

» 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 CBOE VIX Tail Hedge Index.

» Fund Facts

Fund Ticker	VIXH
CUSIP	33733E609
Intraday NAV	VIXHIV
Fund Inception Date	8/29/12
Expense Ratio	0.60%
Rebalance Frequency	Monthly
Primary Listing	NYSE Arca

» Index Facts

Index Ticker	VXTH
Index Inception Date	7/29/11

» Index Description

- » The CBOE VIX Tail Hedge Index consists of each equity security in the S&P 500 (with dividends reinvested), and an amount of one-month, call options on the VIX Index that is determined by the level of forward volatility.
- » On the day of the monthly expiration of VIX options, previously purchased VIX calls are cash-settled and new VIX calls are purchased by the index at the 10:00 am Central Time asking price. The percent of money allocated to VIX calls depends on the level of forward volatility of the S&P 500 at the next call expiration as measured by the opening price of VIX futures with the same expiration as the calls as follows:
 - VIX futures less than or equal to 15, no VIX calls are purchased
 - VIX futures above 15 and less than or equal to 30, 1% of portfolio in VIX calls
 - VIX futures above 30 and less than or equal to 50, 0.50% of portfolio in VIX calls
 - VIX futures above 50, no VIX calls are purchased
- » This dynamic allocation to VIX calls is designed to reduce hedging costs by limiting the number of VIX calls that are purchased during periods of expected low volatility, and also has the effect of taking VIX option profits when extreme volatility levels are reached.
- » The index is reconstituted and rebalanced monthly.

» Performance Summary (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance*							
Net Asset Value (NAV)	2.93	9.05	11.16	4.42	—	—	7.13
After Tax Held	2.78	8.73	10.40	3.73	—	—	6.43
After Tax Sold	1.66	5.12	6.29	3.07	—	—	5.23
Market Price	2.89	8.90	11.44	4.45	—	—	7.13

» Index Performance**

CBOE® VIX® Tail Hedge Index	3.09	9.34	11.82	4.92	—	—	7.62
S&P 500 Index	3.09	9.34	17.90	9.61	—	—	14.25

» Calendar Year Total Returns (%)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD
VIXH	—	—	—	—	—	—	19.00	15.22	-5.88	0.50	9.05
S&P 500 Index	—	—	—	—	—	—	32.39	13.69	1.38	11.96	9.34

» 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
VIXH	10.05	-2.69	0.76	0.43	0.78
S&P 500 Index	10.35	—	1.00	0.89	1.00

Overall Morningstar Rating™



Among 175 funds in the Long-Short Equity category.
This fund was rated 4 stars/175 funds (3 years).§

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.

*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 based on the midpoint of the bid/ask spread on the stock exchange on which shares of the fund are listed for trading 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 CBOE VIX Tail Hedge 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	505
Maximum Market Cap.	\$750.90 Billion
Median Market Cap.	\$20.81 Billion
Minimum Market Cap.	\$3.22 Billion
Price/Earnings	21.37
Price/Book	3.01
Price/Cash Flow	15.10
Price/Sales	2.09

>> Top Holdings (%)

Apple, Inc.	3.61
Microsoft Corporation	2.56
Amazon.com, Inc.	1.85
Facebook, Inc.	1.71
Johnson & Johnson	1.71
Exxon Mobil Corporation	1.65
JPMorgan Chase & Co.	1.57
Berkshire Hathaway, Inc.	1.55
Alphabet, Inc. (Class A)	1.32
Alphabet Inc. (Class C)	1.29

>> Fund Composition (%)

Information Technology	22.19
Financials	14.58
Health Care	14.53
Consumer Discretionary	12.27
Industrials	10.27
Consumer Staples	9.06
Energy	6.07
Utilities	3.15
Real Estate	2.89
Materials	2.87
Telecommunication Services	2.12

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.

ETF Characteristics

The fund lists and principally trades its shares on the NYSE Arca, Inc.

The fund's return may not match the return of the CBOE VIX Tail Hedge Index. Securities held by the 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 the fund by authorized participants, in very large creation/redemption units. If the 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 the fund's net asset value and possibly face delisting.

Risk Considerations

The fund's shares will change in value, and you could lose money by investing in the fund. One of the principal risks of investing in the fund is market risk. Market risk is the risk that a particular stock owned by the fund, fund shares or stocks in general may fall in value. There can be no assurance that the fund's investment objective will be achieved.

The fund may invest in securities issued by companies concentrated in a particular industry. The use of options and other derivatives 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 the fund's portfolio managers use derivatives to enhance the fund's return 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 the fund. The option positions employed, as dictated by the attempt to replicate the index, may present additional risk. The value of an option may be adversely affected if the market for the option becomes less liquid or smaller, and will be affected by changes in the value and dividend rates of the stock subject to the option, an increase in interest rates, a change in the actual and perceived volatility of the stock market and the common stock and the remaining time to expiration. Although they generally move in the same direction, the value of an option does not increase or decrease at the same rate as the underlying stock.

The fund is classified as "non-diversified" and may invest a relatively high percentage of its assets in a limited number of issuers. As a result, the 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.

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.

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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 **S&P 500 Index** is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance.

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