

## » Fund Objective

This exchange-traded fund seeks investment results that correspond generally to the price and yield (before the fund's fees and expenses) of an equity index called the Nasdaq US Small Mid Cap Rising Dividend Achievers™ Index.

## » Fund Facts

Fund Ticker	SDVY
CUSIP	33741X102
Intraday NAV	SDVYIV
Fund Inception Date	11/1/17
Expense Ratio	0.60%
30-Day SEC Yield†	0.97%
Rebalance Frequency	Quarterly
Primary Listing	Nasdaq

## » Index Facts

Index Ticker	NQDVSMRT
Index Inception Date	9/18/17
Index Yield‡	1.94%

## » Index Description

- » The index begins with the stocks in the Nasdaq US Mid Cap Index and the Nasdaq US Small Cap Index and eliminates those companies classified as a Real Estate Investment Trust by the Industry Classification Benchmark.
- » To be eligible for inclusion in the index, companies must have:
  - a minimum three-month average daily dollar trading volume of \$2 million.
  - a minimum market cap of \$500 million.
  - paid a dividend in the trailing twelve-month period greater than the dividend paid in the trailing twelve-month period three and five years prior.
  - positive earnings per share in the most recent fiscal year greater than the earnings per share three fiscal years prior.
  - a cash to debt ratio greater than 25%.
  - a trailing twelve-month period payout ratio no greater than 65%.
- » Eligible securities are ranked by a combined factor of dollar dividend increase over the previous five year period, current dividend yield, and payout ratio.
- » The 100 eligible securities with the lowest aggregated rank are selected for inclusion in the index, subject to a maximum of 30% from any one sector and 75% from the mid cap or small cap size classification.
- » The index stocks are equally weighted initially and on each rebalancing effective date. The index is reconstituted annually and rebalanced quarterly.

## » Performance Summary (%)

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Fund Inception
<b>Fund Performance*</b>							
Net Asset Value (NAV)	3.06	23.11	67.59	13.80	—	—	12.59
After Tax Held	2.93	22.89	66.71	13.03	—	—	11.87
After Tax Sold	1.81	13.68	39.92	10.39	—	—	9.52
Market Price	2.98	23.26	67.88	13.83	—	—	12.64
<b>Index Performance**</b>							
Nasdaq US Small Mid Cap Rising Dividend Achievers™ Index	3.22	23.57	68.85	14.50	—	—	13.30
S&P 1000 Index	3.91	19.36	57.32	12.87	—	—	13.20

## » Calendar Year Total Returns (%)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD
SDVY	—	—	—	—	—	—	—	-13.81	24.69	11.25	23.11
S&P 1000 Index	—	—	—	—	—	—	—	-10.30	25.14	12.98	19.36

## » 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
SDVY	26.73	0.30	1.08	0.57	0.99
S&P 1000 Index	24.30	—	1.00	0.56	1.00

Overall Morningstar Rating™



Among 395 funds in the Mid-Cap Value category.  
This fund was rated 4 stars/395 funds (3 years) based on risk adjusted returns.§

*Performance data quoted represents past performance. Past performance is not a guarantee of future results and current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and shares when sold or redeemed, may be worth more or less than their original cost. You can obtain performance information which is current through the most recent month-end by visiting [www.ftportfolios.com](http://www.ftportfolios.com).*

†30-day SEC yield is calculated by dividing the net investment income per share earned during the most recent 30-day period by the maximum offering price per share on the last day of the period.

‡Index yield represents the weighted average trailing 12-month dividend of the constituents of the Nasdaq US Small Mid Cap Rising Dividend Achievers™ Index.

\*NAV returns are based on the fund's net asset value which represents the fund's net assets (assets less liabilities) divided by the fund's outstanding shares. **After Tax Held** returns represent return after taxes on distributions. Assumes shares have not been sold. **After Tax Sold** returns represent the return after taxes on distributions and the sale of fund shares. Returns do not represent the returns you would receive if you traded shares at other times. **Market Price** returns are determined by using the midpoint of the national best bid offer price ("NBBO") as of the time that the fund's NAV is calculated. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

\*\*Performance information for the Nasdaq US Small Mid Cap Rising Dividend Achievers™ Index is for illustrative purposes only and does not represent actual fund performance. Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. Indexes are unmanaged and an investor cannot invest directly in an index.

