

» 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 StrataQuant® Financials Index.

» Fund Facts

Fund Ticker	FXO
CUSIP	33734X135
Intraday NAV	FXOIV
Fund Inception Date	5/8/07
Gross Expense Ratio*	0.62%
Net Expense Ratio	0.62%
30-Day SEC Yield†	1.57%
Unsubsidized 30-Day SEC Yield‡	1.57%
Rebalance Frequency	Quarterly
Primary Listing	NYSE Arca

» Index Facts

Index Ticker	STQFNTF
Index Inception Date	4/11/07
Index Yield‡	2.54%

» Index Description

- » The StrataQuant® Financials Index is an "enhanced" index developed, maintained and sponsored by ICE Data Indices, LLC or its affiliates ("IDI") which employs the AlphaDEX® stock selection methodology to select stocks from the Russell 1000® Index.
- » IDI constructs the StrataQuant® Financials Index by ranking the stocks which are members of the Russell 1000® Index on growth factors including three, six and 12-month price appreciation, sales to price and one year sales growth, and, separately, on value factors including book value to price, cash flow to price and return on assets. All stocks are ranked on the sum of ranks for the growth factors and, separately, all stocks are ranked on the sum of ranks for the value factors.
- » Each stock receives either its growth or value score rank as its selection score based on its style designation as determined by Russell. Stocks which Russell allocates between both growth and value receive the better of their growth or value score rank as their selection score.
- » IDI then ranks those stocks contained in the financials sector according to their score. The greater of the top 75% of the eligible universe or 40 stocks is selected for the StrataQuant® Financials Index.
 - If the total count of eligible stocks in the financials falls below 40, all eligible stocks will be included.
- » The selected stocks are divided into quintiles based on their rankings and the top ranked quintiles receive a higher weight within the index. The stocks are equally-weighted within each quintile.
- » The index is reconstituted and rebalanced quarterly.

» Performance Summary (%)

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Fund Inception
Fund Performance*							
Net Asset Value (NAV)	5.49	28.36	75.62	14.57	16.08	13.65	7.65
After Tax Held	5.30	27.93	73.85	13.40	15.02	12.78	6.87
After Tax Sold	3.25	16.78	44.52	10.75	12.36	10.92	5.84
Market Price	5.44	28.28	75.69	14.55	16.08	13.65	7.65

» Index Performance**

StrataQuant® Financials Index	5.72	28.75	76.95	15.39	16.89	14.47	8.51
Russell 1000® Financials Index	7.50	24.45	59.51	17.95	18.76	15.00	—
Russell 1000® Index	8.54	14.95	43.07	19.16	17.99	14.90	10.12
S&P 500 Financials Index	8.36	25.69	61.77	13.97	17.05	13.71	3.49

» Calendar Year Total Returns (%)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD
FXO	-7.35	21.24	40.41	8.71	1.21	18.16	17.92	-11.63	26.26	5.92	28.36
Russell 1000® Financials Index	-12.95	27.21	34.80	14.66	0.70	16.54	21.57	-8.11	33.76	7.23	24.45
Russell 1000® Index	1.50	16.42	33.11	13.24	0.92	12.05	21.69	-4.78	31.43	20.96	14.95
S&P 500 Financials Index	-17.06	28.81	35.63	15.20	-1.53	22.80	22.18	-13.03	32.13	-1.69	25.69

» 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FXO	27.01	0.70	1.04	0.59	0.95
S&P 500 Financials Index	24.73	—	1.00	0.60	1.00

Overall Morningstar Rating™



Among 94 funds in the Financial category. This fund was rated 3 stars/94 funds (3 years), 3 stars/84 funds (5 years), 4 stars/71 funds (10 years) based on risk adjusted returns.⁵

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.

*Expenses are capped contractually at 0.70% per year, at least until November 30, 2021.

†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 and includes the effects of fee waivers and expense reimbursements.

‡The unsubsidized 30-day SEC yield is calculated the same as the 30-day SEC yield, however it excludes contractual fee waivers and expense reimbursements.

§Index yield represents the weighted average trailing 12-month dividend of the constituents of the StrataQuant® Financials 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. The fund's performance reflects fee waivers and expense reimbursements, absent which performance would have been lower. 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 StrataQuant® Financials 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	104
Maximum Market Cap.	\$635.73 Billion
Median Market Cap.	\$11.54 Billion
Minimum Market Cap.	\$3.13 Billion
Price/Earnings	9.72
Price/Book	1.32
Price/Cash Flow	8.25
Price/Sales	1.70

» Top Holdings (%)

Santander Consumer USA Holdings, Inc.	2.02
Athene Holding Ltd. (Class A)	2.01
SLM Corporation	1.75
Jefferies Financial Group Inc.	1.71
The Allstate Corporation	1.71
Cincinnati Financial Corporation	1.70
Assured Guaranty, Ltd.	1.69
First American Financial Corporation	1.66
Berkshire Hathaway, Inc.	1.64
Fidelity National Financial, Inc.	1.61

» Top Industry Exposure (%)

Non-life Insurance	29.45
Banks	27.09
Investment Banking and Brokerage Services	25.13
Finance and Credit Services	9.42
Life Insurance	8.59
Mortgage Real Estate Investment Trusts	0.32

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 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.

Financial services companies are subject to the adverse effects of economic recession, government regulation, decreases in the availability of capital, volatile interest rates, and competition from new entrants in their fields of business.

Stocks with growth characteristics tend to be more volatile than certain other stocks and their prices may fluctuate more dramatically than the overall stock market.

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.

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.

The risks associated with investing in real estate and real estate investment trusts (REITs) include fluctuations in the value of underlying properties, defaults by borrowers or tenants, market saturation, changes in general and local economic conditions, decreases in market rates for rents, increases in competition, property taxes, capital expenditures or operating expenses, dependency upon management skills, limited diversification, and other economic, political or regulatory occurrences. Increases in interest rates typically lower the present value of a REIT's future earnings stream, and may make financing property purchases and improvements more costly. The value of a fund will generally decline when investors in REIT stocks anticipate or experience rising interest rates.

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.

Value stocks are subject to the risk that valuations never improve or that the returns on value stocks are less than returns on other styles of investing or the overall stock market.

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 **Russell 1000® Index** is an unmanaged index used to measure the large-cap U.S. equity universe. The **Russell 1000® Financials Index** is an unmanaged index which includes the stocks in the financial services sector of the Russell 1000® Index. The **S&P 500 Financials Index** is an unmanaged index which includes the stocks in the financial sector of the S&P 500 Index.

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"AlphaDEX®" is a registered trademark of First Trust Portfolios L.P. First Trust Portfolios L.P. has obtained a patent for the AlphaDEX® stock selection methodology from the United States Patent and Trademark Office.

§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.