

## » 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 Smart Oil & Gas Index.

## » Fund Facts

Fund Ticker	FTXN
CUSIP	33738R845
Intraday NAV	FTXNIV
Fund Inception Date	9/20/16
Expense Ratio	0.60%
Rebalance Frequency	Quarterly
Primary Listing	Nasdaq

## » Index Facts

Index Ticker	NQSSOGT
Index Inception Date	7/8/16

## » Index Description

- » The Nasdaq US Smart Oil & Gas Index is a modified factor weighted index created and administered by Nasdaq, Inc. ("Nasdaq") designed to provide exposure to US companies within the oil and gas industry.
- » Nasdaq selects the 50 most liquid eligible oil and gas securities from the NASDAQ US Benchmark Index and then ranks those securities based on three factors:
  - Volatility – trailing 12-month price fluctuation.
  - Value – cash flow to price.
  - Growth – the 3-, 6-, 9-, and 12-month average price appreciation.
- » The securities are weighted based on their score on the three factors.
- » The index weighting methodology includes caps to prevent high concentrations among single stocks.
- » 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)	18.36	58.27	71.68	-7.67	—	—	0.18
After Tax Held	18.21	58.00	70.70	-8.44	—	—	-0.59
After Tax Sold	10.87	34.49	42.24	-6.09	—	—	-0.22
Market Price	18.35	58.35	71.62	-7.65	—	—	0.19
<b>Index Performance**</b>							
Nasdaq US Smart Oil & Gas Index	18.64	59.11	73.08	-7.08	—	—	0.83
Nasdaq US Benchmark Energy Index	12.09	44.92	57.27	-5.35	—	—	0.42
NASDAQ US Benchmark Index	8.49	15.40	44.47	18.98	—	—	18.28

## » Calendar Year Total Returns (%)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD
FTXN	—	—	—	—	—	—	-2.56	-20.19	3.18	-28.58	58.27
Nasdaq US Benchmark Energy Index	—	—	—	—	—	—	-1.31	-19.40	10.28	-29.44	44.92
NASDAQ US Benchmark Index	—	—	—	—	—	—	21.38	-5.44	31.17	21.27	15.40

## » 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FTXN	43.06	-33.63	1.86	0.00	0.84
Nasdaq US Benchmark Energy Index	41.37	-30.81	1.81	0.04	0.85
NASDAQ US Benchmark Index	19.41	—	1.00	0.92	1.00

*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).*

\*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 Smart Oil & Gas 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	50
Maximum Market Cap.	\$267.05 Billion
Median Market Cap.	\$6.60 Billion
Minimum Market Cap.	\$925 Million
Price/Book	1.63
Price/Cash Flow	12.12
Price/Sales	2.24

## >> Top Holdings (%)

SM Energy Company	8.67
Cheniere Energy, Inc.	7.15
Chevron Corporation	7.07
The Williams Companies, Inc.	7.06
Kinder Morgan, Inc.	6.96
Centennial Resource Development, Inc (Class A)	4.26
Marathon Oil Corporation	3.94
ConocoPhillips	3.83
PDC Energy, Inc.	3.80
Exxon Mobil Corporation	3.78

## >> Top Industry Exposure (%)

Oil: Crude Producers	49.30
Pipelines	32.74
Integrated Oil and Gas	10.87
Oil Refining and Marketing	2.72
Oil Equipment and Services	1.69

*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.

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 portfolio comprised of low volatility stocks may not produce investment exposure that has lower variability to changes in such stocks' price levels. Low volatility stocks are likely to underperform the broader market during periods of rapidly rising stock prices.

A fund classified as "non-diversified" may invest a relatively high percentage of its assets in a limited number of issuers. As a result, a fund may be more susceptible to a single adverse economic or regulatory occurrence affecting one or more of these issuers, experience increased volatility and be highly concentrated in certain issuers.

General problems of the oil & gas industry include volatile fluctuations in price and supply of energy fuels, international politics, terrorist attacks, reduced demand as a result of increases in energy efficiency and energy conservation, the success of exploration projects, clean-up and litigation costs relating to oil spills and environmental damage, and tax and other regulatory policies of various

governments. Oil production and refining companies are subject to extensive federal, state and local environmental laws and regulations regarding air emissions and the disposal of hazardous materials. Friction with certain oil producing countries, and between the governments of the United States and other major exporters of oil to the United States, or policy shifts by governmental entities and intergovernmental entities such as OPEC, could put oil exports at risk. In addition, falling oil and gas prices may negatively impact the profitability and business prospects of certain energy companies. Further, global concerns of civil unrest in foreign countries may also affect the flow of oil from such countries.

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.

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 **Nasdaq US Benchmark Energy Index** is a float adjusted market capitalization-weighted index which includes securities in the US Benchmark Index that are classified in the Oil & Gas Industry according to the Industry Classification Benchmark. The **NASDAQ US Benchmark Index** is a float adjusted market capitalization-weighted index designed to track the performance of securities assigned to the United States.

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