

# First Trust Value Line® Dividend Index Fund

# >> 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 Value Line® Dividend Index.

### >> Fund Facts

Fund Ticker	FVD
CUSIP	33734H106
Intraday NAV	FVDIV
Fund Inception Date	8/19/03
Gross Expense Ratio <sup>^</sup>	0.67%
Net Expense Ratio	0.67%
30-Day SEC Yield <sup>†</sup>	2.80%
Unsubsidized 30-Day SEC Yield#	2.80%
Rebalance Frequency	Monthly
Primary Listing	NYSE Arca

### >> Index Facts

Index Ticker VLFVDTR
Index Inception Date 10/11/06
Index Yield‡ 3.11%

### » Index Description According to the Index Provider

- >>> The index begins with the universe of stocks that Value Line® gives a Safety™ Ranking of #1 or #2 using the Value Line® Safety™ Ranking System. All registered investment companies, limited partnerships and foreign securities not listed in the U.S. are removed from this universe.
- » From those stocks, Value Line® selects those companies with a higher than average dividend yield, as compared to the indicated dividend yield of the Standard & Poor's 500 Composite Stock Price Index.
- » Value Line® then eliminates those companies with an equity market capitalization of less than \$1 billion.
- The index seeks to be equally weighted in each of the securities in the index. The index is rebalanced on the application of the above model on a monthly basis.

>> Performance Summary (%)'	31	3 Month Y		YTD 1 Year		3 Year	5 Y	ear	10 Year	Since Fur	nd Inception
Fund Performance*											
Net Asset Value (NAV)	-	7.29	-15.63	-6	5.91	3.07	6.0	09	10.01	8	3.93
After Tax Held	-	7.50	-16.12	-7	7.65	2.16	5.	13	8.95	7	7.54
After Tax Sold	-	4.32	-9.23	-4	1.04	1.96	4.	31	7.66	6	5.79
Market Price	-	7.34	-15.63	-6	5.88	3.07	6.0	09	10.00	8	3.93
Index Performance**											
Value Line® Dividend Index	-	-7.21	-15.23	-6	5.25	3.92	6.9	94	10.89		_
Dow Jones U.S. Select Dividend™ Index	-	-7.71	-10.07	-3	3.10	5.88	6.8	89	10.53		_
S&P 500 Index	-	4.88	-23.87	-15	5.47	8.16	9.2	24	11.70	9	9.04
» Calendar Year Total Returns (%) <sup>1</sup>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
FVD	11.17	26.57	15.94	1.26	19.94	12.48	-3.44	26.56	-0.01	24.86	-15.63
Dow Jones U.S. Select Dividend™ Index	10.84	29.06	15.36	-1.64	21.98	15.44	-5.94	23.11	-4.56	32.24	-10.07
S&P 500 Index	16.00	32.39	13.69	1.38	11.96	21.83	-4.38	31.49	18.40	28.71	-23.87
>> 3-Year Statistics <sup>1</sup>	Standard I	Deviation (%	)	Alpha		Beta		Sharpe R	atio	Correla	ation
FVD	1	7.42		-3.44		0.79		0.22		0.9	2
Dow Jones U.S. Select Dividend™ Index	2	21.24		-0.73		0.88	0.35			0.83	
S&P 500 Index	2	20.30		-		1.00	0.46			1.00	

Overall Morningstar Rating™



Among 1153 funds in the Large Value category. This fund was rated 3 stars/1153 funds (3 years), 4 stars/1094 funds (5 years), 5 stars/800 funds (10 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.

<sup>\*\*</sup>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.



<sup>^</sup>Expenses are capped contractually at 0.70% per year, at least through April 30, 2023. The Investment Advisor has implemented fee breakpoints, which reduce the fund's investment management fee at certain assets levels. Please see the fund's SAI for full details.

<sup>†30-</sup>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

<sup>\*</sup>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.

<sup>‡</sup>Index yield represents the weighted average trailing 12-month dividend of the constituents of the Value Line® Dividend Index™.

On December 15, 2006, the fund acquired the assets and adopted the performance history of the First Trust Value Line\* Dividend Fund, a closed-end fund. The investment goals, strategies and policies of the fund are substantially similar to those of the predecessor fund. Performance information for periods prior to December 15, 2006 is based on the performance history of the predecessor fund and reflects the operating expenses of the predecessor fund. \*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.

# First Trust Value Line® Dividend Index Fund

# » Portfolio Information

Number Of Holdings	187
Maximum Market Cap.	\$429.50 Billion
Median Market Cap.	\$31.13 Billion
Minimum Market Cap.	\$1.63 Billion
Price/Earnings	16.33
Price/Book	2.38
Price/Cash Flow	10.89
Price/Sales	1.79

# >> Top Holdings (%)

Robert Half International, Inc.	0.58
Everest Re Group, Ltd.	0.57
Infosys, Ltd.	0.57
NewMarket Corporation	0.57
SAP SE	0.57
AstraZeneca Plc	0.56
Bristol-Myers Squibb Company	0.56
Cboe Global Markets Inc.	0.56
Chubb Limited	0.56
Diageo Plc	0.56

# >> Top Sector Exposure (%)

·· Top occioi Emposare (70)	
Utilities	19.28
Industrials	15.25
Consumer Staples	14.99
Financials	13.60
Information Technology	10.82
Health Care	8.81
Materials	4.94
Consumer Discretionary	4.90
Real Estate	4.26
Communication Services	2.61
Energy	0.54

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

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.

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 fine regulatory.

Depositary 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.

Companies that issue dividend-paying securities are not required to continue to pay dividends on such securities. Therefore, there is a possibility that such companies could reduce or eliminate the payment of dividends in the future.

Equity securities may decline significantly in price over short or extended periods of time, and such declines may occur in the equity market as a whole, or they may occur in only a particular country, company, industry or sector of the market

An index fund will be concentrated in an industry or a group of industries to the extent that the index is so concentrated. A fund with significant exposure to a single asset class, or the securities of issuers within the same country, state, region, industry, or sector may have its value more affected by an adverse economic, business or political development than a broadly diversified fund.

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.

There is no assurance that the index provider or its agents will compile or maintain the index accurately. Losses or costs associated with any index provider errors generally will be borne by a fund and its shareholders.

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

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 and the ensuing policies enacted by governments and central banks have caused and may continue to cause significant volatility and uncertainty 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

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.

An index fund's return may not match the return of the index for a number of reasons including operating expenses, costs of buying and selling securities to reflect changes in the index, and the fact that a fund's portfolio holdings may not exactly replicate the index.

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

A fund that invests in securities included in or representative of an index will hold those securities regardless of investment merit and the fund generally will not take defensive positions in declining markets.

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

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.

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

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.

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 Dow Jones U.S. Select Dividend™ Index consists of 100 widely-traded, dividend-paying stocks derived from the Dow Jones U.S.Total Market Index™. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance.

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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 for variation in 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 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, and 50% 10-year rating/20% three-year rating for 120 or more months of total returns, and 50% 10-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. ©2022 Morningstar, Inc. All Rights Reserved. The Morningstar Rating™ information contained herein: (1) is proprietary to Morningstar; or understand the providers are responsible for any damages or losses arising from any use of this information. Past performance is no quarantee of future results.