

>> 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 Morningstar® Dividend Leaders IndexSM.

>> Fund Facts

Fund Ticker	FDL
CUSIP	336917109
Intraday NAV	FDLIV
Fund Inception Date	3/9/06
Gross Expense Ratio [^]	0.48%
Net Expense Ratio	0.45%
30-Day SEC Yield [†]	3.27%
Unsubsidized 30-Day SEC Yield [#]	3.27%
Rebalance Frequency	Quarterly
Primary Listing	NYSE Arca

>> Index Facts

Index Ticker	MDLTR
Index Inception Date	2/10/06
Index Yield [‡]	3.61%

>> Index Description

- >> The index consists of stocks listed on one of the three major exchanges, NYSE, NYSE Amex or Nasdaq, that have shown dividend consistency and dividend sustainability. Real Estate Investment Trusts (REITs) are not included.
- >> Through the application of Morningstar's proprietary multi-step screening process, a universe is identified. The top 100 stocks, based on dividend yield, are selected for the index.
- >> The individual holdings are weighted based on each security's shares outstanding, free float factor, and annual indicated dividend per share. The weighting of each holding is capped to enhance portfolio diversification.
- >> The index is reconstituted once annually each June and rebalanced four times annually in March, June, September and December.

>> Performance Summary (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance*							
Net Asset Value (NAV)	4.64	4.64	15.91	12.29	14.04	6.04	7.36
After Tax Held	4.30	4.30	14.36	10.68	12.42	4.50	5.83
After Tax Sold	2.62	2.62	8.96	8.75	10.37	3.94	5.10
Market Price	4.52	4.52	15.91	12.29	14.04	6.03	7.36
Index Performance**							
Morningstar® Dividend Leaders Index SM	4.73	4.73	16.49	12.84	14.62	6.58	7.89
S&P 500 Index	6.07	6.07	17.17	10.37	13.30	7.51	8.03

>> Calendar Year Total Returns (%)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD
FDL	-10.64	-31.71	14.24	16.05	14.44	9.14	22.71	12.96	2.73	20.67	4.64
S&P 500 Index	5.49	-37.00	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96	6.07

>> 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FDL	9.11	4.78	0.69	1.28	0.79
S&P 500 Index	10.41	—	1.00	0.96	1.00

Overall Morningstar RatingTM



Among 1084 funds in the Large Value category.

This fund was rated 5 stars/1084 funds (3 years), 5 stars/936 funds (5 years), 3 stars/679 funds (10 years).^S

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

[^]Expenses are capped contractually at 0.45% per year, at least until May 19, 2017.

[†]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 and includes the effects of fee waivers and expense reimbursements.

[#]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.

[‡]Index yield represents the weighted average trailing 12-month dividend of the constituents of the Morningstar® Dividend Leaders IndexSM.

^{*}**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. 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.

^{**}**Performance information for the Morningstar® Dividend Leaders IndexSM 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 index performance shown. Indexes are unmanaged and an investor cannot invest directly in an index.

>> Portfolio Information

Number Of Holdings	97
Maximum Market Cap.	\$255.18 Billion
Median Market Cap.	\$9.28 Billion
Minimum Market Cap.	\$811 Million
Price/Earnings	18.69
Price/Book	2.84
Price/Cash Flow	11.88
Price/Sales	1.89

>> Top Holdings (%)

AT&T, Inc.	9.96
Verizon Communications, Inc.	8.38
Pfizer, Inc.	6.90
The Procter & Gamble Company	6.13
Philip Morris International, Inc.	5.96
Cisco Systems, Inc.	4.65
Merck & Co., Inc.	4.48
Intel Corporation	4.47
International Business Machines Corporation	4.19
Altria Group, Inc.	4.00

>> Top Sector Exposure (%)

Telecommunication Services	18.37
Consumer Staples	17.81
Information Technology	17.26
Utilities	13.67
Health Care	11.40
Industrials	7.28
Financials	4.83
Materials	4.55
Consumer Discretionary	3.49
Energy	1.34

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 Morningstar® Dividend Leaders 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 fund may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies.

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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