders of the First Trust ETF, a quorum shall consist of two or more Unitholders of the First Trust ETF present in person or by proxy and holding 10% of the Units of the First Trust ETF. If no quorum is present at such meeting, the meeting, if convened upon the request of Unitholders or for the purpose of considering a change in the manager of the First Trust ETF, shall be cancelled, but in any other case, the meeting shall stand adjourned and will be held at the same time and place on the day which is not less than 10 days later. The Manager will give at least three days' notice by press release to Unitholders of the date of the reconvened meeting, and at the reconvened meeting, Unitholders present in person or represented by proxy will constitute a quorum. A separate class vote will be held if a proposal affects holders of Units of one class differently from holders of Units of the other class.

Matters Requiring Unitholder Approval

NI 81-102 requires a meeting of Unitholders of the First Trust ETF to be called to approve certain changes as follows:

(a) the basis of the calculation of a fee or expense that is charged to the First Trust ETF is changed in a way that could result in an increase in charges to the First Trust ETF, except where:

(i) the First Trust ETF is at arm's length with the person or company charging the fees;

(ii) the Unitholders have received at least 60 days' notice before the effective date of the change; and

(iii) the right to notice described in (ii) is disclosed in the prospectus of the First Trust ETF;

(b) a fee or expense is introduced that is to be charged to the First Trust ETF or directly to its Unitholders by the First Trust ETF or the Manager in connection with the holding of Units of the First Trust ETF that could result in an increase in charges to the First Trust ETF or its Unitholders, except where:

(i) the First Trust ETF is at arm's length with the person or company charging the fees;

(ii) the Unitholders have received at least 60 days' notice before the effective date of the change; and

(iii) the right to notice described in (ii) is disclosed in the prospectus of the First Trust ETF;

(c) the Manager is changed, unless the new manager of the First Trust ETF is an affiliate of the Manager;

(d) a fundamental investment objective of the First Trust ETF has changed (including the hedging of the U.S. dollar currency exposure for the Hedged Units);

(e) the First Trust ETF decreases the frequency of calculating its NAV per Unit;

(f) the First Trust ETF undertakes a reorganization with, or transfers its assets to, another mutual fund, if the First Trust ETF ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of the First Trust ETF becoming securityholders in the other mutual fund unless:

(i) the IRC of the First Trust ETF has approved the change;

(ii) the First Trust ETF is being reorganized with, or its assets are being transferred to, another mutual fund that is managed by the Manager, or an affiliate of the Manager;

(iii) the Unitholders have received at least 60 days' notice before the effective date of the change;

(iv) the right to notice described in (iii) is disclosed in the prospectus of the First Trust ETF; and

(v) the transaction complies with certain other requirements of applicable Canadian securities legislation;

(g) the First Trust ETF undertakes a reorganization (other than a Permitted Merger as defined below) with, or acquisition of assets of, a mutual fund trust, if

(i) the First Trust ETF continues after the reorganization or acquisition of assets;

(ii) the transaction results in the securityholders of the mutual fund trust becoming Unitholders of the First Trust ETF; and

(iii) the transaction would be a material change to the First Trust ETF;

(h) a reorganization that results in the First Trust ETF becoming a non-redeemable investment fund or an issuer that is not an investment fund; or

(i) any matter which is required by the constating documents of the First Trust ETF or by the laws applicable to the First Trust ETF or by any agreement to be submitted to a vote of the Unitholders of the First Trust ETF.

Approval of the foregoing matters will be deemed to have been given by a resolution passed by at least a majority of the votes cast at a meeting called and held for such purpose. Unitholders are entitled to one vote per whole Unit held on the record date established for voting at any meeting of Unitholders.

The First Trust ETF may, without Unitholders' approval, enter into a merger or other similar transaction that has the effect of combining the First Trust ETF or its assets (a "**Permitted Merger**") with any other investment fund or funds managed by the Manager or an affiliate of the Manager that have investment objectives that are substantially similar to those of the First Trust ETF, subject to:

(a) approval of the merger by the IRC;

(b) compliance with certain merger pre-approval conditions set out in section 5.6 of NI 81-102; and

(c) written notice to Unitholders at least 60 days before the effective date of the merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective net asset values for the purpose of such transaction.

In addition, the auditor of the First Trust ETF may not be changed unless:

(a) the IRC has approved the change; and

(b) Unitholders have received at least 60 days' notice before the effective date of the change.

