First Trust Horizon Managed Volatility Developed International ETF
As of 6/28/19

**Fund Objective**
This exchange-traded fund seeks to provide capital appreciation.

**Fund Facts**
- Fund Ticker: HDMV
- CUSIP: 33739P871
- Intraday NAV: HDMIV
- Fund Inception Date: 8/24/16
- Expense Ratio: 0.80%
- 30-Day SEC Yield: 2.99%
- Primary Listing: NYSE Arca

**Fund Description**
The First Trust Horizon Managed Volatility Developed International ETF is an actively managed exchange-traded fund. Under normal market conditions, the fund invests at least 80% of its net assets (including investment borrowings) in common stocks and depositary receipts of developed market companies listed and traded on non-U.S. exchanges that the sub-advisor, Horizon Investments, LLC (“Horizon”), believes exhibit low future expected volatility.

- The investment process begins with a universe of common stocks and depositary receipts of large and mid-cap securities across developed markets.
- Historical price returns are used to conduct volatility forecasts of the securities over multiple time frames to determine market volatility cycle and volatility scoring.
- The securities are then ranked from low to high based on their volatility forecasts. 100-400 securities with the lowest forecasted volatility score are targeted for inclusion in the portfolio.
- Once the final portfolio is selected, larger weights are given to those securities with lower future expected volatility subject to constraints. Country, sector, and position constraints may be applied to enhance diversification.

**Fund Sub-Advisor**
- Horizon Investments, LLC is the sub-advisor to the fund and will manage the fund’s portfolio.
  - Founded in 1995, Horizon is based in Charlotte, NC, and works in partnership with financial advisors to deliver investment strategies that align clients’ wealth with their life goals.
  - Horizon implements its global and active investment strategies through model accounts, collective investment funds, mutual funds and ETFs.
  - Horizon was recognized in 2018 as Asset Manager of the Year (< $25B AUM) by Money Management Institute and Barron’s, and 2018 Manager of the Year and Strategist of the Year by Envestnet and Investment Advisor Magazine. Horizon has also received numerous other industry commendations for its investment management expertise.

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**Performance Summary (%)**

<table>
<thead>
<tr>
<th></th>
<th>Quarter</th>
<th>YTD</th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>10 Years</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Asset Value (NAV)</td>
<td>3.03</td>
<td>11.04</td>
<td>4.73</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>7.18</td>
</tr>
<tr>
<td>After Tax Held</td>
<td>2.52</td>
<td>10.33</td>
<td>3.62</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>5.96</td>
</tr>
<tr>
<td>After Tax Sold</td>
<td>1.80</td>
<td>6.53</td>
<td>2.78</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>4.99</td>
</tr>
<tr>
<td>Market Price</td>
<td>2.95</td>
<td>11.26</td>
<td>5.25</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>7.37</td>
</tr>
</tbody>
</table>

**Index Performance**

<table>
<thead>
<tr>
<th>Index Performance**</th>
<th>MSCI EAFE Index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.68</td>
</tr>
<tr>
<td></td>
<td>14.03</td>
</tr>
<tr>
<td></td>
<td>1.08</td>
</tr>
<tr>
<td></td>
<td>—</td>
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<td></td>
<td>—</td>
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<tr>
<td></td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>7.19</td>
</tr>
</tbody>
</table>

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.

130-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 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.

**The MSCI EAFE Index is the fund’s benchmark.** 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.
Risk Considerations

The fund's shares will change in value and you could lose money by investing in the fund. The fund is subject to management risk because it is an actively managed portfolio. In managing the fund's investment portfolio, the advisor will apply investment techniques and risk analyses that may not have the desired result. There can be no assurance that the fund's investment objectives will be achieved.

The fund is subject to market risk. Market risk is the risk that a particular security owned by a fund or shares of a fund in general may fall in value.

An investment in a fund containing securities of non-U.S. issuers is subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers. A fund may invest in deposits which may be less liquid than the underlying shares in their primary trading market.

If the fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between a fund's net asset value and the price at which a fund's shares are trading on NYSE Arca which could result in a decrease in value of the fund's shares.

The fund invests in equity securities and the value of the shares will fluctuate with changes in the value of these equity securities. Equity securities prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market.

ETF Characteristics

The fund lists and principally trades its shares on the NYSE Arca, Inc. 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 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 discount to the fund's net asset value and possibly face delisting.

A fund may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies. As the use of Internet technology has become more prevalent in the course of business, 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.

A significant number of countries in Europe are member states in the European Union, and the member states no longer control their own monetary policies. In these member states, the authority to direct monetary policies, including money supply and official interest rates for the Euro, is exercised by the European Central Bank. Furthermore, the European sovereign debt crisis has had, and continues to have, a significant negative impact on the economies of certain European countries and their future economic outlooks.

Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of HDMV's investment and the value of its shares. Currency exchange rates can be very volatile and can change quickly and unpredictably. High portfolio turnover may result in a fund paying higher levels of transaction costs and generating greater tax liabilities for shareholders. Portfolio turnover risk may cause a fund's performance to be less than expected.

A fund may invest in mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies. As the use of Internet technology has become more prevalent in the course of business, 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.

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 advisors are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

Definitions

The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada.