FTSL

As of 9/30/22

First Trust Senior Loan Fund

Fund Objective

This exchange-traded fund seeks to provide high current income by investing primarily in a diversified portfolio of first lien senior floating-rate bank loans (“Senior Loans”). Capital preservation is a secondary objective.

Fund Facts

Fund Ticker	FTSL
CUSIP	33738D309
Intraday NAV	FTSLIV
Fund Inception Date	5/1/13
Expense Ratio^	0.86%
30-Day SEC Yield†	6.18%
Primary Listing	Nasdaq

Portfolio Managers

William Housey, CFA;
Managing Director of Fixed Income
Jeffrey Scott, CFA; Senior Vice President

Fund Description

- The First Trust Senior Loan Fund is an actively managed exchange-traded fund. Under normal market conditions, the fund will invest in at least 80% of its net assets in Senior Loans that are made predominantly to businesses operating in North America and may also invest up to 20% of its net assets in non-Senior Loan debt securities, warrants, equity securities and securities of other investment companies.
- Senior loans are generally secured by the assets of a given company. Senior loans’ secured position within a capital structure can mitigate losses in the event of a default.
- Consider these factors about the fund:
  - The fund has the potential to provide high current income, while potentially limiting interest rate risk.
  - The fund may provide an element of protection against rising interest rates because of the floating-rate feature of the senior loans in which the fund invests.
  - The fund offers a potential diversification benefit because of the historically low correlation of senior loans to other asset classes.
  - The First Trust Senior Loan Fund is an actively managed senior loan ETF, providing credit risk management, enhanced liquidity and transparency for senior loan investors.

Fund Advisor

- The portfolio is selected and managed by the First Trust Advisors’ Leveraged Finance Investment Team.
  - The team uses a combination of a rigorous fundamental credit selection process with relative value analysis. The portfolio managers believe that an evolving investment environment offers varying degrees of investment opportunities in the bank loan market.
  - In order to capitalize on attractive investments and effectively manage potential risk, the team believes that the combination of thorough and continuous credit analysis, market evaluation, diversification, and the ability to reallocate investments among senior loans or other debt is critical to achieving higher risk-adjusted returns.
  - Fundamental analysis involves the evaluation of industry trends, management quality, collateral adequacy, and the consistency of corporate cash flows. Through fundamental credit analysis, the Leveraged Finance Investment Team can position the portfolio in securities that they believe will provide the most attractive relative value in the market.

Performance Summary (%)

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Fund Inception
Fund Performance*							
Net Asset Value (NAV)	1.41	-4.42	-3.87	1.35	2.20	–	2.55
After Tax Held	0.93	-5.60	-5.38	-0.14	0.59	–	0.92
After Tax Sold	0.84	-2.60	-2.27	0.42	1.01	–	1.22
Market Price	1.07	-5.38	-4.47	1.12	2.08	–	2.48
Index Performance**							
Markit iBoxx USD Liquid Leveraged Loan Index	1.38	-4.80	-4.76	0.05	1.51	–	1.92
Morningstar® LSTA® US Leveraged Loan 100 Index	1.29	-4.26	-3.92	1.39	2.51	–	2.73
Morningstar® LSTA® US Leveraged Loan Index	1.37	-3.25	-2.53	2.21	2.98	–	3.31

Calendar Year Total Returns (%)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
FTSL	–	–	1.90	0.31	7.09	2.85	-0.84	9.48	2.57	4.02	-4.42
Markit iBoxx USD Liquid Leveraged Loan Index	–	–	1.40	-2.69	9.18	2.00	-0.60	9.67	0.21	2.76	-4.80
Morningstar® LSTA® US Leveraged Loan 100 Index	–	–	0.99	-2.75	10.87	3.30	-0.59	10.65	2.84	3.54	-4.26
Morningstar® LSTA® US Leveraged Loan Index	–	–	1.60	-0.69	10.14	4.11	0.47	8.64	3.12	5.20	-3.25

3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FTSL	7.01	-0.54	0.76	0.14	0.96
Markit iBoxx USD Liquid Leveraged Loan Index	7.57	-1.91	0.83	-0.03	0.97
Morningstar® LSTA® US Leveraged Loan Index	8.93	–	1.00	0.22	1.00

Overall Morningstar Rating™ ★★★★

Among 232 funds in the Bank Loan category. This fund was rated 4 stars/232 funds (3 years), 4 stars/214 funds (5 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.

^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.

†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.

First Trust Senior Loan Fund

As of 9/30/22

» Portfolio Information

Number Of Holdings	204
Weighted Average Effective Duration[1]	0.58 Years
Weighted Average Maturity	3.94 Years
Weighted Average Price	$93.13
Days to Reset[2]	12.64 Days
3-Month LIBOR[3]	3.75%
Percent of Assets with LIBOR Floors	55.28%

» Top Issuers (%)

HUB International Limited	3.37
Internet Brands, Inc. (Web MD/MH Sub I. LLC)	3.19
IRB Holding Corp. (Arby's/Inspire Brands)	3.03
Verscend Technologies, Inc (Cotiviti)	2.71
Hyland Software, Inc.	2.70
Change Healthcare Holdings, LLC	2.65
AssuredPartners Inc.	2.62
PG&E Corp.	2.56
Alliant Holdings I, LLC	2.50
Charter Communications Operating, LLC	2.24

» Credit Quality (%)[4]

BBB-	1.71
BB+	3.81
BB	1.90
BB-	8.35
B+	19.63
B	40.88
B-	19.33
CCC+	1.93
CCC	0.92
D	0.21
NR	1.33

» Top Industry Exposure (%)

Software	25.34
Health Care Technology	12.11
Insurance	11.08
Health Care Providers & Services	8.66
Media	8.32
Hotels, Restaurants & Leisure	7.30
Containers & Packaging	3.61
Professional Services	2.69
Electric Utilities	2.56
Pharmaceuticals	2.11

» Composition by Asset Class (%)

Loan	89.43
Bond	10.50
Equity	0.07

[1]A measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield. Given that senior loans typically pay a floating rate of interest, they tend to have an effective duration of almost zero. As such, we estimate the duration for senior loans to be approximately 0.25 years.

[2]Days to Reset is the average number of days until the floating component of a loan resets.

[3]A short-term funding rate estimated by banks in London that they would be charged if borrowing from other banks assuming a three month maturity.

[4]The ratings are by S&P Global Ratings. 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

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.

Investments in bank loans are subject to the same risks as other debt securities, but the risks may be heightened because of limited public information available and because loan borrowers may be leveraged and tend to be more adversely affected by changes in market or economic conditions. The secondary market for bank loans may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

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.

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.

Covenant-lite loans contain fewer maintenance covenants than traditional loans and may not include terms that allow the lender to monitor the financial performance of the borrower and declare a default if certain criteria are breached. This may hinder a fund's ability to mitigate problems and increase a fund's exposure to losses on such investments.

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.

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.

Defaulted securities pose a much greater risk that principal will not be repaid than non-defaulted securities which may result in losses for a fund.

Distressed securities are speculative and often illiquid or trade in low volumes and thus may be more difficult to value and pose a substantial risk of default.

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.

Floating rate securities are structured so that the security's coupon rate fluctuates based upon the level of a reference rate. As a result, the coupon on floating rate securities will generally decline in a falling interest rate environment, causing a fund to experience a reduction in the income it receives from the security. A floating rate security's coupon rate resets periodically according to the terms of the security. Consequently, in a rising interest rate environment, floating rate securities with coupon rates that reset infrequently may lag behind the changes in market interest rates.

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.

If the fund invests in securities of another investment company, the fund may bear its ratable share of that investment company's expenses as well as the fund's advisory and administrative fees, which may result in duplicative expenses. The fund may also incur brokerage costs if purchasing or selling shares of exchange-traded investment companies.

To the extent a fund invests in floating or variable rate obligations that use the London Interbank Offered Rate ("LIBOR") as a reference interest rate, it is subject to LIBOR Risk. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has ceased making LIBOR available as a reference rate over a phase-out period that began December 31, 2021. There is no assurance that any alternative reference rate, including the Secured Overnight Financing Rate ("SOFR") will be similar to or produce the same value or economic equivalence as LIBOR or that instruments using an alternative rate will have the same volume or liquidity. The unavailability or replacement of LIBOR may affect the value, liquidity or return on certain fund investments and may result in costs incurred in connection with closing out positions and entering into new trades. Any potential effects of the transition away from LIBOR on a fund or on certain instruments in which a fund invests can be difficult to ascertain, and they may vary depending on a variety of factors, and they could result in losses to a fund.

Please see additional risks on the following page.

Risk Considerations (continued)

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 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 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.

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.

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.

Companies that issue loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. Loans are usually rated below investment grade but may also be unrated. As a result, the risks associated with these loans are similar to the risks of high-yield fixed income instruments. The senior loan market has seen a significant increase in loans with weaker lender protections which may impact recovery values and/or trading levels in the future.

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 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.

Warrants and rights do not include the right to dividends, voting, or to the assets of the issuer and the value of the warrants and rights does not necessarily change with the value of the underlying securities. The market for warrants and rights may be limited.

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 **Morningstar® LSTA® US Leveraged Loan 100 Index** is a market value-weighted index that is designed to measure the performance of the 100 largest facilities in the US leveraged loan market. The **Markit iBoxx USD Liquid Leveraged Loan Index** selects the 100 most liquid senior loans in the market. The **Morningstar® LSTA® US Leveraged Loan Index** is a market value-weighted index that is designed to deliver comprehensive, precise coverage of the US leveraged loan market.

§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. 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.

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