Amendments to the Declaration of Trust

The Manager may, without the approval of or notice to Unitholders, amend the Declaration of Trust for certain limited purposes specified therein, including to:

(a) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law or regulation applicable to or affecting the First Trust ETF;

(b) make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;

(c) bring the Declaration of Trust into conformity with applicable laws, including the rules and policies of Canadian securities regulators or with current practice within the securities or investment fund industries provided that any such amendment does not adversely affect the rights, privileges or interests of Unitholders;

(d) maintain, or permit the Manager to take such steps as may be desirable or necessary to maintain, the status of the First Trust ETF as a "mutual fund trust" and a "unit trust" for the purposes of the Tax Act or to respond to amendments to the Tax Act or to the interpretation or administration thereof; or

(e) provide added protection to Unitholders.

Except for changes to the Declaration of Trust which require the approval of Unitholders or changes described above which do not require approval of or prior notice to Unitholders, the Declaration of Trust may be amended from time to time by the Manager upon not less than 30 days' prior written notice to Unitholders.

Reporting to Unitholders

The First Trust ETF's fiscal year is the calendar year or such other fiscal period permitted under the Tax Act as the First Trust ETF elects. The annual financial statements of the First Trust ETF shall be audited by the First Trust ETF's auditor in accordance with Canadian generally accepted auditing standards. The auditor will be asked to report on the fair presentation of the annual financial statements in accordance with IFRS. The Manager will ensure that the First Trust ETF complies with all applicable reporting and administrative requirements.

The Manager, on behalf of the First Trust ETF, will furnish Unitholders of the First Trust ETF with unaudited interim financial statements, audited annual financial statements, interim MRFPs and the most recently-filed annual MRFPs of the First Trust ETF, in accordance with applicable laws.

Any tax information necessary for Unitholders to prepare their annual federal income tax returns will be distributed to them within 90 days after the end of each financial year of the First Trust ETF.

The Manager will keep adequate books and records reflecting the activities of the First Trust ETF. A Unitholder or his or her duly authorized representative has the right to examine the books and records of the First Trust ETF during normal business hours at the registered office of the Manager. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the First Trust ETF.

TERMINATION OF THE FIRST TRUST ETF

The First Trust ETF may be terminated by the Manager on at least 60 days' notice to Unitholders of such termination and the Manager will issue a press release in advance thereof.

The Manager may also terminate the First Trust ETF in the event that the Index Provider ceases to calculate the Index or the License Agreement is terminated, as described under "Investment Strategies – Termination of the Index or License Agreement".

Upon termination of the First Trust ETF, the cash and other assets remaining after paying or providing for all liabilities and obligations of the First Trust ETF, determined in accordance with the First Trust ETF's valuation policies and procedures, shall be distributed *pro rata* among the Unitholders of the First Trust ETF.

The rights of Unitholders to exchange and redeem Units described under "Redemption and Exchange of Units" will cease as and from the date of termination of the First Trust ETF.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Manager will receive fees for its services to the First Trust ETF. See "Fees and Expenses – Management Fees".

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

The Portfolio Advisor has established a proxy voting policy (the "**Proxy Voting Policy**") that provides that the Manager will vote the securities of the First Trust ETF that holds portfolio securities directly and not indirectly through an underlying fund in the best interests of the Unitholders of the First Trust ETF. The Proxy Voting Policy provides that routine, uncontested matters to be considered at annual general meetings will generally be voted in accordance with management's recommendations. More complex, non-routine matters (i.e. certain issues related to the compensation and liability of directors, amendments to the constating documents of an issuer, share and debt issuances, related party transactions, reorganizations, restructurings, shareholder proposals and proposals relating to corporate social responsibility) will be decided on a case-by-case basis.

The Proxy Voting Policy also provides procedures for dealing with potential conflicts of interest, the delegation of proxy voting services to third party service providers such as Institutional Shareholder Services Canada Corp. and recordkeeping obligations whereby the Manager will maintain records of all votes cast by the First Trust ETF. The Manager will publish these records on an annual basis on the First Trust ETF's website at www.firsttrust.ca. A copy of the Proxy Voting Policy is available on request by contacting the Manager at 1.877.622.5552.

As the First Trust ETF will invest in the Underlying Fund, if a unitholder meeting is called by the Underlying Fund, the Manager will arrange for the securities the First Trust ETF holds in the Underlying Fund to be voted by the beneficial holders of Units of the First Trust ETF or will not vote the securities of the Underlying Fund, in accordance with and to the extent permitted by applicable Canadian and U.S. securities laws.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of Units:

(a) the Declaration of Trust – see "Organization and Management Details – The Trustee, Manager and Promoter – Duties and Services to be Provided by the Trustee, Manager and Promoter";

(b) the Custodian Agreement – see "Organization and Management Details – Custodian and Valuation Agent";

(c) the Portfolio Advisor Agreement – see "Organization and Management Details – The Portfolio Advisor"; and

(d) the License Agreement – see "Material Contracts – License Agreement".

Copies of the agreements referred to above may be inspected during business hours at the registered office of the Manager.

License Agreement

The use of the Index by First Trust ETF and the Underlying Fund is subject to the terms of the License Agreement.

The First Trust ETF and the Underlying Fund are not sponsored, endorsed, sold or promoted by Nasdaq, Inc. or its affiliates (the "**Corporations**"). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to the First Trust ETF or the Underlying Fund. The Corporations make no representation or warranty, express or implied to the owners of First Trust ETF or the Underlying Fund or any member of the public regarding the advisability of investing in securities generally or in the First Trust ETF or the Underlying Fund particularly, or the ability of the Index to track general stock market or sector performance. The Corporations' relationship to the Manager, with respect to the First Trust ETF and the Underlying Fund, consists of: (i) the licensing of certain indexes, trade names, trademarks, and service marks and other proprietary data; (ii) the listing and trading of certain exchange-traded funds; and (iii) the calculating of intra-day portfolio values for the Units of the First Trust ETF and the Underlying Fund.

The Corporations neither recommend nor endorse any investment in the First Trust ETF or the Underlying Fund based thereon. The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of First Trust ETF and the Underlying Fund to be issued or in the determination or calculation of the equation by which First Trust ETF and the Underlying Fund is to be converted into cash. The Corporations have no liability in connection with the administration, marketing or trading of the First Trust ETF or the Underlying Fund. None of the Index, the First Trust ETF nor the Underlying Fund should be construed as investment advice by the Corporations.

THE CORPORATIONS DO NOT GUARANTEE THE ACCURACY AND/OR UNINTERRUPTED CALCULATION OF THE INDEX OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, UNITHOLDERS OF THE FIRST TRUST ETF AND THE UNDERLYING FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE CORPORATIONS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

The First Trust ETF is not involved in any legal proceedings nor is the Manager aware of existing or pending legal or arbitration proceedings involving the First Trust ETF.

EXPERTS

Osler, Hoskin & Harcourt LLP, legal counsel to the First Trust ETF and the Manager, has provided certain legal opinions on the principal Canadian federal income tax considerations that apply to an investment in the Units by an individual resident in Canada. See "Income Tax Considerations" and "Eligibility for Investment". As of the date hereof, partners and associates of Osler, Hoskin & Harcourt LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the First Trust ETF.

Deloitte LLP, Chartered Professional Accountants, is the auditor of the First Trust ETF and has consented to the inclusion of its report on the First Trust ETF dated October 7, 2024. Deloitte LLP has confirmed that it is independent with respect to the First Trust ETF within the meaning of the Chartered Professional Accountants of Ontario – CPA Code of Professional Conduct.

EXEMPTIONS AND APPROVALS

The First Trust ETF has received exemptive relief from the Canadian securities regulatory authorities to permit the following:

(a) the purchase by a Unitholder of the First Trust ETF of more than 20% of the Units of the First Trust ETF through purchases on the Exchange, without regard to the take-over bid requirements of Canadian securities legislation;

(b) to relieve the First Trust ETF from the requirement that a prospectus contain a certificate of the underwriters;

(c) to relieve the First Trust ETF from the requirement to include in the prospectus a statement respecting purchasers' statutory rights of withdrawal and remedies of rescission as prescribed in item 36.2 of Form 41-101F2 – *Information Required in an Investment Fund Prospectus*; and

(d) to invest more than 10% of its NAV in securities of the Underlying Fund, an actively managed exchange-traded fund domiciled in the United States.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or for non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or consult with a legal advisor.

DOCUMENTS INCORPORATED BY REFERENCE

Additional information about the First Trust ETF is or will be available in the following documents:

(a) the most recently-filed comparative annual financial statements of the First Trust ETF, together with the accompanying report of the auditor;

(b) any interim financial statements of the First Trust ETF filed after the most recently-filed comparative annual financial statements of the First Trust ETF;

(c) the most recently-filed annual MRFP of the First Trust ETF;

(d) any interim MRFP of the First Trust ETF filed after that most recently-filed annual MRFP of the First Trust ETF; and

(e) the most recently filed ETF Facts of the First Trust ETF.

These documents are or will be incorporated by reference in this prospectus, which means that they legally form part of this prospectus. An investor can get a copy of these documents, when available, upon request and at no cost by calling the Manager at 1.877.622.5552 or by contacting a registered dealer. These documents are or will also be available on the First Trust ETF's website at www.firsttrust.ca as well as on SEDAR+ at www.sedarplus.ca. In addition, any such types of documents, if filed by the First Trust ETF after the date of this prospectus and before the termination of the distribution of Units, are deemed to be incorporated by reference into this prospectus.

INDEPENDENT AUDITOR'S REPORT

To the Directors of FT Portfolios Canada Co., the manager of:

First Trust Vest SMID Rising Dividend Achievers Target Income ETF
(the "ETF")

Opinion

We have audited the financial statement of the ETF, which comprises the statement of financial position as at October 7, 2024 and notes to the financial statement, including material accounting policy information (collectively referred to as the "financial statement").

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the ETF as at October 7, 2024 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 Statement 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 statement 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

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

In preparing the financial statement, 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 Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 the financial statement.

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.

(Signed) "*Deloitte LLP*"
Chartered Professional Accountants
Licensed Public Accountants
October 7, 2024

FIRST TRUST VEST SMID RISING DIVIDEND ACHIEVERS TARGET INCOME ETF
STATEMENT OF FINANCIAL POSITION

October 7, 2024

ASSETS	
Cash	$20.00
Total	$20.00
UNITHOLDER'S EQUITY (Note 3)	
Unitholder's equity (1 unit)	$20.00

Approved on behalf of the Board of Directors of the Manager:

(Signed) "*Eric Anderson*"
Director

(Signed) "*Andrew Roggensack*"
Director

NOTES TO STATEMENT OF FINANCIAL POSITION

October 7, 2024

1. Establishment of the Funds

First Trust Vest SMID Rising Dividend Achievers Target Income ETF (the "**ETF**") was established under the laws of the Province of Ontario on October 7, 2024 pursuant to a master declaration of trust (the "**Declaration of Trust**"), as may be amended or amended and restated from time to time, by FT Portfolios Canada Co. (the "**Manager**"), as trustee. The address of the ETF's registered office is located at 40 King Street West, Suite 5102, Toronto, Ontario M5H 3Y2.

2. Material Accounting Policies

This financial statement has been prepared in accordance with International Financial Reporting Standards. The financial statement of the ETF was approved by the board of directors of the Manager on October 7, 2024.

3. Units Authorized and Outstanding

The ETF is authorized to issue an unlimited number of redeemable, transferable units of an unlimited number of classes, each of which represents an equal, undivided interest in the net assets of the ETF. Currently, the ETF has authorized two classes of units, designated as "units" and "hedged units". On October 7, 2024, the ETF issued one unit for $20.00.

4. Commitments

The ETF will pay the Manager a management fee as set forth in the table below, based on the average daily NAV of the ETF. The management fee, plus applicable taxes, including HST, will be accrued daily and paid monthly in arrears. The Manager is responsible for providing managerial, administrative and compliance services to ETFs. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

ETF	**Annual Management Fee (%)**
First Trust Vest SMID Rising Dividend Achievers Target Income ETF(1)	0.15% of NAV of the Units

Note:

(1) The ETF will invest in FT Vest SMID Rising Dividend Achievers Target Income ETF (the "**Underlying Fund**") and accordingly the ETF will also bear the management fee (being 0.85% per annum on the net asset value of the Underlying Fund) which is payable on the portion of its portfolio assets invested in the Underlying Fund. Accordingly, the total management fee borne by Unitholders in connection with their Units will be 1.00% per annum of the NAV of the Units.

CERTIFICATE OF THE FIRST TRUST ETF AND THE TRUSTEE, MANAGER AND PROMOTER

Dated: October 7, 2024

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

FT PORTFOLIOS CANADA CO.,
as Manager and Trustee of the First Trust ETF

(Signed) "*Andrew Roggensack*"
Chair
(as chief executive officer)

(Signed) "*Susan Johnson*"
Chief Financial Officer

On behalf of the Board of Directors of FT Portfolios Canada Co.

(Signed) "*Eric Anderson*"
Director

(Signed) "*David McGarel*"
Director

(Signed) "*Andrew Roggensack*"
Director

FT PORTFOLIOS CANADA CO.,
as Promoter of the First Trust ETF

(Signed) "*Andrew Roggensack*"
Chair
(as chief executive officer)