## » Portfolio Information

Number Of Holdings	100
Maximum Market Cap.	\$21.38 Billion
Median Market Cap.	\$6.72 Billion
Minimum Market Cap.	\$1.21 Billion
Price/Earnings	13.68
Price/Book	2.25
Price/Cash Flow	10.29
Price/Sales	1.40

## » Top Holdings (%)

Jefferies Financial Group Inc.	1.12
Advanced Drainage Systems, Inc.	1.10
Sturm, Ruger & Company, Inc.	1.07
Evercore Inc.	1.06
A.O. Smith Corporation	1.05
Dick's Sporting Goods, Inc.	1.05
NRG Energy, Inc.	1.05
SLM Corporation	1.05
Cognex Corporation	1.04
East West Bancorp, Inc.	1.04

## » Top Sector Exposure (%)

Financials	30.05
Industrials	26.25
Consumer Discretionary	15.84
Information Technology	13.96
Materials	5.04
Consumer Staples	3.91
Communication Services	2.94
Utilities	1.05
Energy	0.96

*You should consider the fund's investment objectives, risks, and charges and expenses carefully before investing. Contact First Trust Portfolios L.P. at 1-800-621-1675 or visit [www.ftportfolios.com](http://www.ftportfolios.com) to obtain a prospectus or summary prospectus which contains this and other information about the fund. The prospectus or summary prospectus should be read carefully before investing.*

## Risk Considerations

A fund's return may not match the return of its underlying index. A fund invests in securities included in the index regardless of investment merit and the securities held by a fund will generally not be bought or sold in response to market fluctuations.

Investors buying or selling fund shares on the secondary market may incur customary brokerage commissions. Market prices may differ to some degree from the net asset value of the shares. Investors who sell fund shares may receive less than the share's net asset value. Shares may be sold throughout the day on the exchange through any brokerage account. However, unlike mutual funds, shares may only be redeemed directly from a fund by authorized participants in very large creation/redemption units. If a fund's authorized participants are unable to proceed with creation/redemption orders and no other authorized participant is able to step forward to create or redeem, fund shares may trade at a discount to a fund's net asset value and possibly face delisting.

A fund's shares will change in value, and you could lose money by investing in a fund. One of the principal risks of investing in a fund is market risk. Market risk is the risk that a particular stock owned by a fund, fund shares or stocks in general may fall in value. There can be no assurance that a fund's investment objective will be achieved. The outbreak of the respiratory disease designated as COVID-19 in December 2019 has caused significant volatility and declines in global financial markets, which have caused losses for investors. While the development of vaccines has slowed the spread of the virus and allowed for the resumption of "reasonably" normal business activity in the United States, many countries continue to impose lockdown measures in an attempt to slow the spread. Additionally, there is no guarantee that vaccines will be effective against emerging variants of the disease.

As the use of Internet technology has become more prevalent in the course of business, funds have become more susceptible to potential operational risks through breaches in cyber security.

A fund's investment in dividend-paying securities may cause a fund to underperform similar funds that do not consider an issuer's track record of paying dividends.

A fund may be a constituent of one or more indices which could greatly affect a fund's trading activity, size and volatility.

There is no assurance that the index provider or its agents will compile or maintain the index accurately.

As inflation increases, the present value of the fund's assets and distributions may decline.

There can be no assurance that the securities held by a fund will stay within a fund's intended market capitalization range.

A fund and a fund's advisor may seek to reduce various operational risks through controls and procedures, but it is not possible to completely protect against such risks.

High portfolio turnover may result in higher levels of transaction costs and may generate greater tax liabilities for shareholders.

A fund with significant exposure to a single asset class, country, region, industry, or sector may be more affected by an adverse economic or political development than a broadly diversified fund.

Securities of small- and mid-capitalization companies may experience greater price volatility and be less liquid than larger, more established companies.

Trading on the exchange may be halted due to market conditions or other reasons. There can be no assurance that the requirements to maintain the listing of a fund on the exchange will continue to be met or be unchanged.

First Trust Advisors L.P. is the adviser to the fund. First Trust Advisors L.P. is an affiliate of First Trust Portfolios L.P., the fund's distributor.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

## Definitions

**Standard Deviation** is a measure of price variability (risk). **Alpha** is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. **Beta** is a measure of price variability relative to the market. **Sharpe Ratio** is a measure of excess reward per unit of volatility. **Correlation** is a measure of the similarity of performance. The **S&P 1000 Index** combines the S&P MidCap 400 Index and the S&P SmallCap 600 Index to form an investable benchmark for the mid- to small-cap segment of the U.S. equity market.

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§The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. ©2021 Morningstar, Inc. All Rights Reserved. The Morningstar Rating™ information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.