

» Fund Objectives

This exchange-traded fund seeks maximum total return and current income.

» Fund Facts

Fund Ticker	FEMB
CUSIP	33739P202
Intraday NAV	FEMBIV
Fund Inception Date	11/4/14
Expense Ratio	0.85%
30-Day SEC Yield [†]	5.71%
Primary Listing	Nasdaq

» Fund Description

» The First Trust Emerging Markets Local Currency Bond ETF is an actively managed exchange-traded fund. Under normal market conditions, the fund invests at least 80% of its net assets (including investment borrowings) in bonds, notes, bills, certificates of deposit, time deposits, commercial paper and loans issued by issuers in emerging market ("EM") countries that are denominated in the local currency of the issuer.

- The fund will use foreign currencies and derivative instruments primarily to hedge (offset) interest rate risk and actively manage interest rate exposure as well as to hedge foreign currency risk and actively manage foreign currency exposure.
- Because currency returns can be a significant driver of performance in EMs, either positive or negative, the duration and currency exposures will be actively managed to minimize portfolio volatility.
- EMs enjoy high growth rates, sustainable debt dynamics and advantageous demographic profiles, in our opinion.

» Fund Sub-Advisor

» First Trust Global Portfolios Ltd. is the sub-advisor to the fund and will manage the fund's portfolio.

- The fixed income investment team at First Trust Global Portfolios Ltd. has extensive experience in managing developed and emerging market sovereign debt portfolios.
- The portfolio managers will continually review fundamental economic and structural themes that impact long- and medium-term asset returns in EMs.
- The portfolio managers will adjust the portfolio's country allocations, duration and individual security positioning to reflect what they believe to be the most attractive opportunities on a continuous basis.

» The following persons serve as the portfolio managers of the Fund:

- Derek Fulton, Chief Executive Officer, First Trust Global Portfolios Ltd.
- Leonardo Da Costa, Portfolio Manager, First Trust Global Portfolios Ltd.

» Performance Summary (%)

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Fund Inception
Fund Performance*							
Net Asset Value (NAV)	-5.15	-10.53	0.75	1.72	0.28	—	-0.67
After Tax Held	-5.70	-12.04	-1.50	-0.57	-2.07	—	-2.93
After Tax Sold	-3.04	-6.19	0.51	0.40	-0.75	—	-1.44
Market Price	-5.43	-10.89	0.79	1.60	0.34	—	-0.70

» Index Performance**

Bloomberg Emerging Markets Local Currency Government - 10% Country Capped Index	-2.99	-6.52	1.55	3.93	2.32	—	1.10
---	-------	-------	------	------	------	---	------

» Calendar Year Total Returns (%)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD
FEMB	—	—	—	—	-14.66	7.72	12.57	-7.22	11.58	3.03	-10.53
Bloomberg Emerging Markets Local Currency Government - 10% Country Capped Index	—	—	—	—	-11.73	6.85	14.94	-4.77	12.21	4.83	-6.52

» 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FEMB	12.19	-2.68	1.27	0.10	0.98
Bloomberg Emerging Markets Local Currency Government - 10% Country Capped Index	9.41	—	1.00	0.33	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.

[†]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.

*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.

**The Bloomberg Emerging Markets Local Currency Government - 10% Country Capped Index is the fund's benchmark. 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	52
Weighted Average Effective Duration ¹	5.15 Years
Weighted Average Maturity	7.19 Years

» Credit Quality (%)²

Cash	2.81
AAA	6.68
AA	2.02
AA-	1.56
A+	7.71
A	7.48
A-	7.61
BBB+	9.68
BBB	14.15
BBB-	12.59
BB	11.64
BB-	16.07

» Top Currency Exposure (%)

ZAR	12.45
MXN	10.90
IDR	10.88
BRL	10.31
INR	9.96
COP	9.40
RUB	7.92
CLP	7.71
PEN	4.76
HUF	4.17

» Maturity Exposure (%)

0 - 3 Years	10.01
3 - 5 Years	17.56
5 - 7 Years	24.38
7 - 10 Years	25.93
10 - 15 Years	13.59
15+ Years	5.72
Cash	2.81

» Top Holdings (%)

Nota do Tesouro Nacional N/C, 10%, Due 01/01/2027	4.99
Republic of South Africa, 10.5%, Due 12/21/2026	4.80
Nota do Tesouro Nacional, 10%, Due 01/01/2025	4.48
INDONESIA GOVERNMENT N/C, 8.375%, due 03/15/2034	4.29
ASIAN DEVELOPMENT BANK N/C, 6.20%, due 10/06/2026	3.82
BONOS TESORERIA PESOS N/C, 4.70%, due 09/01/2030	3.46
POLAND GOVERNMENT BOND N/C, 2.75%, due 04/25/2028	3.43
TITULOS DE TESORERIA B N/C, 7.75%, due 09/18/2030	3.43
Republic of South Africa N/C, 8.875%, Due 02/28/2035	3.36
MEX BONOS DESARR FIX RT N/C, 7.50%, due 06/03/2027	3.25

» Top Country Exposure (%)

Brazil	13.43
South Africa	11.92
Indonesia	9.85
Colombia	9.72
Chile	8.04
Mexico	7.87
Philippines	5.99
Peru	5.43
Hungary	4.71
Malaysia	4.17

¹A measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield.

²The ratings are by Standard & Poor's. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO), of the creditworthiness of an issuer with respect to debt obligations. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Investment grade is defined as those issuers that have a long-term credit rating of BBB- or higher. "NR" indicates no rating. The credit ratings shown relate to the credit worthiness of the issuers of the underlying securities in the fund, and not to the fund or its shares. Credit ratings are subject to change.

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

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.

In managing a fund's investment portfolio, the portfolio managers will apply investment techniques and risk analyses that may not have the desired result.

A fund that effects all or a portion of its creations and redemptions for cash rather than in-kind may be less tax-efficient.

A fund may be subject to the risk that a counterparty will not fulfill its obligations which may result in significant financial loss to a fund.

The differences in yield between debt securities of different credit quality may increase which may reduce the market value of a fund's debt securities.

Changes in currency exchange rates and the relative value of non-US currencies may affect the value of a fund's investments and the value of a fund's shares.

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.

Certain securities are subject to call, credit, inflation, income, interest rate, extension and prepayment risks. These risks could result in a decline in a security's value and/or income, increased volatility as interest rates rise or fall and have an adverse impact on a fund's performance.

The use of listed and OTC derivatives, including forward contracts, can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives. These risks are heightened when a fund's portfolio managers use derivatives to enhance a fund's returns or as a substitute for a position or security, rather than solely to hedge (or offset) the risk of a position or security held by a fund.

Forward foreign currency exchange contracts involve certain risks, including the risk of failure of the counterparty to perform its obligations under the contract and the risk that the use of forward contracts may not serve as a complete hedge because of an imperfect correlation between movements in the prices of the contracts and the prices of the currencies hedged.

High yield securities, or "junk" bonds, are less liquid and are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, are considered to be highly speculative.

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

Certain fund investments may be subject to restrictions on resale, trade over-the-counter or in limited volume, or lack an active trading market. Illiquid securities may trade at a discount and may be subject to wide fluctuations in market value.

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.

Securities of non-U.S. issuers are subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market 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.

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.

Investments in sovereign bonds involve special risks because the governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due. In times of economic uncertainty, the prices of these securities may be more volatile than those of corporate debt or other government debt obligations.

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.

Due to the lack of centralized information and trading, and variations in lot sizes of certain debt securities, the valuation of debt securities may carry more uncertainty and risk than that of publicly traded securities.

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 **Bloomberg Emerging Markets Local Currency Government - 10% Country Capped Index** measures the performance of local currency Emerging Markets debt but caps country exposure to a maximum of 10%.