

>> Fund Objective

This exchange-traded fund seeks total return.

>> Fund Facts

Fund Ticker	FCVT
CUSIP	33739Q507
Intraday NAV	FCVTIV
Fund Inception Date	11/3/15
Expense Ratio	0.95%
30-Day SEC Yield†	0.92%
Primary Listing	Nasdaq

>> Fund Description

>> The First Trust SSI Strategic Convertible Securities ETF is an actively managed exchange-traded fund (ETF) that seeks to deliver total return by investing, under normal market conditions, at least 80% of its net assets in a diversified portfolio of U.S. and non-U.S. convertible securities.

- **Equity upside participation with muted volatility:** The embedded conversion option provides equity market participation, with potential for attractive risk-adjusted returns.
- **Potential downside protection through fixed-income attributes:** The bond-like characteristics of convertible securities offer potential downside protection relative to traditional equity investments.
- **Reduced sensitivity to interest rate risk:** Convertible securities have historically exhibited limited sensitivity to interest rates because of their embedded conversion option.
- **Beneficial diversification properties for investors seeking managed capital appreciation and income:** Historically, convertible securities are not highly correlated with other asset classes. Because of this, they have the potential to enhance overall return and provide meaningful diversification to an asset allocation strategy.

>> Fund Sub-Advisor

- >> The portfolio is sub-advised and managed by SSI Investment Management Inc. (SSI).
- >> SSI has provided highly specialized expertise in convertible securities and has managed risk for institutional investors and high net worth individuals for over 30 years.
- >> SSI adds value through an active management style that combines quantitative and fundamental disciplines and believes its quantitative analysis provides the most effective framework for identifying superior value in selecting attractive portfolio candidates.
- >> Day-to-day management decisions for the fund's portfolio are made by a highly experienced and seasoned management team:
 - George M. Douglas, CFA, Principal and Chief Investment Officer
 - Ravi Malik, CFA, Principal and Portfolio Manager
 - Michael J. Opre, CFA, Portfolio Manager
 - Florian Eitner, CFA, Portfolio Manager
 - Stephen R. Wachtel, Portfolio Manager

>> Performance Summary (%)

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Fund Inception
Fund Performance*							
Net Asset Value (NAV)	-16.68	-21.29	-22.90	9.42	9.23	—	8.97
After Tax Held	-17.08	-22.04	-27.69	6.66	7.21	—	7.23
After Tax Sold	-9.86	-12.55	-10.65	7.26	6.91	—	6.75
Market Price	-17.17	-21.84	-23.35	9.43	9.09	—	8.91
Index Performance**							
ICE BofA All US Convertibles Index	-15.65	-20.21	-20.63	10.09	10.03	—	9.68

>> Calendar Year Total Returns (%)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
FCVT	—	—	—	—	6.79	13.62	-1.57	22.45	50.19	3.71	-21.29
ICE BofA All US Convertibles Index	—	—	—	—	10.43	13.70	0.16	23.15	46.22	6.34	-20.21

>> 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FCVT	19.09	-1.00	1.05	0.53	0.99
ICE BofA All US Convertibles Index	18.02	—	1.00	0.59	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.

**Performance information for each listed 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	126
Weighted Average Effective Duration ¹	1.62 Years

» Security Type (%)

Convertible Bond	79.02
Mandatory Preferred	13.58
Cash & Equivalent	7.04
Convertible Preferred	0.36

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.

» Top Holdings (%)

PALO ALTO NETWORKS Convertible, 0.75%, due 07/01/2023	2.87
DEXCOM INC Convertible, 0.25%, due 11/15/2025	2.59
NextEra Energy, Inc., Convertible, 5.279%, Due 03/01/2023	2.54
PIONEER NATURAL RESOURCES Convertible, 0.25%, due 05/15/2025	2.18
Broadcom Inc., Series A, 8.00%, Due 09/30/2022	2.17
SOUTHWEST AIRLINES CO Convertible, 1.25%, due 05/01/2025	1.77
ENPHASE ENERGY INC Convertible, 0%, due 03/01/2028	1.70
SNAP INC Convertible, 0.125%, due 03/01/2028	1.57
SPLUNK INC Convertible, 1.125%, due 09/15/2025	1.45
ON SEMICONDUCTOR CORP Convertible, 0%, due 05/01/2027	1.40

» Top Sector Exposure (%)

Information Technology	30.05
Health Care	15.79
Consumer Discretionary	9.06
Communication Services	8.51
Industrials	7.54
Cash & Equivalent	7.04
Utilities	6.38
Energy	5.30
Financials	4.22
Real Estate	2.75
Materials	2.25
Consumer Staples	1.11

You should consider the fund's investment objective, 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

You could lose money by investing in a fund. An investment in a fund is not a deposit of a bank and is not insured or guaranteed. There can be no assurance that a fund's objective(s) will be achieved. Investors buying or selling shares on the secondary market may incur customary brokerage commissions. Please refer to each fund's prospectus and SAI for additional details on a fund's risks. The order of the below risk factors does not indicate the significance of any particular risk factor.

Unlike mutual funds, shares of the fund 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 premium or discount to a fund's net asset value and possibly face delisting and the bid/ask spread may widen.

An investment in a Business Development Company ("BDC") may present a greater risk of loss due to the company's youth, limited track record, limited product line, use of leverage, or small market share. These companies may also have issues related to liquidity or capital resources which may result in a greater risk of default on fixed income securities or non-payment of dividends on stock. Additionally, the BDC's shares may trade at a market price above or below its net asset value, or an active market may not develop for its shares which may result in losses to the fund.

During periods of falling interest rates if an issuer calls higher-yielding debt instruments, a fund may be forced to invest the proceeds at lower interest rates, likely resulting in a decline in the fund's income.

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

Contingent convertible securities ("CoCos") may provide for mandatory conversion into common stock of the issuer under certain circumstances. Since the common stock of the issuer may not pay a dividend, investors in these instruments could experience a reduced income rate, potentially to zero; and conversion would deepen the subordination of the investor, hence worsening standing in a bankruptcy.

A convertible security is exposed to risks associated with both equity and debt securities. The value of convertibles may rise and fall with the market value of the underlying stock or vary with changes in interest rates and credit quality of the issuer.

An issuer or other obligated party of a debt security may be unable or unwilling to make dividend, interest and/or principal payments when due and the value of a security may decline as a result.

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.

A fund is susceptible to operational risks through breaches in cyber security. Such events could cause a fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss.

Investments in debt securities subject the holder to the credit risk of the issuer and the value of debt securities will generally change inversely with changes in interest rates. In addition, debt securities generally do not trade on a securities exchange making them less liquid and more difficult to value.

Depository receipts may be less liquid than the underlying shares in their primary trading market and distributions may be subject to a fee. Holders may have limited voting rights, and investment restrictions in certain countries may adversely impact their value.

The use of derivatives instruments involves different and possibly greater risks than investing directly in securities including counterparty risk, valuation risk, volatility risk, and liquidity risk. Further, losses because of adverse movements in the price or value of the underlying asset, index or rate may be magnified by certain features of the derivatives.

Exchange-traded notes ("ETNs") are unsecured debt obligations whose valuation may be impacted by a downgrade in the issuer's credit rating. Additionally, the value of the ETN may be affected by time to maturity, the level of supply and demand for the ETN, volatility and lack of liquidity of the underlying market, changes in interest rates, and other economic or political events that affect the underlying market or assets.

Extension risk is the risk that, when interest rates rise, certain obligations will be paid off by the issuer (or other obligated party) more slowly than anticipated, causing the value of these debt securities to fall. Rising interest rates tend to extend the duration of debt securities, making their market value more sensitive to changes in interest rates.

The market for forward contracts is substantially unregulated and can experience lengthy periods of illiquidity, unusually high trading volume and other negative impacts, such as political intervention. Forward contracts can increase a fund's risk exposure to underlying references and their attendant risks, such as credit risk, currency risk, market risk, and interest rate risk, while also exposing a fund to counterparty risk, liquidity risk and valuation risk, among others.

The risk of a position in a futures contract may be very large compared to the relatively low level of margin a fund is required to deposit and a relatively small price movement in a futures contract may result in immediate and substantial loss relative to the size of margin deposit.

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's income may decline when interest rates fall or if there are defaults in its portfolio.

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

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

Information technology companies are subject to certain risks, including rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards and regulation and frequent new product introductions.

Interest rate risk is the risk that the value of the debt securities in a fund's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term debt securities and higher for longer-term debt securities.

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.

The portfolio managers of an actively managed portfolio will apply investment techniques and risk analyses that may not have the desired result.

Market risk is the risk that a particular security, or shares of a fund in general may fall in value. Securities are subject to market fluctuations caused by such factors as general economic conditions, political events, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of a fund could decline in value or underperform other investments as a result. In addition, local, regional or global events such as war, acts of terrorism, spread of infectious disease or other public health issues, recessions, or other events could have significant negative impact on a fund. In February 2022, Russia invaded Ukraine which has caused and could continue to cause significant market disruptions and volatility within the markets in Russia, Europe, and the United States. The hostilities and sanctions resulting from those hostilities could have a significant impact on certain fund investments as well as fund performance. The COVID-19 global pandemic has caused and may continue to cause significant volatility and declines in global financial markets. While the U.S. has resumed "reasonably" normal business activity, many countries continue to impose lockdown measures. Additionally, there is no guarantee that vaccines will be effective against emerging variants of the disease.

A fund faces numerous market trading risks, including the potential lack of an active market for fund shares due to a limited number of market makers. Decisions by market makers or authorized participants to reduce their role or step away in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of a fund's portfolio securities and a fund's market price.

Securities of non-U.S. issuers are subject to additional risks, including currency fluctuations, political risks, withholding, lack of liquidity, lack of adequate financial information, and exchange control restrictions

impacting non-U.S. issuers.

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. The fund also relies on third parties for a range of services, including custody, and any delay or failure related to those services may affect the fund's ability to meet its objective.

Because OTC derivatives do not trade on an exchange, the parties to an OTC derivative face heightened levels of counterparty risk, liquidity risk and valuation risk.

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

Preferred securities combine some of the characteristics of both common stocks and bonds. Preferred stocks are typically subordinated to other debt instruments in terms of priority to corporate income, and therefore will be subject to greater credit risk than those debt instruments.

The market price of a fund's shares will generally fluctuate in accordance with changes in the fund's net asset value ("NAV") as well as the relative supply of and demand for shares on the exchange, and a fund's investment advisor cannot predict whether shares will trade below, at or above their NAV.

Prepayment risk is the risk that the issuer of a debt security will repay principal prior to the scheduled maturity date. Debt securities allowing prepayment may offer less potential for gains during a period of declining interest rates, as a fund may be required to reinvest the proceeds of any prepayment at lower interest rates.

A fund may be unable to sell a restricted security on short notice or only sell them at a price below current value.

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.

Swap agreements may involve greater risks than direct investment in securities and could result in losses if the underlying reference or asset does not perform as anticipated. In addition, many swaps trade over-the-counter and may be considered illiquid.

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

A fund may hold securities or other assets that may be valued on the basis of factors other than market quotations. This may occur because the asset or security does not trade on a centralized exchange, or in times of market turmoil or reduced liquidity. Portfolio holdings that are valued using techniques other than market quotations, including "fair valued" assets or securities, may be subject to greater fluctuation in their valuations from one day to the next than if market quotations were used. There is no assurance that a fund could sell or close out a portfolio position for the value established for it at any time.

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 **ICE BofA All US Convertibles Index** measures the return of all U.S. convertibles.