



## First Trust Exchange-Traded Fund II

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First Trust STOXX® European Select Dividend Index Fund (FDD)

First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund (FFR)

First Trust Dow Jones Global Select Dividend Index Fund (FGD)

First Trust ISE Global Wind Energy Index Fund (FAN)

First Trust ISE Global Engineering and Construction Index Fund (FLM)

First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund (GRID)

First Trust Indxx Global Natural Resources Income ETF (FTRI)  
(formerly known as First Trust ISE Global Copper Index Fund)

First Trust Indxx Global Agriculture ETF (FTAG)  
(formerly known as First Trust ISE Global Platinum Index Fund)

First Trust BICK Index Fund (BICK)

First Trust Nasdaq Smartphone Index Fund (FONE)  
(formerly known as First Trust NASDAQ CEA Smartphone Index Fund)

First Trust NASDAQ Global Auto Index Fund (CARZ)

First Trust ISE Cloud Computing Index Fund (SKYY)

First Trust International IPO ETF (FPXI)

First Trust Nasdaq Cybersecurity ETF (CIBR)  
(formerly known as First Trust NASDAQ CEA Cybersecurity ETF)

*Semi-Annual Report*  
*March 31, 2016*

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March 31, 2016**

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### **Caution Regarding Forward-Looking Statements**

This report contains certain forward-looking statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements regarding the goals, beliefs, plans or current expectations of First Trust Advisors L.P. (“First Trust” or the “Advisor”) and its representatives, taking into account the information currently available to them. Forward-looking statements include all statements that do not relate solely to current or historical fact. For example, forward-looking statements include the use of words such as “anticipate,” “estimate,” “intend,” “expect,” “believe,” “plan,” “may,” “should,” “would” or other words that convey uncertainty of future events or outcomes.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of any series of First Trust Exchange-Traded Fund II (the “Trust”) described in this report (each such series is referred to as a “Fund” and collectively, as the “Funds”) to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. When evaluating the information included in this report, you are cautioned not to place undue reliance on these forward-looking statements, which reflect the judgment of the Advisor and its representatives only as of the date hereof. We undertake no obligation to publicly revise or update these forward-looking statements to reflect events and circumstances that arise after the date hereof.

### **Performance and Risk Disclosure**

There is no assurance that any Fund described in this report will achieve its investment objective. Each Fund is subject to market risk, which is the possibility that the market values of securities owned by the Fund will decline and that the value of the Fund shares may therefore be less than what you paid for them. Accordingly, you can lose money by investing in a Fund. See “Risk Considerations” in the Additional Information section of this report for a discussion of other risks of investing in the Funds.

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please visit <http://www.ftportfolios.com> or speak with your financial advisor. Investment returns, net asset value and share price will fluctuate and Fund shares, when sold, may be worth more or less than their original cost.

The Advisor may also periodically provide additional information on Fund performance on each Fund’s webpage at <http://www.ftportfolios.com>.

### **How to Read This Report**

This report contains information that may help you evaluate your investment. It includes details about each Fund’s portfolio and presents data and analysis that provide insight into each Fund’s performance and investment approach.

By reading the market overview by Robert F. Carey, Chief Market Strategist of the Advisor, you may obtain an understanding of how the market environment affected the performance of each Fund. The statistical information that follows may help you understand each Fund’s performance compared to that of relevant market benchmarks.

It is important to keep in mind that the opinions expressed by personnel of the Advisor are just that: informed opinions. They should not be considered to be promises or advice. The opinions, like the statistics, cover the period through the date on the cover of this report. The material risks of investing in each Fund are spelled out in its prospectus, statement of additional information, this report and other Fund regulatory filings.

**First Trust Exchange-Traded Fund II**  
**Semi-Annual Letter from the Chairman and CEO**  
**March 31, 2016**

Dear Shareholders,

Thank you for your investment in the Funds of First Trust Exchange-Traded Fund II (the “Trust”).

First Trust Advisors L.P. (“First Trust”) is pleased to provide you with this semi-annual report which contains detailed information about your investment for the six months ended March 31, 2016, including a performance analysis and a market outlook. Additionally, First Trust has compiled the Trust’s financial statements for you to review. We encourage you to read this report and discuss it with your financial advisor.

While markets were volatile during 2015, we believe there are three important things to remember. First, the U.S. economy grew, despite the massive decline in oil prices, and second, the tapering that began in 2014 by the Federal Reserve (the “Fed”) did not stop growth in the U.S. economy. Finally, the long-anticipated rate hike by the Fed in December had little effect on the money supply, and the stock market was not shocked by the hike. While the first quarter of 2016 has had weaker economic data than investors and analysts like to see, we remain positive on U.S. markets, although we know that markets will always move up and down.

As I have written previously, First Trust believes that having a long-term investment horizon and being invested in quality products can help you reach your goals, despite how the market behaves. We have always maintained perspective about the markets and believe investors should as well. We will continue to strive to provide quality investments each and every day, which has been one of the hallmarks of our firm since its inception 25 years ago.

Thank you for giving First Trust the opportunity to be a part of your investment plan. We value our relationship with you and will continue to focus on helping investors like you reach your financial goals.

Sincerely,

A handwritten signature in black ink, appearing to read 'James A. Bowen', with a long horizontal flourish extending to the right.

James A. Bowen  
Chairman of the Board of Trustees  
Chief Executive Officer of First Trust Advisors L.P.

**First Trust Exchange-Traded Fund II  
Semi-Annual Report  
March 31, 2016**



**Robert F. Carey, CFA**  
**Senior Vice President and Chief Market Strategist**  
**First Trust Advisors L.P.**

Mr. Carey is responsible for the overall management of research and analysis of the First Trust product line. Mr. Carey has over 25 years of experience as an Equity and Fixed-Income Analyst and is a recipient of the Chartered Financial Analyst (“CFA”) designation. He is a graduate of the University of Illinois at Champaign-Urbana with a B.S. in Physics. He is also a member of the Investment Analysts Society of Chicago and the CFA Institute. Mr. Carey has appeared as a guest on such programs as Bloomberg TV, CNBC, and WBBM Radio, and has been quoted by several publications, including *The Wall Street Journal*, *The Wall Street Reporter*, *Bloomberg News Service*, and *Registered Rep.*

**State of the Global Economy**

The International Monetary Fund (IMF) estimates that global growth will expand 3.2% in 2016 and 3.5% in 2017, down from its previous targets of 3.4% and 3.6%, respectively. The Bank of Japan (BOJ) adopted a negative interest rate monetary policy in January in an attempt to stimulate its economy. Negative rates act as a disincentive to banks that want to hoard cash, according to Bloomberg. The BOJ would rather the banks lend some of that cash to businesses. A few countries in Europe have done the same.

The U.S. economy continues to get a lift from consistent job growth. U.S. nonfarm payrolls were up 66 consecutive months through March 2016, according to data from the Bureau of Labor Statistics. The average number of jobs created in that span was 203,000 per month. The housing market has benefited from that job growth. The National Association of Homebuilders (“NAHB”) reported that U.S. housing starts increased by 11% in 2015, following an 8% gain in 2014. The NAHB expects housing starts to rise 10% in 2016 and another 18% in 2017. Low mortgage rates and relatively strong job growth are helping to drive demand.

Overall, consumers have done a respectable job getting their fiscal houses in order. The S&P/Experian Consumer Credit Default Composite Index stood at 0.93% in March 2016 (latest data), down from 1.05% in March 2015, according to Bloomberg. The record low for the default rate is 0.88%, set in May 2015, while the all-time high was 5.51%, set in May 2009. The plunge in the price of crude oil since mid-2014 has translated into lower gasoline prices in the U.S. If sustained, it could boost discretionary spending over time, in our opinion. A research report from Jefferies noted that U.S. consumers will save an estimated \$65 billion to \$80 billion in 2016 due to lower gasoline prices.

**Global Equities Markets**

U.S. investors continue to funnel far more capital into foreign equities than U.S. equities. For the 12-month period ended March 31, 2016, U.S. investors funneled a net \$162.7 billion into International Equity stock funds (open-end funds and exchange-traded funds), compared to net outflows totaling \$68.9 billion for U.S. Equity funds, according to Morningstar. With respect to foreign equities, sentiment favored passive funds over actively managed funds. Of the combined \$162.7 billion invested in International Equity stock funds over the past year, \$144.3 billion of it went into passive funds. The same held true for U.S. Equity funds, with \$110.0 billion going into passive funds, compared to net outflows from active funds totaling \$178.9 billion.

Over the past six months or so, the equities markets, both domestic (S&P 500® Index) and foreign (MSCI World ex-U.S. Index), appear to have closely tracked the direction of the price of crude oil, according to data from Bloomberg. Historically, equities and the price of crude oil have not been highly correlated, in our opinion. The price of crude oil hit a six-month low (through 3/31/16) on 2/11/16 at \$26.21 per barrel, and then surged to \$38.34 as of the close of 3/31/16.

From a performance standpoint, for the six-month period ended March 31, 2016, both U.S. and major foreign broad-based equity indices were up. The MSCI World Net (ex U.S.) and MSCI Emerging Markets Net indices posted total returns of 1.89% (USD) and 6.41% (USD), respectively, while the S&P 500® Index gained 8.49%. Over that same six-month period, the U.S. dollar declined by 1.83% against a basket of major currencies, as measured by the U.S. Dollar Index (DXY).

## Fund Performance Overview (Unaudited)

### First Trust STOXX® European Select Dividend Index Fund (FDD)

First Trust STOXX® European Select Dividend Index Fund (the “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 STOXX® Europe Select Dividend 30 Index (the “STOXX Index”). The shares of the Fund are listed and trade on the NYSE Arca, Inc. under the ticker symbol “FDD.” The Fund will normally invest at least 90% of its net assets (plus the amount of any borrowings for investment purposes) in common stocks that comprise the STOXX Index or in depositary receipts that may include American Depositary Receipts, Global Depositary Receipts, European Depositary Receipts or other depositary receipts (collectively, the “Depositary Receipts”) representing securities in the STOXX Index.

The STOXX Index consists of 30 high dividend-yielding securities selected from the STOXX® Europe 600 Index, including secondary lines of those companies (where there are multiple lines of equity capital in a company), which covers 18 European countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. In addition, a company must have a non-negative five-year dividend-per-share growth rate and a dividend-to-earnings ratio of 60% or less. The STOXX Index is compiled and maintained by STOXX Limited.

## Performance

	6 Months Ended 3/31/16	1 Year Ended 3/31/16	Average Annual Total Returns		Cumulative Total Returns	
			5 Years Ended 3/31/16	Inception (8/27/07) to 3/31/16	5 Years Ended 3/31/16	Inception (8/27/07) to 3/31/16
<b>Fund Performance</b>						
NAV	2.71%	-3.76%	1.13%	-5.75%	5.76%	-39.91%
Market Price	2.79%	-4.06%	0.98%	-5.77%	4.98%	-39.97%
<b>Index Performance</b>						
STOXX® Europe Select Dividend 30 Index	3.27%	-3.51%	1.44%	-5.28%	7.40%	-37.23%
STOXX® Europe 600 Index	0.03%	-7.45%	2.59%	-0.30%	13.64%	-2.57%
MSCI Europe Index	-0.08%	-8.44%	2.07%	-0.67%	10.76%	-5.63%

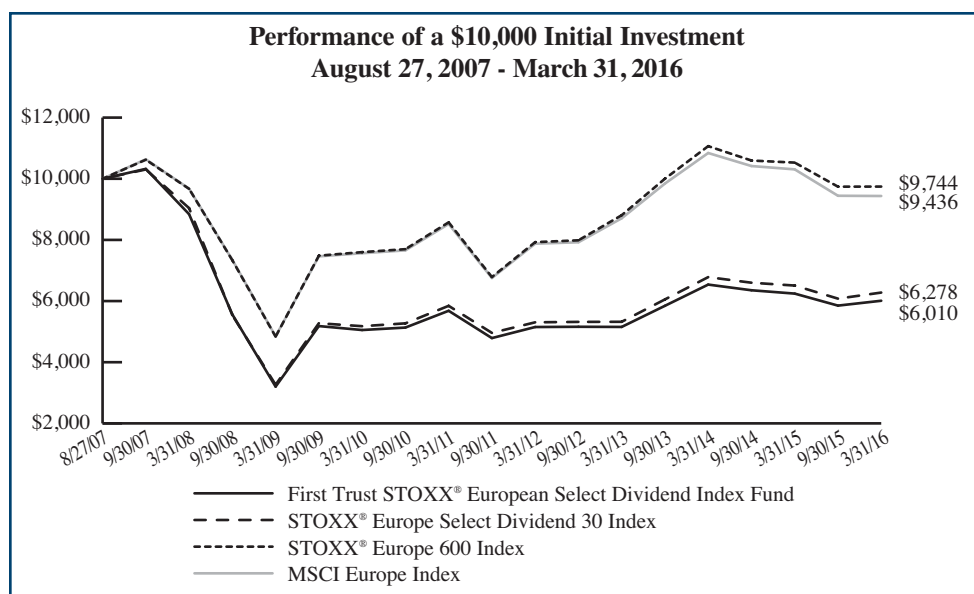
(See Notes to Fund Performance Overview on page 32.)

The STOXX® Europe Select Dividend 30 Index and the trademark used in the index name are the intellectual property of STOXX Limited, Zurich, Switzerland. The index is used under license from STOXX Limited. The Fund is in no way sponsored, endorsed, sold or promoted by STOXX and/or its licensors and neither STOXX Limited nor its licensors shall have any liability with respect thereto.

## Fund Performance Overview (Unaudited) (Continued)

### First Trust STOXX® European Select Dividend Index Fund (FDD) (Continued)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Financials	43.51%	Zurich Insurance Group AG	5.73%
Utilities	14.92	Royal Dutch Shell PLC, Class B	5.39
Industrials	13.65	Carillion PLC	4.62
Energy	8.25	SSE PLC	4.59
Health Care	7.34	Fortum OYJ	4.50
Telecommunication Services	4.83	Pearson PLC	4.04
Consumer Discretionary	4.04	GlaxoSmithKline PLC	4.04
Consumer Staples	3.46	BB Biotech AG	3.98
Total	<u>100.00%</u>	Swiss Re AG	3.73
		J Sainsbury PLC	3.46
		Total	<u>44.08%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

### Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV through March 31, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period October 1, 2010 through March 31, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV				Number of Days Bid/Ask Midpoint Below NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
10/1/10 - 9/30/11	79	70	5	0	67	28	3	1
10/1/11 - 9/30/12	85	80	24	2	44	16	0	0
10/1/12 - 9/30/13	103	130	5	0	12	0	0	0
10/1/13 - 9/30/14	150	81	3	0	16	1	0	1
10/1/14 - 9/30/15	145	32	2	0	63	10	0	0
10/1/15 - 3/31/16	66	16	1	0	33	9	0	0

## Fund Performance Overview (Unaudited) (Continued)

### First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund (FFR)

First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund (the “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 FTSE EPRA/NAREIT Developed Index (the “FTSE Index”). The shares of the Fund are listed and trade on the NYSE Arca, Inc. under the ticker symbol “FFR.” The Fund will normally invest at least 90% of its net assets (plus the amount of any borrowings for investment purposes) in common stocks that comprise the FTSE Index or in Depositary Receipts representing securities in the FTSE Index.

The FTSE Index is compiled and maintained by FTSE International Limited. The FTSE Index is modified market cap weighted based on free float market capitalization and tracks the performance of listed real estate companies or real estate investment trusts (“REITs”) in the FTSE EPRA/NAREIT North America Series, the FTSE EPRA/NAREIT Europe Series and the FTSE EPRA/NAREIT Asia Series.

## Performance

			Average Annual Total Returns		Cumulative Total Returns	
	6 Months Ended 3/31/16	1 Year Ended 3/31/16	5 Years Ended 3/31/16	Inception (8/27/07) to 3/31/16	5 Years Ended 3/31/16	Inception (8/27/07) to 3/31/16
<b>Fund Performance</b>						
NAV	9.46%	0.53%	7.59%	2.13%	44.19%	19.88%
Market Price	9.17%	0.33%	7.38%	2.07%	42.76%	19.22%
<b>Index Performance</b>						
FTSE EPRA/NAREIT Developed Index	10.07%	1.27%	8.46%	3.02%	50.06%	29.15%
S&P Global REIT Index	12.16%	2.75%	9.00%	3.26%	53.90%	31.69%
MSCI World REIT Index	12.99%	5.20%	9.19%	2.71%	55.19%	25.81%

(See Notes to Fund Performance Overview on page 32.)

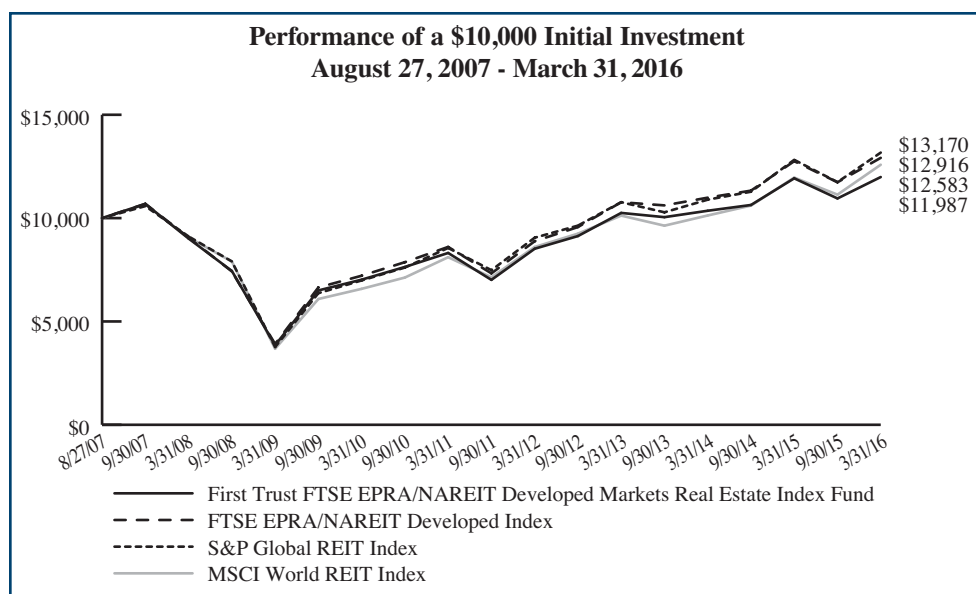
The FTSE EPRA/NAREIT Developed Index is calculated by FTSE International Limited (“FTSE”). FTSE does not sponsor, endorse or promote the First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund. All copyright in the index values and constituent list vests in FTSE and/or its licensors. First Trust and the Fund have obtained full license from FTSE to use such copyright in the creation of the First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund. “FTSE®”, “FT-SE®” and “Footsie®” are trademarks jointly owned by the London Stock Exchange Plc and the Financial Times Limited and are used by FTSE under license. “NAREIT®” is the trademark of the National Association of Real Estate Investment Trusts and “EPRA®” is the trademark of the European Public Real Estate Association and are used by FTSE under license.



## Fund Performance Overview (Unaudited) (Continued)

### First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund (FFR) (Continued)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Financials	99.75%	Simon Property Group, Inc.	4.76%
Health Care	0.18	Public Storage	2.95
Consumer Discretionary	0.07	Unibail-Rodamco SE	2.00
Total	<u>100.00%</u>	Equity Residential	1.99
		AvalonBay Communities, Inc.	1.92
		Welltower, Inc.	1.82
		Mitsui Fudosan Co., Ltd.	1.75
		Mitsubishi Estate Co., Ltd.	1.74
		Prologis, Inc.	1.71
		Ventas, Inc.	1.56
		Total	<u>22.20%</u>



### Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV through March 31, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period October 1, 2010 through March 31, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV				Number of Days Bid/Ask Midpoint Below NAV			
	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%
10/1/10 - 9/30/11	154	31	1	0	57	10	0	0
10/1/11 - 9/30/12	123	21	0	0	104	3	0	0
10/1/12 - 9/30/13	162	30	0	0	55	1	2	0
10/1/13 - 9/30/14	158	21	0	0	70	3	0	0
10/1/14 - 9/30/15	67	14	0	0	127	44	0	0
10/1/15 - 3/31/16	12	0	0	0	95	18	0	0

## Fund Performance Overview (Unaudited) (Continued)

### First Trust Dow Jones Global Select Dividend Index Fund (FGD)

First Trust Dow Jones Global Select Dividend Index Fund (the “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 Dow Jones Global Select Dividend Index<sup>SM</sup> (the “Select Dividend Index”). The shares of the Fund are listed and trade on the NYSE Arca, Inc. under the ticker symbol “FGD.” The Fund will normally invest at least 90% of its net assets in common stocks that comprise the Select Dividend Index or in Depositary Receipts representing securities in the Select Dividend Index.

The Select Dividend Index is an indicated annual dividend yield weighted index of 100 stocks selected from the developed-market portion of the Dow Jones World Index<sup>SM</sup>. Indicated annual dividend yield is a stock’s unadjusted indicated annual dividend (not including any special dividends) divided by its unadjusted price.

### Performance

	6 Months Ended 3/31/16	1 Year Ended 3/31/16	Average Annual Total Returns		Cumulative Total Returns	
			5 Years Ended 3/31/16	Inception (11/21/07) to 3/31/16	5 Years Ended 3/31/16	Inception (11/21/07) to 3/31/16
<b>Fund Performance</b>						
NAV	6.36%	-6.32%	3.25%	1.50%	17.34%	13.28%
Market Price	6.19%	-6.39%	3.01%	1.44%	16.00%	12.65%
<b>Index Performance</b>						
Dow Jones Global Select Dividend Index <sup>SM</sup>	7.06%	-6.16%	3.33%	1.67%	17.79%	14.82%
Dow Jones World Developed Markets Index <sup>SM</sup>	5.32%	-3.27%	6.76%	3.50%	38.70%	33.33%
MSCI World Index	5.13%	-3.45%	6.51%	2.96%	37.09%	27.60%

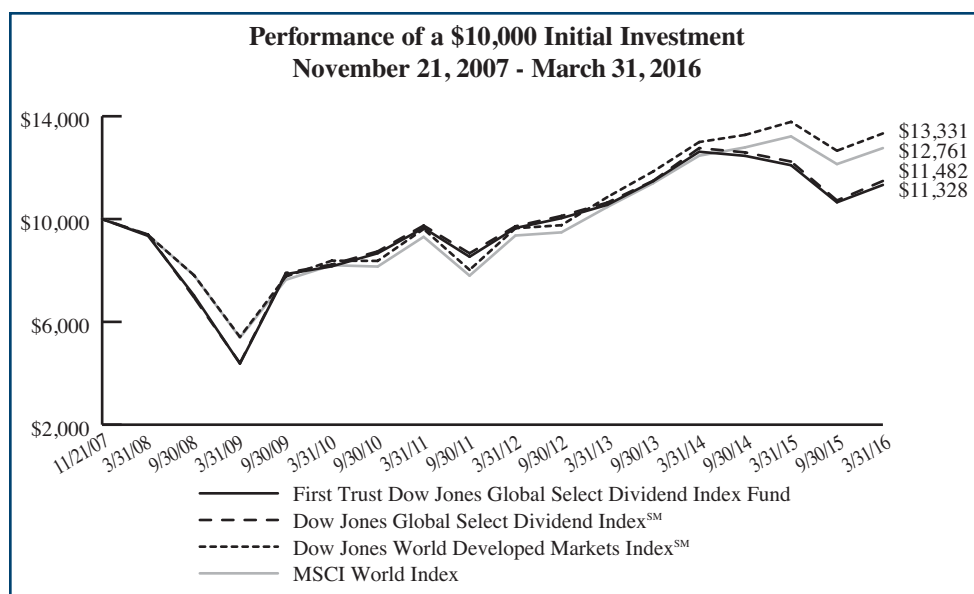
(See Notes to Fund Performance Overview on page 32.)

Dow Jones and Dow Jones Global Select Dividend Index<sup>SM</sup> are trademarks of Dow Jones & Company, Inc. (“Dow Jones”) and have been licensed for use for certain purposes by First Trust and the Fund. The Fund, based on the Dow Jones Global Select Dividend Index<sup>SM</sup>, is not sponsored, endorsed, sold or promoted by Dow Jones and Dow Jones makes no representation regarding the advisability of trading or investing in such product.

## Fund Performance Overview (Unaudited) (Continued)

### First Trust Dow Jones Global Select Dividend Index Fund (FGD) (Continued)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Financials	34.09%	Vivendi S.A.	1.75%
Energy	12.13	Fortum OYJ	1.57
Telecommunication Services	11.46	Russel Metals, Inc.	1.57
Consumer Discretionary	10.58	SKY Network Television Ltd.	1.53
Industrials	10.39	Swiss Re AG	1.42
Utilities	9.67	Telefonica S.A.	1.42
Materials	5.74	Casino Guichard Perrachon S.A.	1.39
Consumer Staples	3.07	Zurich Insurance Group AG	1.38
Health Care	1.65	Royal Dutch Shell PLC, Class A	1.38
Information Technology	1.22	TeliaSonera AB	1.33
<b>Total</b>	<b>100.00%</b>	<b>Total</b>	<b>14.74%</b>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

### Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV through March 31, 2016

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For the Period	Number of Days Bid/Ask Midpoint At/Above NAV				Number of Days Bid/Ask Midpoint Below NAV			
	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%
10/1/10 - 9/30/11	109	82	1	0	52	7	2	0
10/1/11 - 9/30/12	160	51	0	0	35	5	0	0
10/1/12 - 9/30/13	195	23	0	0	32	0	0	0
10/1/13 - 9/30/14	219	16	0	0	17	0	0	0
10/1/14 - 9/30/15	105	3	0	0	136	8	0	0
10/1/15 - 3/31/16	39	1	0	0	80	5	0	0

## Fund Performance Overview (Unaudited) (Continued)

### First Trust ISE Global Wind Energy Index Fund (FAN)

First Trust ISE Global Wind Energy Index Fund (the “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 ISE Global Wind Energy™ Index (the “ISE Index”). The shares of the Fund are listed and trade on the NYSE Arca, Inc. under the ticker symbol “FAN.” The Fund will normally invest at least 90% of its net assets (plus any borrowings for investment purposes) in common stocks that comprise the ISE Index or in Depositary Receipts representing securities in the ISE Index.

The ISE Index was developed and is owned by the International Securities Exchange, LLC, in consultation with Standard & Poor’s, a Division of The McGraw-Hill Companies, Inc., which calculates and maintains the ISE Index. The ISE Index provides a benchmark for investors interested in tracking public companies throughout the world that are active in the wind energy industry based on analysis of the products and services offered by those companies.

### Performance

	6 Months Ended 3/31/16	1 Year Ended 3/31/16	Average Annual Total Returns		Cumulative Total Returns	
			5 Years Ended 3/31/16	Inception (6/16/08) to 3/31/16	5 Years Ended 3/31/16	Inception (6/16/08) to 3/31/16
<b>Fund Performance</b>						
NAV	13.28%	9.03%	1.42%	-10.11%	7.29%	-56.42%
Market Price	13.55%	9.16%	1.22%	-10.15%	6.23%	-56.55%
<b>Index Performance</b>						
ISE Global Wind Energy™ Index	14.30%	10.18%	2.27%	-9.35%	11.87%	-53.43%
Russell 3000® Index	7.30%	-0.34%	11.01%	7.71%	68.60%	78.39%
MSCI World Index	5.13%	-3.45%	6.51%	3.66%	37.09%	32.27%

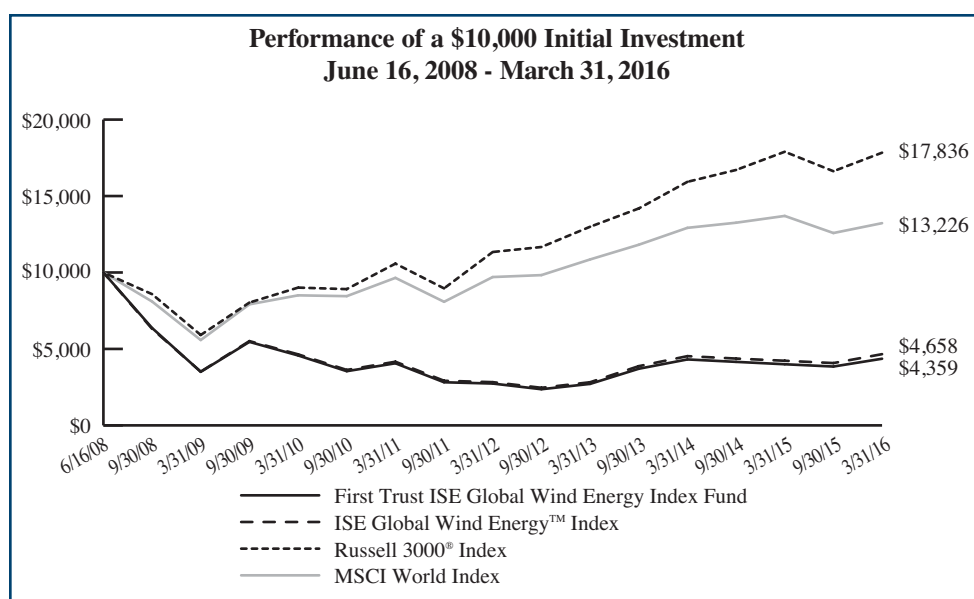
(See Notes to Fund Performance Overview on page 32.)

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## Fund Performance Overview (Unaudited) (Continued)

### First Trust ISE Global Wind Energy Index Fund (FAN) (Continued)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Utilities	52.95%	Vestas Wind Systems A/S	7.64%
Industrials	41.23	China Longyuan Power Group Corp., Ltd., Class H	7.47
Energy	3.91	Infigen Energy	6.71
Consumer Discretionary	1.02	Iberdrola S.A.	6.57
Materials	0.89	Gamesa Corp. Tecnologica S.A.	6.53
Total	<u>100.00%</u>	EDP Renovaveis S.A.	6.00
		Nordex SE	4.58
		Concord New Energy Group Ltd.	4.27
		Greentech Energy Systems A/S	4.24
		PNE Wind AG	4.01
		Total	<u>58.02%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

### Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV through March 31, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period October 1, 2010 through March 31, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV				Number of Days Bid/Ask Midpoint Below NAV			
	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%
10/1/10 - 9/30/11	69	20	0	0	106	48	10	0
10/1/11 - 9/30/12	12	1	0	0	78	135	25	0
10/1/12 - 9/30/13	39	23	2	0	126	57	3	0
10/1/13 - 9/30/14	123	31	0	0	83	15	0	0
10/1/14 - 9/30/15	58	8	0	0	130	53	2	1
10/1/15 - 3/31/16	50	5	1	0	54	14	1	0

## Fund Performance Overview (Unaudited) (Continued)

### First Trust ISE Global Engineering and Construction Index Fund (FLM)

First Trust ISE Global Engineering and Construction Index Fund (the “Fund”) seeks investment results that correspond generally to the price and yield (before the Fund’s fees and expenses) of the ISE Global Engineering and Construction™ Index (the “Index”). The shares of the Fund are listed and trade on the NYSE Arca, Inc. under the ticker symbol “FLM.” The Fund will normally invest in at least 90% of its net assets (plus the amount of any borrowings for investment purposes) in common stocks that comprise the Index or in Depositary Receipts representing securities in the Index.

The Index is developed and owned by the International Securities Exchange, LLC, in consultation with Standard & Poor’s, a Division of The McGraw-Hill Companies, Inc., which calculates and maintains the Index. The Index provides a benchmark for investors interested in tracking public companies throughout the world that are active in the engineering and construction industries, based on analysis of the products and services offered by those companies.

### Performance

			Average Annual Total Returns		Cumulative Total Returns	
	6 Months Ended 3/31/16	1 Year Ended 3/31/16	5 Years Ended 3/31/16	Inception (10/13/08) to 3/31/16	5 Years Ended 3/31/16	Inception (10/13/08) to 3/31/16
<b>Fund Performance</b>						
NAV	6.12%	1.09%	0.74%	7.68%	3.77%	73.76%
Market Price	5.88%	1.05%	0.62%	7.63%	3.13%	73.12%
<b>Index Performance</b>						
ISE Global Engineering and Construction™ Index	6.91%	2.14%	1.99%	9.54%	10.35%	97.33%
Russell 3000® Index	7.30%	-0.34%	11.01%	12.63%	68.60%	142.87%
MSCI World Industrials Index	10.43%	-0.76%	5.98%	10.46%	33.71%	110.06%

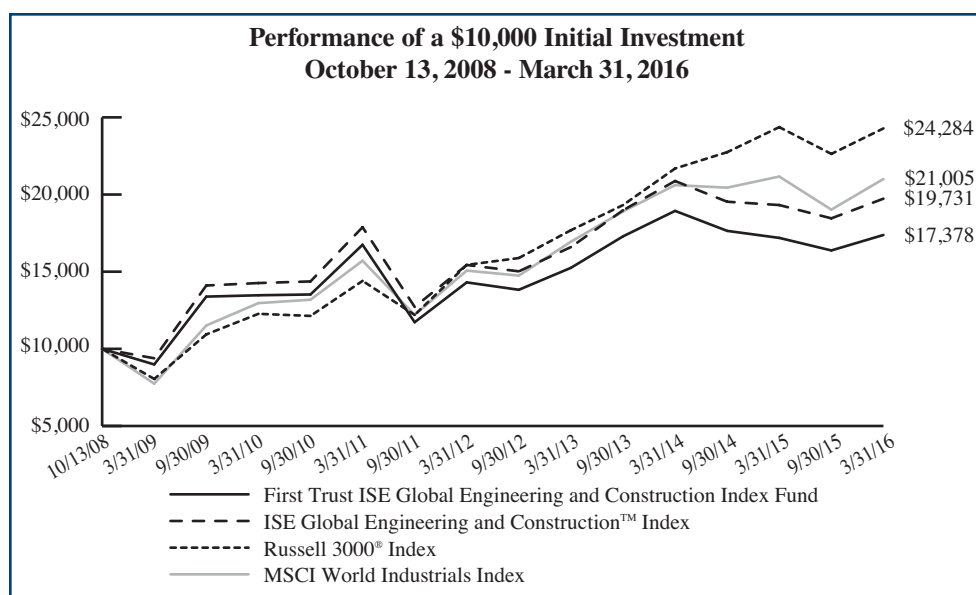
(See Notes to Fund Performance Overview on page 32.)

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## Fund Performance Overview (Unaudited) (Continued)

### First Trust ISE Global Engineering and Construction Index Fund (FLM) (Continued)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Industrials	94.25%	Vinci S.A.	3.33%
Energy	5.04	Fluor Corp.	3.28
Utilities	0.71	China Communications Construction Co., Ltd., Class H	3.11
Total	<u>100.00%</u>	Skanska AB, Class B	2.83
		Taisei Corp.	2.79
		Bouygues S.A.	2.77
		Obayashi Corp.	2.75
		Jacobs Engineering Group, Inc.	2.68
		Quanta Services, Inc.	2.64
		Kajima Corp.	2.60
		Total	<u>28.78%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

### Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV through March 31, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period October 1, 2010 through March 31, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV				Number of Days Bid/Ask Midpoint Below NAV			
	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%
10/1/10 - 9/30/11	131	12	1	0	89	20	0	0
10/1/11 - 9/30/12	90	2	0	0	145	14	0	0
10/1/12 - 9/30/13	54	1	0	0	182	13	0	0
10/1/13 - 9/30/14	109	0	0	0	136	7	0	0
10/1/14 - 9/30/15	62	2	1	0	170	17	0	0
10/1/15 - 3/31/16	44	1	1	0	70	9	0	0

## Fund Performance Overview (Unaudited) (Continued)

### First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund (GRID)

First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund (the “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 NASDAQ OMX® Clean Edge® Smart Grid Infrastructure Index<sup>SM</sup> (the “Index”). The shares of the Fund are listed and trade on The Nasdaq Stock Market LLC under the ticker symbol “GRID.” The Fund will normally invest at least 90% of its net assets in common stocks that comprise the Index or in Depository Receipts representing securities in the Index.

The Index is designed to act as a transparent and liquid benchmark for the grid and electric energy infrastructure sector. The Index includes companies that are primarily engaged and involved in electric grid, electric meters and devices, networks, energy storage and management, and enabling software used by the smart grid infrastructure sector. Clean Edge, Inc. provides a list of companies to be included in the Index to Nasdaq, Inc., which then compiles the Index.

## Performance

	6 Months Ended 3/31/16	1 Year Ended 3/31/16	Average Annual Total Returns		Cumulative Total Returns	
			5 Years Ended 3/31/16	Inception (11/16/09) to 3/31/16	5 Years Ended 3/31/16	Inception (11/16/09) to 3/31/16
<b>Fund Performance</b>						
NAV	10.19%	-2.23%	0.88%	3.30%	4.48%	23.01%
Market Price	11.15%	-1.93%	0.95%	3.35%	4.84%	23.34%
<b>Index Performance</b>						
NASDAQ OMX® Clean Edge® Smart Grid Infrastructure Index <sup>SM</sup>	10.93%	-1.45%	1.73%	4.18%	8.95%	29.77%
Russell 3000® Index	7.30%	-0.34%	11.01%	12.56%	68.60%	112.43%
S&P Composite 1500 Industrials Index	12.94%	2.15%	10.68%	13.95%	66.13%	129.78%
MSCI World Industrials Index	10.43%	-0.76%	5.98%	9.21%	33.71%	75.25%

(See Notes to Fund Performance Overview on page 32.)

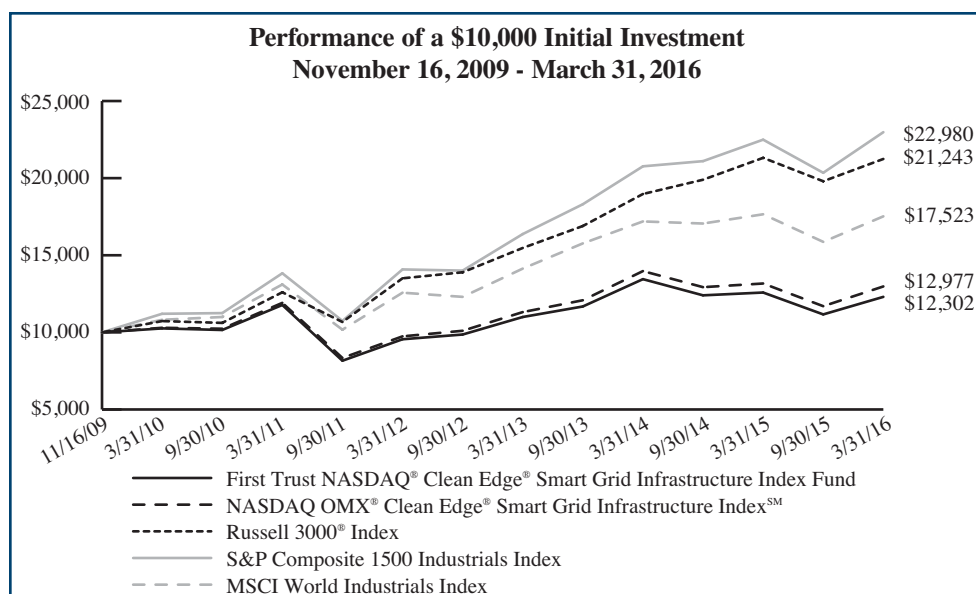
The Fund is not sponsored, sold or promoted by Nasdaq, Inc., Clean Edge, Inc. (“Clean Edge”) or their affiliates (Nasdaq, Inc. and its affiliates, collectively, the “Corporations”). The Corporations have not passed on the legality or suitability of , or the accuracy or adequacy of descriptions and disclosures relating to the Fund. The Corporations neither recommend nor endorse any investment in the Index. The Corporations make no warranties and bear no liability with respect to the Fund.



## Fund Performance Overview (Unaudited) (Continued)

### First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund (GRID) (Continued)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Industrials	58.84%	Quanta Services, Inc.	8.06%
Information Technology	29.35	Prysmian S.p.A.	8.04
Utilities	9.84	Red Electrica Corp. S.A.	7.92
Consumer Discretionary	1.97	ABB Ltd.	7.87
Total	<u>100.00%</u>	Schneider Electric SE	7.70
		General Cable Corp.	4.44
		Advanced Energy Industries, Inc.	4.23
		Silver Spring Networks, Inc.	4.04
		SMA Solar Technology AG	4.03
		ESCO Technologies, Inc.	3.96
		Total	<u>60.29%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

### Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV through March 31, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period October 1, 2010 through March 31, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV				Number of Days Bid/Ask Midpoint Below NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
10/1/10 - 9/30/11	54	3	0	0	182	14	0	0
10/1/11 - 9/30/12	22	7	0	1	187	34	0	0
10/1/12 - 9/30/13	26	17	0	0	154	53	0	0
10/1/13 - 9/30/14	186	15	0	0	44	7	0	0
10/1/14 - 9/30/15	72	28	13	2	99	32	4	2
10/1/15 - 3/31/16	28	32	2	0	40	23	0	0

## Fund Performance Overview (Unaudited) (Continued)

### First Trust Indxx Global Natural Resources Income ETF (FTRI)

From the beginning of the period covered by this report until the close of business on December 18, 2015, the First Trust Indxx Global Natural Resources Income ETF (the “Fund”), formerly First Trust ISE Global Copper Index Fund, sought investment results that correspond generally to the price and yield, before the Fund’s fees and expenses, of an equity index called the ISE Global Copper™ Index. Effective on the close of business December 18, 2015, the Fund changed its investment objective to seek investment results that correspond generally to the price and yield (before the Fund’s fees and expenses) of an equity index called the Indxx Global Natural Resources Income Index (the “Index”). The shares of the Fund are listed and traded on The Nasdaq Stock Market LLC under the ticker symbol “FTRI.” The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks and/or depositary receipts that comprise the Index.

The Index is owned and is developed, maintained and sponsored by Indxx, LLC. The Index is a 50-stock free float adjusted market capitalization weighted index designed to measure the market performance of the 50 highest dividend yielding companies involved in the upstream (i.e., generally exploration and production) segment of the natural resources sector.

### Performance

			Average Annual Total Returns		Cumulative Total Returns	
	6 Months Ended 3/31/16	1 Year Ended 3/31/16	5 Years Ended 3/31/16	Inception (3/11/10) to 3/31/16	5 Years Ended 3/31/16	Inception (3/11/10) to 3/31/16
<b>Fund Performance</b>						
NAV	-6.51%	-37.40%	-23.27%	-14.49%	-73.40%	-61.25%
Market Price	-7.40%	-38.03%	-23.44%	-14.57%	-73.70%	-61.47%
<b>Index Performance</b>						
Indxx Global Natural Resources Income Index*	1.87%	N/A	N/A	N/A	N/A	N/A
MSCI All Country World Materials Index	9.49%	-12.43%	-7.04%	-2.41%	-30.59%	-13.73%
MSCI All Country World Index	5.28%	-4.34%	5.22%	6.89%	28.99%	49.68%

\* Effective on the close of business December 18, 2015, the Fund’s underlying index changed from the ISE Global Copper™ Index to the Indxx Global Natural Resources Income Index. Therefore, the Fund’s performance and total returns shown for the period prior to December 18, 2015, are not necessarily indicative of the performance of the Fund, based on its current index, would have generated. Since the Fund’s new underlying index had an inception date of June 1, 2015, it was not in existence for all of the periods disclosed. ISE Global Copper™ Index is not shown above as the index terminated on December 18, 2015 and information on this index is no longer available.

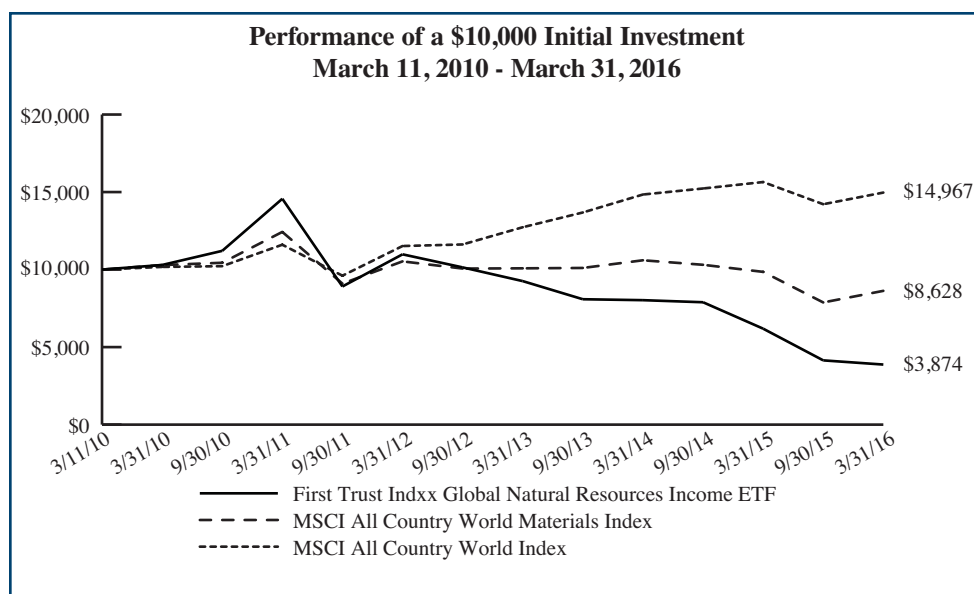
(See Notes to Fund Performance Overview on page 32.)

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## Fund Performance Overview (Unaudited) (Continued)

### First Trust Indxx Global Natural Resources Income ETF (FTRI) (Continued)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Energy	50.27%	Eni S.p.A.	10.06%
Materials	34.91	Royal Dutch Shell PLC, Class A	9.88
Utilities	12.27	BP PLC	9.74
Consumer Staples	2.28	BHP Billiton Ltd.	9.46
Industrials	0.27	International Paper Co.	4.75
Total	<u>100.00%</u>	Statoil ASA	4.54
		Lukoil PJSC, ADR	4.43
		Woodside Petroleum Ltd.	4.06
		Potash Corp. of Saskatchewan, Inc.	4.02
		Rio Tinto Ltd.	3.99
		Total	<u>64.93%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

### Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV through March 31, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period October 1, 2010 through March 31, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV				Number of Days Bid/Ask Midpoint Below NAV			
	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%
10/1/10 - 9/30/11	101	62	1	1	55	29	4	0
10/1/11 - 9/30/12	57	23	4	1	126	40	0	0
10/1/12 - 9/30/13	100	25	1	0	100	23	0	1
10/1/13 - 9/30/14	82	7	0	0	135	25	3	0
10/1/14 - 9/30/15	104	14	2	0	119	13	0	0
10/1/15 - 3/31/16	57	18	2	0	28	15	5	0

## Fund Performance Overview (Unaudited) (Continued)

### First Trust Indxx Global Agriculture ETF (FTAG)

From the beginning of the period covered by this report until the close of business on December 18, 2015, the First Trust Indxx Global Agriculture ETF (the “Fund”), formerly First Trust ISE Global Platinum Index Fund, sought investment results that correspond generally to the price and yield, before the Fund’s fees and expenses, of any equity index called the ISE Global Platinum™ Index. Effective on the close of business December 18, 2015, the Fund changed its investment objective to seek investment results that correspond generally to the price and yield (before the Fund’s fees and expenses) of an equity index called the Indxx Global Agriculture Index (the “Index”). The shares of the Fund are listed and traded on The Nasdaq Stock Market LLC under the ticker symbol “FTAG.” The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks and/or depositary receipts that comprise the Index.

The Index is owned and is developed, maintained and sponsored by Indxx, LLC. The Index is a market capitalization weighted index designed to measure the performance of companies that are directly or indirectly engaged in improving agricultural yields. The Index is comprised of farmland companies and firms involved in chemicals and fertilizers, seeds, irrigation equipment, and farm machinery.

### Performance

	Average Annual Total Returns				Cumulative Total Returns	
	6 Months Ended 3/31/16	1 Year Ended 3/31/16	5 Years Ended 3/31/16	Inception (3/11/10) to 3/31/16	5 Years Ended 3/31/16	Inception (3/11/10) to 3/31/16
<b>Fund Performance</b>						
NAV	-22.69%	-54.40%	-32.96%	-27.06%	-86.45%	-85.19%
Market Price	-23.95%	-55.26%	-33.25%	-27.23%	-86.74%	-85.41%
<b>Index Performance</b>						
Indxx Global Agriculture Index*	3.23%	N/A	N/A	N/A	N/A	N/A
MSCI All Country World Materials Index	9.49%	-12.43%	-7.04%	-2.41%	-30.59%	-13.73%
MSCI All Country World Index	5.28%	-4.34%	5.22%	6.89%	28.99%	49.68%

\* Effective on the close of business December 18, 2015, the Fund’s underlying index changed from the ISE Global Platinum™ Index to the Indxx Global Agriculture Index. Therefore, the Fund’s performance and total returns shown for the period prior to December 18, 2015, are not necessarily indicative of the performance of the Fund, based on its current index, would have generated. Since the Fund’s new underlying index had an inception date of June 1, 2015, it was not in existence for all of the periods disclosed. ISE Global Platinum™ Index is not shown above as the index terminated on December 18, 2015 and information on this index is no longer available.

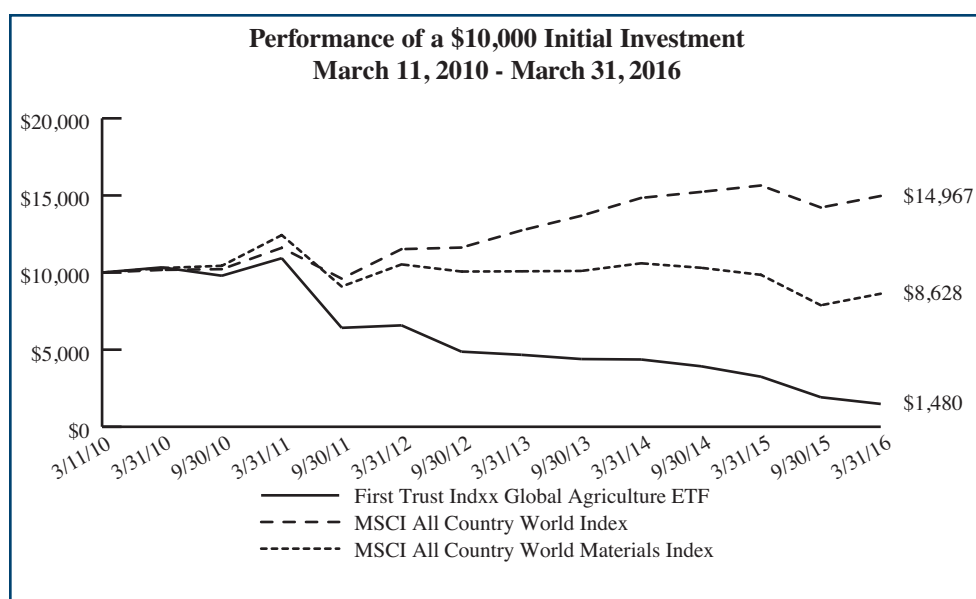
(See Notes to Fund Performance Overview on page 32.)

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## Fund Performance Overview (Unaudited) (Continued)

### First Trust Indxx Global Agriculture ETF (FTAG) (Continued)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Materials	68.47%	Bayer AG	10.54%
Industrials	13.09	BASF SE	10.35
Health Care	10.54	Dow Chemical (The) Co.	10.07
Consumer Staples	5.61	E.I. du Pont de Nemours and Co.	9.70
Consumer Discretionary	2.29	Syngenta AG	4.47
Total	<u>100.00%</u>	Monsanto Co.	4.37
		Deere & Co.	4.10
		Kubota Corp.	3.43
		Wilmar International Ltd.	3.22
		Potash Corp. of Saskatchewan, Inc.	2.86
		Total	<u>63.11%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

### Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV through March 31, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period October 1, 2010 through March 31, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV				Number of Days Bid/Ask Midpoint Below NAV			
	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%
10/1/10 - 9/30/11	77	66	17	0	52	37	4	0
10/1/11 - 9/30/12	67	41	20	1	71	45	5	1
10/1/12 - 9/30/13	74	57	14	0	71	32	2	0
10/1/13 - 9/30/14	103	36	9	0	56	35	12	1
10/1/14 - 9/30/15	96	52	7	1	55	38	3	0
10/1/15 - 3/31/16	16	25	9	15	18	15	11	16

## Fund Performance Overview (Unaudited) (Continued)

### First Trust BICK Index Fund (BICK)

The First Trust BICK Index Fund (the “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 ISE BICK™ (Brazil, India, China, South Korea) Index (the “Index”). The shares of the Fund are listed and trade on The Nasdaq Stock Market LLC under the ticker symbol “BICK.” The Fund will normally invest at least 90% of its net assets (plus the amount of any borrowings for investment purposes) in securities that comprise the Index or in Depositary Receipts representing securities in the Index.

The Index is developed and owned by International Securities Exchange, LLC. The Index is designed to provide a benchmark for investors interested in tracking some of the largest and most liquid public companies that are domiciled in Brazil, India, China (including Hong Kong) and South Korea that are accessible for investment by U.S. investors.

### Performance

			Average Annual Total Returns		Cumulative Total Returns	
	6 Months Ended	1 Year Ended	5 Years Ended	Inception (4/12/10) to 3/31/16	5 Years Ended	Inception (4/12/10) to 3/31/16
	3/31/16	3/31/16	3/31/16		3/31/16	to 3/31/16
<b>Fund Performance</b>						
NAV	7.55%	-13.12%	-8.05%	-4.96%	-34.27%	-26.18%
Market Price	7.85%	-13.13%	-8.07%	-4.99%	-34.36%	-26.30%
<b>Index Performance</b>						
ISE BICK™ Index	8.51%	-12.87%	-7.23%	-4.14%	-31.29%	-22.28%
MSCI All Country World Index	5.28%	-4.34%	5.22%	6.24%	28.99%	43.52%
MSCI Emerging Markets Index	6.41%	-12.03%	-4.13%	-1.21%	-19.02%	-6.98%

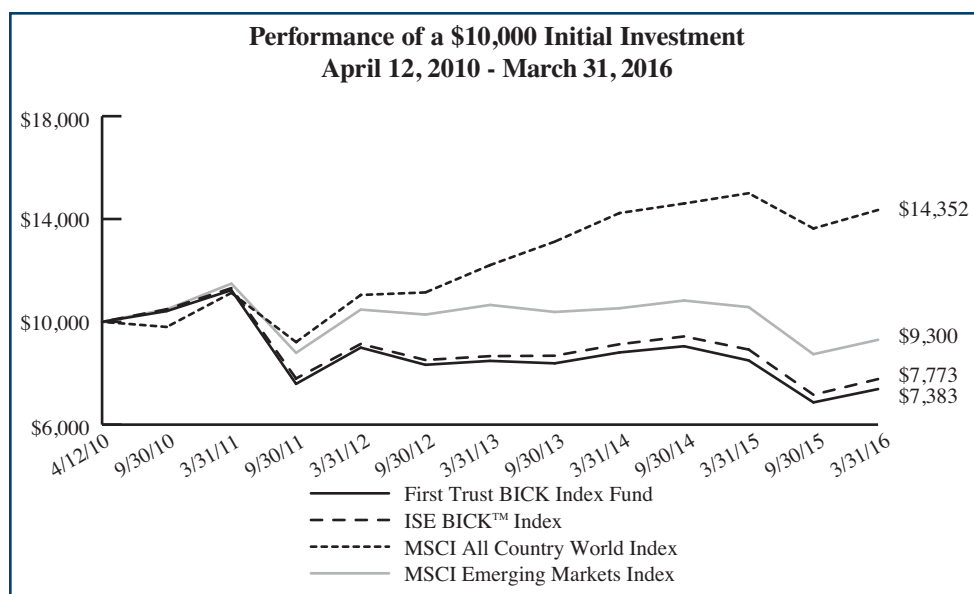
(See Notes to Fund Performance Overview on page 32.)

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## Fund Performance Overview (Unaudited) (Continued)

### First Trust BICK Index Fund (BICK) (Continued)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Financials	27.26%	Videocon d2h Ltd., ADR	1.69%
Information Technology	16.78	ICICI Bank Ltd., ADR	1.64
Consumer Discretionary	16.31	Tata Motors Ltd., ADR	1.63
Materials	11.21	Axis Bank Ltd., GDR	1.63
Energy	8.48	State Bank of India, GDR	1.62
Industrials	7.25	HDFC Bank Ltd., ADR	1.61
Consumer Staples	7.13	Wipro Ltd., ADR	1.60
Health Care	4.53	WNS (Holdings) Ltd., ADR	1.60
Telecommunication Services	1.05	Infosys Ltd., ADR	1.59
Total	<u>100.00%</u>	MakeMyTrip Ltd.	1.55
		Total	<u>16.16%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

### Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV through March 31, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period October 1, 2010 through March 31, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV				Number of Days Bid/Ask Midpoint Below NAV			
	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%
10/1/10 - 9/30/11	73	58	16	0	85	19	2	0
10/1/11 - 9/30/12	87	30	2	1	85	45	1	0
10/1/12 - 9/30/13	26	7	0	0	135	77	5	0
10/1/13 - 9/30/14	28	1	0	0	131	82	10	0
10/1/14 - 9/30/15	38	6	0	0	116	79	13	0
10/1/15 - 3/31/16	15	0	0	0	49	56	4	1

## Fund Performance Overview (Unaudited) (Continued)

### First Trust Nasdaq Smartphone Index Fund (FONE)

The First Trust Nasdaq Smartphone Index Fund (the “Fund”), formerly the First Trust NASDAQ CEA Smartphone Index 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 Nasdaq CTA Smartphone Index<sup>SM</sup> (the “Index”). The shares of the Fund are listed and trade on The Nasdaq Stock Market LLC under the ticker symbol “FONE.” The Fund will normally invest at least 90% of its net assets in common stocks and Depositary Receipts representing securities included in the Index.

The Index is owned by Nasdaq, Inc. (the “Index Provider”). The Index is designed to track the performance of companies engaged in the smartphone segment of the telecommunications and technology sectors. To be eligible for the Index, issuers of the securities must be identified as being engaged in the smartphone industry by the Consumer Technology Association. Component securities must be listed on an index-eligible global stock exchange, as determined by the Index Provider, have a minimum float-adjusted market capitalization of \$250 million and a minimum three-month average daily dollar trading volume of \$1 million.

### Performance

			Average Annual Total Returns		Cumulative Total Returns	
	6 Months Ended 3/31/16	1 Year Ended 3/31/16	5 Years Ended 3/31/16	Inception (2/17/11) to 3/31/16	5 Years Ended 3/31/16	Inception (2/17/11) to 3/31/16
<b>Fund Performance</b>						
NAV	7.41%	-5.91%	6.86%	5.42%	39.36%	30.98%
Market Price	7.59%	-6.21%	6.75%	5.35%	38.59%	30.54%
<b>Index Performance</b>						
Nasdaq CTA Smartphone Index <sup>SM*</sup>	8.13%	-4.99%	7.85%	6.40%	45.93%	37.35%
MSCI World Index	5.13%	-3.45%	6.51%	6.05%	37.09%	35.02%
MSCI All Country World Information Technology Index	10.17%	1.94%	10.58%	9.33%	65.33%	57.84%

\* Following the close of trading on December 18, 2015, the name of the Fund’s underlying index changed from the NASDAQ OMX CEA Smartphone Index<sup>SM</sup> to the Nasdaq CTA Smartphone Index<sup>SM</sup>.

(See Notes to Fund Performance Overview on page 32.)

The Fund is not sponsored, endorsed, sold or promoted by Nasdaq, Inc. or their affiliates (Nasdaq, Inc. and its affiliates, collectively, the “Corporations”). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to the Fund. The Corporations neither recommend nor endorse any investment in the Index. The Corporations make no warranties and bear no liability with respect to the Fund.

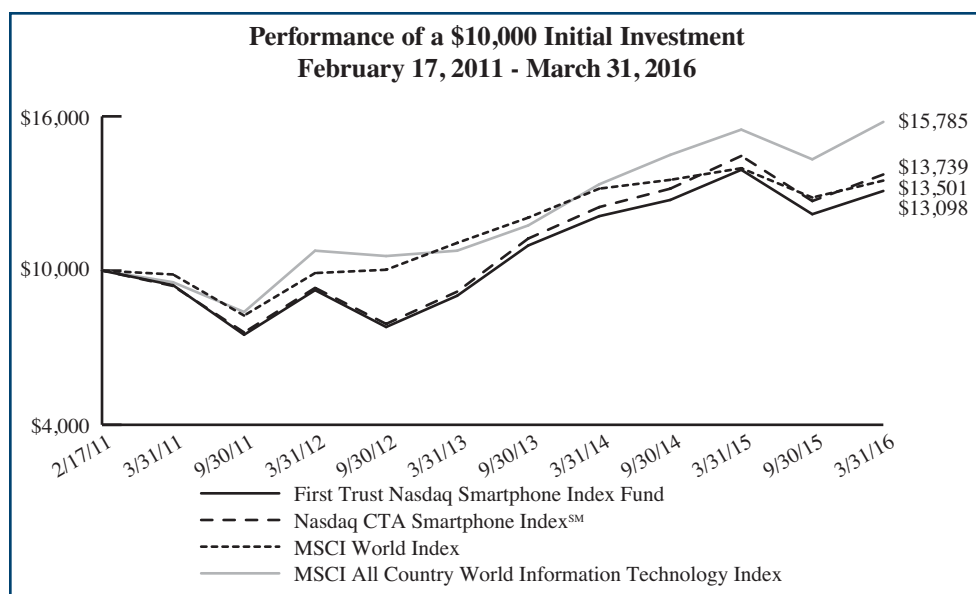


## Fund Performance Overview (Unaudited) (Continued)

### First Trust Nasdaq Smartphone Index Fund (FONE) (Continued)

Sector Classification	% of Total Long-Term Investments
Information Technology	73.81%
Telecommunication Services	11.11
Consumer Discretionary	9.01
Industrials	2.30
Health Care	1.95
Financials	1.82
Total	<u>100.00%</u>

Top Ten Holdings	% of Total Long-Term Investments
FIH Mobile Ltd.	3.49%
Sony Corp.	3.41
Samsung Electronics Co., Ltd.	3.37
HTC Corp.	3.32
Sanmina Corp.	3.18
Apple, Inc.	3.15
Flextronics International Ltd.	3.11
Celestica, Inc.	2.99
Benchmark Electronics, Inc.	2.98
Wistron Corp.	2.90
Total	<u>31.90%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

### Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV through March 31, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period February 18, 2011 (commencement of trading) through March 31, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV				Number of Days Bid/Ask Midpoint Below NAV			
	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%
2/18/11 - 9/30/11	85	10	0	0	58	3	0	0
10/1/11 - 9/30/12	54	12	0	0	141	44	0	0
10/1/12 - 9/30/13	85	13	0	0	109	43	0	0
10/1/13 - 9/30/14	139	12	0	0	86	14	1	0
10/1/14 - 9/30/15	123	4	0	0	118	7	0	0
10/1/15 - 3/31/16	17	0	0	0	89	19	0	0

## Fund Performance Overview (Unaudited) (Continued)

### First Trust NASDAQ Global Auto Index Fund (CARZ)

The First Trust NASDAQ Global Auto Index Fund (the “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 NASDAQ OMX Global Auto Index<sup>SM</sup> (the “Index”). The shares of the Fund are listed and trade on The Nasdaq Stock Market LLC under the ticker symbol “CARZ.” The Fund will normally invest at least 90% of its net assets (plus the amount of any borrowings for investment purposes) in common stocks included in the Index.

The Index is owned and was developed by Nasdaq, Inc. (the “Index Provider”). The Index Provider has contracted with Standard & Poor’s to calculate and maintain the Index. The Index is designed to track the performance of the largest and most liquid companies engaged in manufacturing of automobiles. To be eligible for the Index, component securities must be listed on an index-eligible global stock exchange, as determined by the Index Provider, have a minimum worldwide market capitalization of at least \$500 million and a minimum three-month average daily dollar trading volume of \$1 million.

### Performance

	6 Months Ended 3/31/16	1 Year Ended 3/31/16	Average Annual Total Returns Inception (5/9/11) to 3/31/16	Cumulative Total Returns Inception (5/9/11) to 3/31/16
<b>Fund Performance</b>				
NAV	0.84%	-15.74%	3.48%	18.24%
Market Price	0.33%	-16.21%	3.40%	17.79%
<b>Index Performance</b>				
NASDAQ OMX Global Auto Index <sup>SM</sup>	1.72%	-14.95%	4.52%	24.17%
MSCI World Index	5.13%	-3.45%	6.28%	34.71%

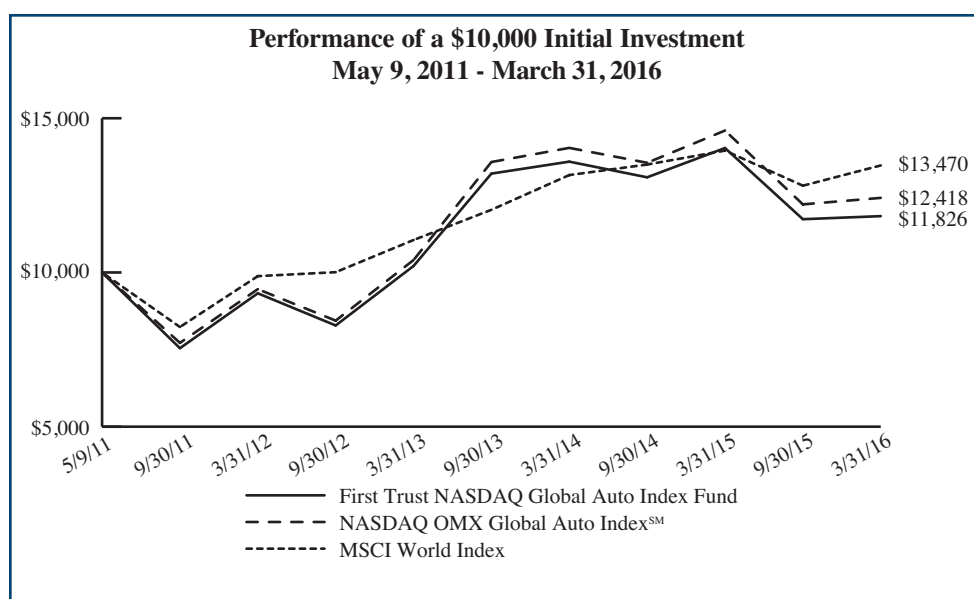
(See Notes to Fund Performance Overview on page 32.)

The Fund is not sponsored, endorsed, sold or promoted by Nasdaq, Inc. or their affiliates (Nasdaq, Inc. and its affiliates, collectively, the “Corporations”). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to the Fund. The Corporations neither recommend nor endorse any investment in the Index. The Corporations make no warranties and bear no liability with respect to the Fund.

## Fund Performance Overview (Unaudited) (Continued)

### First Trust NASDAQ Global Auto Index Fund (CARZ) (Continued)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Consumer Discretionary	99.73%	Daimler AG	8.17%
Industrials	0.27	Ford Motor Co.	7.88
Total	<u>100.00%</u>	Honda Motor Co., Ltd.	7.83
		General Motors Co.	7.80
		Toyota Motor Corp.	7.40
		Tesla Motors, Inc.	4.37
		Bayerische Motoren Werke AG	4.11
		Hyundai Motor Co.	4.08
		Kia Motors Corp.	4.04
		Volkswagen AG (Preference Shares)	3.97
		Total	<u>59.65%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

### Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV through March 31, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period May 10, 2011 (commencement of trading) through March 31, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV				Number of Days Bid/Ask Midpoint Below NAV			
	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%
5/10/11 - 9/30/11	59	13	0	0	24	4	0	0
10/1/11 - 9/30/12	103	30	0	1	91	24	1	1
10/1/12 - 9/30/13	97	77	16	0	50	10	0	0
10/1/13 - 9/30/14	133	17	0	0	88	14	0	0
10/1/14 - 9/30/15	90	12	1	1	129	19	0	0
10/1/15 - 3/31/16	50	2	0	0	55	17	1	0

## Fund Performance Overview (Unaudited) (Continued)

### First Trust ISE Cloud Computing Index Fund (SKYY)

The First Trust ISE Cloud Computing Index Fund (the “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 ISE Cloud Computing™ Index (the “Index”). The shares of the Fund are listed and trade on The Nasdaq Stock Market LLC under the ticker symbol “SKYY.” The Fund will normally invest at least 90% of its net assets (plus the amount of any borrowings for investment purposes) in common stocks and Depositary Receipts included in the Index.

The Index is owned and was developed by International Securities Exchange, LLC (the “Index Provider”). The Index Provider has contracted with Standard & Poor’s to calculate and maintain the Index. To be eligible for the Index, a security must be engaged in a business activity supporting or utilizing the cloud computing space. Component securities must have a market capitalization of at least \$100 million.

### Performance

	6 Months Ended 3/31/16	1 Year Ended 3/31/16	Average Annual Total Returns Inception (7/5/11) to 3/31/16	Cumulative Total Returns Inception (7/5/11) to 3/31/16
<b>Fund Performance</b>				
NAV	5.68%	1.64%	8.61%	47.90%
Market Price	5.69%	1.57%	8.59%	47.80%
<b>Index Performance</b>				
ISE Cloud Computing™ Index	6.22%	2.42%	9.31%	52.47%
S&P 500® Index	8.49%	1.78%	11.93%	70.52%
S&P Composite 1500 Information Technology Index	11.65%	7.09%	13.83%	84.74%

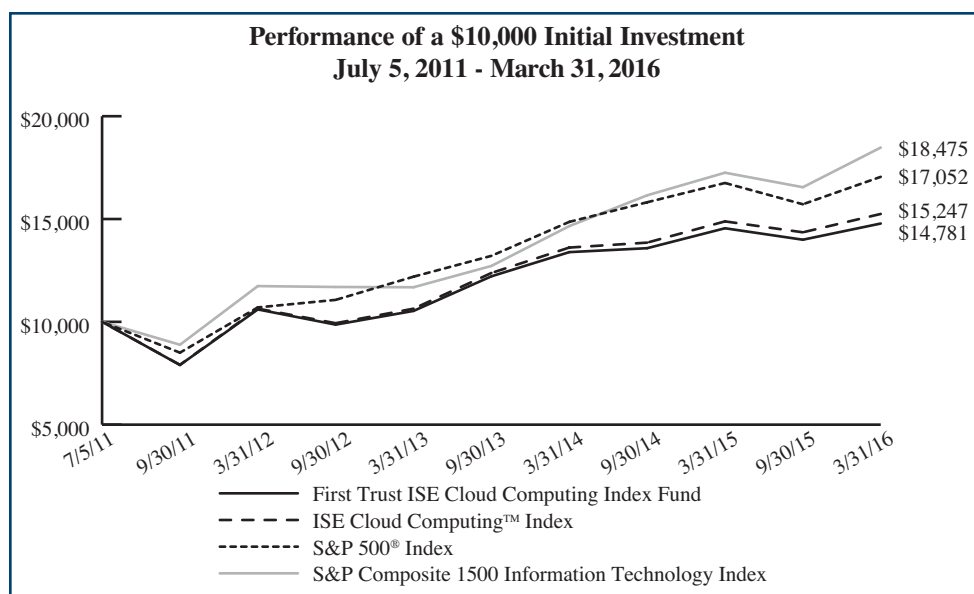
(See Notes to Fund Performance Overview on page 32.)

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## Fund Performance Overview (Unaudited) (Continued)

### First Trust ISE Cloud Computing Index Fund (SKYY) (Continued)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Information Technology	88.55%	Equinix, Inc.	4.46%
Consumer Discretionary	6.99	Facebook, Inc., Class A	4.37
Financials	4.46	Oracle Corp.	4.30
Total	<u>100.00%</u>	Cisco Systems, Inc.	4.26
		F5 Networks, Inc.	4.25
		Akamai Technologies, Inc.	4.20
		Open Text Corp.	4.15
		SAP SE, ADR	4.08
		EMC Corp.	4.02
		Alphabet, Inc., Class A	3.98
		Total	<u>42.07%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

### Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV through March 31, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period July 6, 2011 (commencement of trading) through March 31, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV				Number of Days Bid/Ask Midpoint Below NAV			
	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%
7/6/11 - 9/30/11	34	3	0	0	23	2	0	0
10/1/11 - 9/30/12	126	13	2	0	102	8	0	0
10/1/12 - 9/30/13	134	27	0	0	71	17	1	0
10/1/13 - 9/30/14	191	18	0	0	38	5	0	0
10/1/14 - 9/30/15	193	9	0	0	48	2	0	0
10/1/15 - 3/31/16	75	0	0	0	50	0	0	0

## Fund Performance Overview (Unaudited) (Continued)

### First Trust International IPO ETF (FPXI)

First Trust International IPO ETF (the “Fund”) seeks investment results that correspond generally to the price and yield (before the Fund’s fees and expenses) of an index called the IPOX International Index (the “Index”). The shares of the Fund are listed and trade on The Nasdaq Stock Market LLC under the ticker symbol “FPXI.” The Fund will normally invest at least 90% of its net assets (plus the amount of any borrowings for investment purposes) in the securities that comprise the Index.

The Index is owned and is developed, maintained and sponsored by IPOX® Schuster LLC (the “Index Provider”). The Index is a market-cap weighted portfolio measuring the performance of the top 50 non-U.S. companies, including companies domiciled in emerging markets, ranked quarterly by market capitalization in the IPOX® Global Composite Index. The Index includes the 50 largest and typically most liquid initial public offerings (“IPOs”) and spin-offs of companies legally domiciled outside the United States that trade on an accessible global stock exchange.

### Performance

	6 Months Ended 3/31/16	1 Year Ended 3/31/16	Average Annual Total Returns Inception (11/4/14) to 3/31/16	Cumulative Total Returns Inception (11/4/14) to 3/31/16
<b>Fund Performance</b>				
NAV	3.96%	-9.53%	-8.24%	-11.36%
Market Price	4.53%	-9.19%	-7.99%	-11.02%
<b>Index Performance</b>				
IPOX International Index	5.07%	-8.75%	-7.57%	-10.46%
MSCI World Index Ex-US	1.89%	-8.44%	-4.41%	-6.13%

(See Notes to Fund Performance Overview on page 32.)

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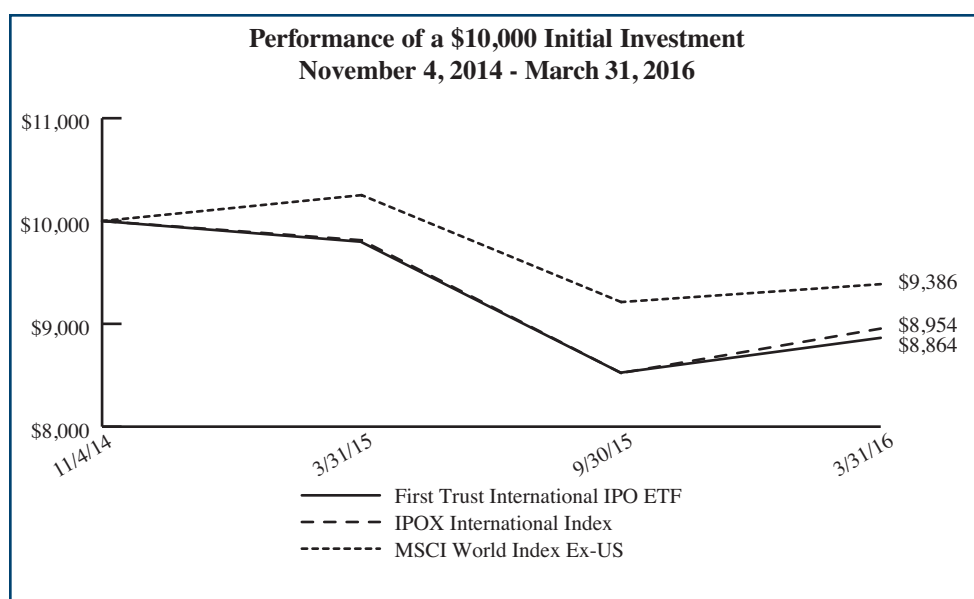
A patent with respect to the IPOX® index methodology has been issued (U.S. Pat. No. 7,698,197). IPOX® is a registered international trademark of IPOX® Schuster LLC (www.ipoxschuster.com).

## Fund Performance Overview (Unaudited) (Continued)

### First Trust International IPO ETF (FPXI) (Continued)

Sector Classification	% of Total Long-Term Investments
Financials	45.66%
Consumer Discretionary	16.87
Information Technology	14.35
Industrials	10.19
Consumer Staples	4.77
Health Care	2.74
Utilities	2.46
Telecommunication Services	1.78
Materials	1.18
Total	<u>100.00%</u>

Top Ten Holdings	% of Total Long-Term Investments
Alibaba Group Holding Ltd., ADR	10.53%
Japan Post Holdings Co., Ltd.	9.34
Japan Post Bank Co., Ltd.	8.61
JD.com, Inc., ADR	4.72
China Vanke Co., Ltd., Class H	4.22
Cheung Kong Property Holdings Ltd.	3.96
Aena S.A.	3.02
ABN AMRO Group N.V.	3.00
Numericable-SFR S.A.	2.89
Vonovia SE	2.62
Total	<u>52.91%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

### Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV through March 31, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period November 5, 2014 (commencement of trading) through March 31, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV				Number of Days Bid/Ask Midpoint Below NAV			
	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%
11/5/14 - 9/30/15	90	11	1	0	117	8	0	1
10/1/15 - 3/31/16	54	17	0	0	40	14	0	0

## Fund Performance Overview (Unaudited) (Continued)

### First Trust Nasdaq Cybersecurity ETF (CIBR)

The First Trust Nasdaq Cybersecurity ETF (the “Fund”), formerly First Trust NASDAQ CEA Cybersecurity ETF, is an exchange-traded fund that seeks investment results that correspond generally to the price and yield, before the Fund’s fees and expenses, of an equity index called the Nasdaq CTA Cybersecurity Index<sup>SM</sup> (the “Index”). The shares of the Fund are listed and trade on The Nasdaq Stock Market LLC under the ticker symbol “CIBR.” The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks or in Depositary Receipts that comprise the Index. The Index is owned by Nasdaq, Inc. (the “Index Provider”). The Index Provider and the Consumer Technology Association (“CTA”) have jointly developed the eligibility and selection criteria and rules for the Index. The Index will include securities of companies classified as “cybersecurity” companies by the CTA.

### Performance

	6 Months Ended 3/31/16	Cumulative Total Returns Inception (7/6/15) to 3/31/16
<b>Fund Performance</b>		
NAV	0.23%	-14.06%
Market Price	0.23%	-14.11%
<b>Index Performance</b>		
Nasdaq CTA Cybersecurity Index <sup>SM*</sup>	0.70%	-13.54%
S&P 500 <sup>®</sup> Index	8.49%	1.20%
S&P Composite 1500 Information Technology Index	11.65%	6.60%

\* Following the close of trading on December 18, 2015, the name of the Fund’s underlying index changed from the Nasdaq CEA Cybersecurity Index<sup>SM</sup> to the Nasdaq CTA Cybersecurity Index<sup>SM</sup>.

(See Notes to Fund Performance Overview on page 32.)

The First Trust Nasdaq Cybersecurity ETF is not sponsored, endorsed, sold or promoted by Nasdaq, Inc. or their affiliates (Nasdaq, Inc. and its affiliates, collectively, the “Corporations”). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to the First Trust Nasdaq Cybersecurity ETF. The Corporations neither recommend nor endorse any investment in the Index. The Corporations make no warranties and bear no liability with respect to the Fund.

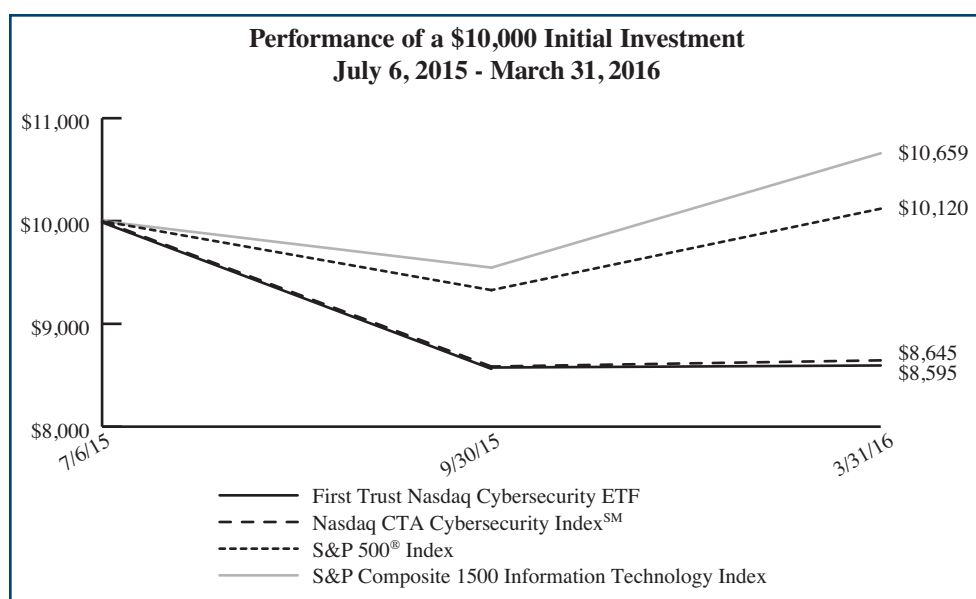


## Fund Performance Overview (Unaudited) (Continued)

### First Trust Nasdaq Cybersecurity ETF (CIBR) (Continued)

Sector Classification	% of Total Long-Term Investments
Information Technology	90.79%
Industrials	6.27
Consumer Discretionary	2.94
Total	<u>100.00%</u>

Top Ten Holdings	% of Total Long-Term Investments
NXP Semiconductors N.V.	6.30%
Palo Alto Networks, Inc.	6.24
Cisco Systems, Inc.	6.02
Juniper Networks, Inc.	5.72
Akamai Technologies, Inc.	5.70
Computer Sciences Corp.	3.30
Gemalto N.V.	3.22
Imperva, Inc.	3.19
Proofpoint, Inc.	3.18
CyberArk Software Ltd.	3.15
Total	<u>46.02%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

### Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV through March 31, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period July 7, 2015 (commencement of trading) through March 31, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV				Number of Days Bid/Ask Midpoint Below NAV			
	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%	0.00%- 0.49%	0.50%- 0.99%	1.00%- 1.99%	>=2.00%
7/7/15 - 9/30/15	49	7	1	0	4	0	0	0
10/1/15 - 3/31/16	80	0	0	0	45	0	0	0

## Notes to Fund Performance Overview

Total returns for the periods since inception are calculated from the inception date of each Fund. “Average annual total returns” represent the average annual change in value of an investment over the periods indicated. “Cumulative total returns” represent the total change in value of an investment over the periods indicated. For certain Funds, the total returns would have been lower if certain fees had not been waived and expenses reimbursed by the Advisor.

Each Fund’s per share net asset value (“NAV”) is the value of one share of the Fund and is computed by dividing the value of all assets of the Fund (including accrued interest and dividends), less all liabilities (including accrued expenses and dividends declared but unpaid), by the total number of outstanding shares. The price used to calculate market return (“Market Price”) is determined by using the midpoint between the highest bid and the lowest offer 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. Since shares of each Fund did not trade in the secondary market until after the Fund’s inception, for the period from inception to the first day of secondary market trading in shares of the Fund, the NAV of each Fund is used as a proxy for the secondary market trading price to calculate market returns. NAV and market returns assume that all distributions have been reinvested in each Fund at NAV and Market Price, respectively.

An index is a statistical composite that tracks a specified financial market or sector. Unlike each Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by each Fund. These expenses negatively impact the performance of each Fund. Also, market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included, market returns would be lower. The total returns presented reflect the reinvestment of dividends on securities in the indices. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. The investment return and principal value of shares of each Fund will vary with changes in market conditions. Shares of each Fund may be worth more or less than their original cost when they are redeemed or sold in the market. Each Fund’s past performance is no guarantee of future performance.

## First Trust Exchange-Traded Fund II

### Understanding Your Fund Expenses

March 31, 2016 (Unaudited)

As a shareholder of First Trust STOXX® European Select Dividend Index Fund, First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund, First Trust Dow Jones Global Select Dividend Index Fund, First Trust ISE Global Wind Energy Index Fund, First Trust ISE Global Engineering and Construction Index Fund, First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund, First Trust Indxx Global Natural Resources Income ETF, First Trust Indxx Global Agriculture ETF, First Trust BICK Index Fund, First Trust Nasdaq Smartphone Index Fund, First Trust NASDAQ Global Auto Index Fund, First Trust ISE Cloud Computing Index Fund, First Trust International IPO ETF or First Trust Nasdaq Cybersecurity ETF (each a “Fund” and collectively, the “Funds”), you incur two types of costs: (1) transaction costs; and (2) ongoing costs, including management fees, distribution and/or service fees, if any, and other Fund expenses. This Example is intended to help you understand your ongoing costs (in U.S. dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held through the six-month period ended March 31, 2016.

#### Actual Expenses

The first line in the following table provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During the Six-Month Period” to estimate the expenses you paid on your account during this six-month period.

#### Hypothetical Example for Comparison Purposes

The second line in the following table provides information about hypothetical account values and hypothetical expenses based on each Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not each Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as brokerage commissions. Therefore, the second line in the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value October 1, 2015	Ending Account Value March 31, 2016	Annualized Expense Ratio Based on the Six-Month Period (a)	Expenses Paid During the Six-Month Period (b)
<b>First Trust STOXX® European Select Dividend Index Fund (FDD)</b>				
Actual	\$1,000.00	\$1,027.10	0.60%	\$3.04
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.00	0.60%	\$3.03
<b>First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund (FFR)</b>				
Actual	\$1,000.00	\$1,094.60	0.60%	\$3.14
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.00	0.60%	\$3.03
<b>First Trust Dow Jones Global Select Dividend Index Fund (FGD)</b>				
Actual	\$1,000.00	\$1,063.60	0.58%	\$2.99
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.10	0.58%	\$2.93
<b>First Trust ISE Global Wind Energy Index Fund (FAN)</b>				
Actual	\$1,000.00	\$1,132.80	0.60%	\$3.20
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.00	0.60%	\$3.03
<b>First Trust ISE Global Engineering and Construction Index Fund (FLM)</b>				
Actual	\$1,000.00	\$1,061.20	0.70%	\$3.61
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.50	0.70%	\$3.54

## First Trust Exchange-Traded Fund II

### Understanding Your Fund Expenses (Continued)

March 31, 2016 (Unaudited)

	Beginning Account Value October 1, 2015	Ending Account Value March 31, 2016	Annualized Expense Ratio Based on the Six-Month Period (a)	Expenses Paid During the Six-Month Period (b)
<b>First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund (GRID)</b>				
Actual	\$1,000.00	\$1,101.90	0.70%	\$3.68
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.50	0.70%	\$3.54
<b>First Trust Indxx Global Natural Resources Income ETF (FTRI)</b>				
Actual	\$1,000.00	\$ 934.90	0.70%	\$3.39
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.50	0.70%	\$3.54
<b>First Trust Indxx Global Agriculture ETF (FTAG)</b>				
Actual	\$1,000.00	\$ 773.10	0.71%	\$3.15
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.45	0.71%	\$3.59
<b>First Trust BICK Index Fund (BICK)</b>				
Actual	\$1,000.00	\$1,075.50	0.64%	\$3.32
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.80	0.64%	\$3.23
<b>First Trust Nasdaq Smartphone Index Fund (FONE)</b>				
Actual	\$1,000.00	\$1,074.10	0.70%	\$3.63
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.50	0.70%	\$3.54
<b>First Trust NASDAQ Global Auto Index Fund (CARZ)</b>				
Actual	\$1,000.00	\$1,008.40	0.70%	\$3.51
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.50	0.70%	\$3.54
<b>First Trust ISE Global Computing Index Fund (SKYY)</b>				
Actual	\$1,000.00	\$1,056.80	0.60%	\$3.09
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.00	0.60%	\$3.03
<b>First Trust International IPO ETF (FPXI)</b>				
Actual	\$1,000.00	\$1,039.60	0.71%	\$3.62
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.45	0.71%	\$3.59
<b>First Trust Nasdaq Cybersecurity ETF (CIBR)</b>				
Actual	\$1,000.00	\$1,002.30	0.60%	\$3.00
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.00	0.60%	\$3.03

(a) These expense ratios reflect expense caps for certain Funds. See Note 3 in the Notes to Financial Statements.

(b) Expenses are equal to the annualized expense ratio as indicated in the table multiplied by the average account value over the period (October 1, 2015 through March 31, 2016), multiplied by 183/366 (to reflect the one-half year period).

**First Trust STOXX® European Select Dividend Index Fund (FDD)**

**Portfolio of Investments**

**March 31, 2016 (Unaudited)**

Shares	Description	Value	Shares	Description	Value
<b>Common Stocks (a) — 95.5%</b>			<b>Investment Companies (a) — 3.9%</b>		
<b>Belgium — 2.7%</b>			<b>Switzerland — 3.9%</b>		
124,315	Proximus SADP	\$ 4,248,701	131,529	BB Biotech AG (Cost \$7,960,560)	\$ 6,271,754
<b>Finland — 4.5%</b>			<b>Money Market Funds — 0.1%</b>		
469,067	Fortum OYJ	7,104,245	119,288	Morgan Stanley Institutional Liquidity Fund – Treasury Portfolio – Institutional Class – 0.22% (b) (Cost \$119,288)	119,288
<b>France — 15.9%</b>			<b>Total Investments — 99.5%</b>		
288,579	CNP Assurances	4,500,376	157,898,345		
50,276	Fonciere des Regions	4,751,222	(Cost \$174,543,088) (c)		
103,373	SCOR SE	3,670,006	<b>Net Other Assets and</b>		
121,385	Societe Generale S.A.	4,486,277	<b>Liabilities — 0.5%</b>		
98,962	TOTAL S.A.	4,511,120	768,846		
12,181	Unibail-Rodamco SE	3,351,539	<b>Net Assets — 100.0%</b>		
		25,270,540	\$158,667,191		
<b>Germany — 8.1%</b>					
27,638	Allianz SE	4,495,684			
167,988	Deutsche Post AG	4,667,979			
18,360	Muenchener Rueckversicherungs- Gesellschaft AG in Muenchen	3,734,425			
		12,898,088			
<b>Italy — 2.9%</b>					
727,370	Snam S.p.A.	4,556,357			
<b>Netherlands — 3.1%</b>					
126,673	Boskalis Westminster	4,979,368			
<b>Spain — 2.8%</b>					
1,016,250	Banco Santander S.A.	4,479,868			
<b>Sweden — 2.8%</b>					
459,371	Skandinaviska Enskilda Banken AB, Class A	4,388,165			
<b>Switzerland — 17.6%</b>					
47,266	PSP Swiss Property AG	4,546,935			
57,112	Swiss Prime Site AG	5,036,761			
63,723	Swiss Re AG	5,891,503			
6,222	Swisscom AG	3,380,994			
38,950	Zurich Insurance Group AG	9,045,328			
		27,901,521			
<b>United Kingdom — 35.1%</b>					
92,791	AstraZeneca PLC	5,200,886			
628,328	BAE Systems PLC	4,593,384			
1,726,471	Carillion PLC	7,292,608			
314,367	GlaxoSmithKline PLC	6,375,294			
1,374,354	J Sainsbury PLC	5,453,911			
507,386	Pearson PLC	6,376,393			
348,226	Royal Dutch Shell PLC, Class B	8,502,344			
337,797	SSE PLC	7,238,576			
350,548	United Utilities Group PLC	4,647,054			
		55,680,450			
<b>Total Common Stocks — 95.5%</b>		151,507,303			
(Cost \$166,463,240)					

(a) Portfolio securities are categorized based upon their country of incorporation, which can be different from the country categorization of the Fund's underlying index. For a breakdown of the portfolio securities by sector, please see the Fund Performance Overview.

(b) Interest rate shown reflects yield as of March 31, 2016.

(c) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of March 31, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$3,373,290 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$20,018,033.

## First Trust STOXX® European Select Dividend Index Fund (FDD)

### Portfolio of Investments (Continued)

March 31, 2016 (Unaudited)

#### Valuation Inputs

A summary of the inputs used to value the Fund's investments as of March 31, 2016 is as follows (see Note 2A – Portfolio Valuation in the Notes to Financial Statements):

Level 1 – Quoted Prices

Level 2 – Other Significant Observable Inputs

Level 3 – Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$151,507,303	\$ —	\$ —
Investment			
Companies*	6,271,754	—	—
Money Market Funds	119,288	—	—
Total Investments	<u>\$157,898,345</u>	<u>\$ —</u>	<u>\$ —</u>

\* See Portfolio of Investments for country breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. As of March 31, 2016, the Fund transferred investments valued at \$111,084,763 from Level 2 to Level 1 of the fair value hierarchy. The investments that transferred from Level 2 to Level 1 did so as a result of being valued based on quoted prices. Previously, these investments were fair valued using a factor provided by a pricing service due to the change in value between the foreign markets' close and the New York Stock Exchange ("NYSE") close on September 30, 2015 exceeding a certain threshold.

Currency Exposure Diversification	% of Total Investments
Euro	40.2%
British Pound Sterling	35.3
Swiss Franc	21.6
Swedish Krona	2.8
United States Dollar	0.1
Total	<u>100.0%</u>



**First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund (FFR)**

**Portfolio of Investments (Continued)**

**March 31, 2016 (Unaudited)**

Shares	Description	Value	Shares	Description	Value
<b>Common Stocks (a) (Continued)</b>			<b>Japan (Continued)</b>		
<b>Guernsey (Continued)</b>			206	Japan Hotel REIT Investment Corp. \$	181,391
23,608	Standard Life Investment Property Income Trust Ltd.	\$ 29,245	55	Japan Logistics Fund, Inc.	114,892
		<u>78,136</u>	52	Japan Prime Realty Investment Corp.	211,844
<b>Hong Kong — 5.0%</b>			81	Japan Real Estate Investment Corp.	467,813
146,342	Champion REIT	74,517	94	Japan Rental Housing Investments, Inc.	69,407
138,262	Hang Lung Properties Ltd.	264,142	158	Japan Retail Fund Investment Corp.	379,329
63,014	Henderson Land Development Co., Ltd.	387,067	22	Kenedix Office Investment Corp.	126,278
38,314	Hysan Development Co., Ltd.	163,236	78,930	Mitsubishi Estate Co., Ltd.	1,466,108
139,642	Link REIT	828,057	59,081	Mitsui Fudosan Co., Ltd.	1,474,072
344,505	New World Development Co., Ltd.	328,191	90	Mori Hills REIT Investment Corp.	133,147
189,308	Sino Land Co., Ltd.	299,677	61	Mori Trust Sogo Reit, Inc.	105,474
102,929	Sun Hung Kai Properties Ltd.	1,258,525	29	Nippon Accommodations Fund, Inc.	111,702
72,589	Swire Properties Ltd.	196,039	84	Nippon Building Fund, Inc.	497,828
84,031	Wharf Holdings (The) Ltd.	459,295	90	Nippon Prologis REIT, Inc.	201,439
		<u>4,258,746</u>	7,400	Nomura Real Estate Holdings, Inc.	136,763
<b>Ireland — 0.2%</b>			219	Nomura Real Estate Master Fund, Inc.	326,909
40,947	Green REIT PLC	65,744	6,748	NTT Urban Development Corp.	66,014
42,246	Hibernia REIT PLC	62,589	144	Orix JREIT, Inc.	223,271
21,722	Irish Residential Properties REIT PLC	27,313	78	Premier Investment Corp.	96,404
		<u>155,646</u>	61	Sekisui House SI Residential Investment Corp.	62,710
<b>Isle of Man — 0.0%</b>			26,744	Sumitomo Realty & Development Co., Ltd.	782,751
73,382	Redefine International PLC	49,662	12,787	Tokyo Tatemono Co., Ltd.	159,291
<b>Israel — 0.1%</b>			58	Tokyu REIT, Inc.	79,622
2,256	Azrieli Group Ltd.	88,588	10	Top REIT, Inc.	39,495
<b>Italy — 0.1%</b>			171	United Urban Investment Corp.	276,377
66,111	Beni Stabili S.p.A. SIIQ	49,613			<u>9,571,974</u>
22,689	Immobiliare Grande Distribuzione SIIQ S.p.A.	20,654	<b>Jersey — 0.2%</b>		
		<u>70,267</u>	7,299	Kennedy Wilson Europe Real Estate PLC	122,758
<b>Japan — 11.3%</b>			10,677	Target Healthcare REIT Ltd.	17,021
33	Activia Properties, Inc.	171,238			<u>139,779</u>
79	Advance Residence Investment Corp.	199,983	<b>Luxembourg — 0.2%</b>		
7,227	AEON Mall Co., Ltd.	107,045	1,433	ADO Properties S.A. (b) (e)	49,147
64	AEON REIT Investment Corp.	82,001	6,294	Grand City Properties S.A.	144,671
19	Daiwa House REIT Investment Corp.	83,313			<u>193,818</u>
40	Daiwa House Residential Investment Corp.	83,451	<b>Netherlands — 0.4%</b>		
17	Daiwa Office Investment Corp.	105,736	2,886	Eurocommercial Properties N.V.	135,070
29	Frontier Real Estate Investment Corp.	139,402	8,516	NSI N.V.	40,448
41	Fukuoka REIT Corp.	74,135	1,181	Vastned Retail N.V.	52,861
136	GLP J-REIT	155,038	2,497	Wereldhave N.V.	139,652
22,100	Hulic Co., Ltd.	211,290			<u>368,031</u>
42	Hulic REIT, Inc.	68,293	<b>New Zealand — 0.1%</b>		
21	Industrial & Infrastructure Fund Investment Corp.	97,588	78,474	Kiwi Property Group Ltd.	78,379
143	Invincible Investment Corp.	107,239	<b>Norway — 0.1%</b>		
71	Japan Excellent, Inc.	95,891	3,874	Entra ASA (e)	36,517
			15,305	Norwegian Property ASA (b)	15,944
					<u>52,461</u>



**First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund (FFR)**

**Portfolio of Investments (Continued)**

**March 31, 2016 (Unaudited)**

Shares	Description	Value	Shares	Description	Value
<b>Common Stocks (a) (Continued)</b>			<b>United Kingdom (Continued)</b>		
<i>Singapore — 2.1%</i>					
130,700	Ascendas Real Estate Investment Trust	\$ 231,757	48,635	Hammerson PLC	\$ 404,093
124,290	CapitaLand Commercial Trust	135,554	44,643	Hansteen Holdings PLC	68,222
157,330	CapitaLand Ltd.	358,351	5,967	Helical Bar PLC	33,080
164,683	CapitaLand Mall Trust	255,360	58,133	Intu Properties PLC	261,334
39,600	CDL Hospitality Trusts	38,635	48,785	Land Securities Group PLC	771,440
81,700	Fortune Real Estate Investment Trust	87,520	36,221	LondonMetric Property PLC	82,507
115,700	Keppel REIT	85,411	26,307	Primary Health Properties PLC	38,539
81,243	Mapletree Commercial Trust	84,989	12,833	Safestore Holdings PLC	61,874
76,900	Mapletree Industrial Trust	91,001	45,993	Segro PLC	271,033
90,553	Mapletree Logistics Trust	67,855	17,230	Shaftesbury PLC	225,441
149,797	Suntec Real Estate Investment Trust	186,156	52,037	Tritax Big Box REIT PLC	100,522
29,100	UOL Group Ltd.	129,540	13,758	UNITE Group (The) PLC	125,771
			7,191	Workspace Group PLC	80,869
		<u>1,752,129</u>			<u>4,206,091</u>
<i>Spain — 0.5%</i>			<i>United States — 53.1%</i>		
3,617	Axiare Patrimonio Socimi S.A.	53,835	4,370	Acadia Realty Trust	153,518
4,200	Hispania Activos Inmobiliarios S.A. (b)	59,740	1,227	Agree Realty Corp.	47,203
129,452	Inmobiliaria Colonial S.A. (b)	95,895	126	Alexander's, Inc.	47,949
3,163	Lar Espana Real Estate Socimi S.A.	29,981	4,550	Alexandria Real Estate Equities, Inc.	413,549
20,032	Merlin Properties Socimi S.A.	232,959	2,422	American Assets Trust, Inc.	96,686
		<u>472,410</u>	8,080	American Campus Communities, Inc.	380,487
<i>Sweden — 1.2%</i>			11,869	American Homes 4 Rent, Class A Apartment Investment & Management Co., Class A	188,717
10,170	Castellum AB	161,728	9,691	Apple Hospitality REIT, Inc.	405,278
2,190	D Carnegie & Co. AB, Class B (b)	21,042	10,334	Ashford Hospitality Trust, Inc.	204,717
2,920	Dios Fastigheter AB	21,491	5,684	AvalonBay Communities, Inc.	36,264
8,205	Fabege AB	138,565	8,488	Boston Properties, Inc.	1,614,418
5,697	Fastighets AB Balder, Class B (b)	144,561	9,513	Brandywine Realty Trust	1,208,912
4,891	Hemfosa Fastigheter AB	53,770	10,864	Brixmor Property Group, Inc.	152,422
6,876	Hufvudstaden AB, Class A	109,006	10,850	Camden Property Trust	277,977
23,238	Klovern AB, Class B	26,306	5,358	Care Capital Properties, Inc.	450,554
11,287	Kungsleden AB	79,944	5,189	CBL & Associates Properties, Inc.	139,273
3,256	Pandox AB (b)	56,631	10,536	Cedar Realty Trust, Inc.	125,378
12,258	Wallenstam AB, Class B	105,997	5,223	Chatham Lodging Trust	37,762
4,099	Wihlborgs Fastigheter AB	87,047	2,278	Chesapeake Lodging Trust	48,818
		<u>1,006,088</u>	3,699	Colony Starwood Homes	97,876
<i>Switzerland — 0.9%</i>			3,061	Columbia Property Trust, Inc.	75,760
593	Allreal Holding AG	85,846	7,657	Corporate Office Properties Trust	168,377
382	Mobimo Holding AG	93,082	5,863	Cousins Properties, Inc.	153,845
2,468	PSP Swiss Property AG	237,419	12,850	CubeSmart	133,383
3,931	Swiss Prime Site AG	346,678	10,897	DCT Industrial Trust, Inc.	362,870
		<u>763,025</u>	5,461	DDR Corp.	215,546
<i>United Kingdom — 5.0%</i>			18,935	DiamondRock Hospitality Co.	336,854
101,267	Assura PLC	77,231	12,447	Digital Realty Trust, Inc.	125,964
8,829	Big Yellow Group PLC	98,211	9,075	Douglas Emmett, Inc.	803,047
63,517	British Land (The) Co. PLC	639,038	8,497	Duke Realty Corp.	255,845
45,058	Capital & Counties Properties PLC	213,428	21,398	DuPont Fabros Technology, Inc.	482,311
303	Daejan Holdings PLC	25,154	4,555	EastGroup Properties, Inc.	184,614
6,176	Derwent London PLC	279,590	2,003	Education Realty Trust, Inc.	120,921
27,286	Empiric Student Property PLC	42,912	3,920	Empire State Realty Trust, Inc., Class A	163,072
25,475	Grainger PLC	82,799	5,929	EPR Properties	103,935
21,328	Great Portland Estates PLC	223,003	3,911	Equity Commonwealth (b)	260,551
			7,835		221,104

**First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund (FFR)**

**Portfolio of Investments (Continued)**

**March 31, 2016 (Unaudited)**

Shares	Description	Value	Shares	Description	Value
<b>Common Stocks (a) (Continued)</b>			<b>United States (Continued)</b>		
<i>United States (Continued)</i>			32,498	Prologis, Inc.	\$ 1,435,762
4,735	Equity LifeStyle Properties, Inc.	\$ 344,377	1,252	PS Business Parks, Inc.	125,839
5,679	Equity One, Inc.	162,760	8,993	Public Storage	2,480,539
22,346	Equity Residential	1,676,620	2,400	QTS Realty Trust, Inc., Class A	113,712
4,068	Essex Property Trust, Inc.	951,342	4,859	Ramco-Gershenson Properties Trust	87,608
7,197	Extra Space Storage, Inc.	672,632	15,478	Realty Income Corp.	967,530
4,392	Federal Realty Investment Trust	685,372	6,053	Regency Centers Corp.	453,067
8,885	FelCor Lodging Trust, Inc.	72,146	6,125	Retail Opportunity Investments Corp.	123,235
6,819	First Industrial Realty Trust, Inc.	155,064	14,670	Retail Properties of America, Inc., Class A	232,519
3,586	First Potomac Realty Trust	32,489	3,355	Rexford Industrial Realty, Inc.	60,927
14,573	Forest City Realty Trust, Inc., Class A	307,345	7,797	RLJ Lodging Trust	178,395
5,467	Franklin Street Properties Corp.	58,005	2,254	Rouse Properties, Inc.	41,429
5,499	Gaming and Leisure Properties, Inc.	170,029	3,020	Ryman Hospitality Properties, Inc.	155,470
31,236	General Growth Properties, Inc.	928,646	4,039	Sabra Health Care REIT, Inc.	81,144
1,553	Getty Realty Corp.	30,796	837	Saul Centers, Inc.	44,378
4,408	Government Properties Income Trust	78,683	4,210	Select Income REIT	97,040
26,001	Gramercy Property Trust	219,708	14,722	Senior Housing Properties Trust	263,377
28,839	HCP, Inc.	939,575	2,125	Silver Bay Realty Trust Corp.	31,556
6,338	Healthcare Realty Trust, Inc.	195,781	19,273	Simon Property Group, Inc.	4,002,809
8,093	Healthcare Trust of America, Inc., Class A	238,096	6,175	SL Green Realty Corp.	598,234
2,343	Hersha Hospitality Trust	50,000	2,419	Sovran Self Storage, Inc.	285,321
5,911	Highwoods Properties, Inc.	282,605	26,099	Spirit Realty Capital, Inc.	293,614
9,394	Hospitality Properties Trust	249,505	4,222	STAG Industrial, Inc.	85,960
46,889	Host Hotels & Resorts, Inc.	783,046	6,464	STORE Capital Corp.	167,288
4,551	Hudson Pacific Properties, Inc.	131,615	5,155	Summit Hotel Properties, Inc.	61,705
7,592	Investors Real Estate Trust	55,118	3,470	Sun Communities, Inc.	248,487
5,718	Kilroy Realty Corp.	353,773	12,941	Sunstone Hotel Investors, Inc.	181,174
25,491	Kimco Realty Corp.	733,631	5,944	Tanger Factory Outlet Centers, Inc.	216,302
5,092	Kite Realty Group Trust	141,099	3,735	Taubman Centers, Inc.	266,044
6,996	LaSalle Hotel Properties	177,069	2,641	Terreno Realty Corp.	61,931
14,631	Lexington Realty Trust	125,827	2,941	Tier REIT, Inc.	39,527
9,164	Liberty Property Trust	306,627	16,248	UDR, Inc.	626,035
2,328	LTC Properties, Inc.	105,319	825	Universal Health Realty Income Trust	46,406
9,795	Macerich (The) Co.	776,156	5,539	Urban Edge Properties	143,128
5,518	Mack-Cali Realty Corp.	129,673	1,648	Urstadt Biddle Properties, Inc., Class A	34,526
14,749	Medical Properties Trust, Inc.	191,442	20,841	Ventas, Inc.	1,312,149
4,667	Mid-America Apartment Communities, Inc.	477,014	56,130	VEREIT, Inc.	497,873
10,472	Monogram Residential Trust, Inc.	103,254	10,508	Vornado Realty Trust	992,270
2,191	National Health Investors, Inc.	145,745	4,226	Washington Real Estate Investment Trust	123,441
8,747	National Retail Properties, Inc.	404,111	6,915	Weingarten Realty Investors	259,451
4,953	New Senior Investment Group, Inc.	51,016	22,023	Welltower, Inc.	1,527,075
10,135	New York REIT, Inc.	102,363	2,009	Winthrop Realty Trust	26,378
10,323	Omega Healthcare Investors, Inc.	364,402	5,451	WP Carey, Inc.	339,270
8,935	Paramount Group, Inc.	142,513	11,411	WP GLIMCHER, Inc.	108,290
4,961	Parkway Properties, Inc.	77,689	6,925	Xenia Hotels & Resorts, Inc.	108,168
4,456	Pebblebrook Hotel Trust	129,536			
4,115	Pennsylvania Real Estate Investment Trust	89,913			45,030,846
6,735	Physicians Realty Trust	125,136			
9,023	Piedmont Office Realty Trust, Inc., Class A	183,257			
3,361	Post Properties, Inc.	200,786			
				<b>Total Common Stocks — 99.0%</b>	<b>83,914,728</b>
				(Cost \$71,619,140)	

**First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund (FFR)**

**Portfolio of Investments (Continued)**

**March 31, 2016 (Unaudited)**

Shares	Description	Value
<b>Investment Companies (a) — 0.2%</b>		
<i>Guernsey — 0.2%</i>		
32,717	F&C Commercial Property Trust Ltd.	\$ 61,322
23,088	MedicX Fund Ltd.	29,015
33,490	Picton Property Income Ltd.	33,550
41,096	UK Commercial Property Trust Ltd.	49,255
<b>Total Investment Companies — 0.2%</b>		<u>173,142</u>
(Cost \$170,913)		
<b>Rights (a) — 0.0%</b>		
<i>United Kingdom — 0.0%</i>		
2,630	Primary Health Properties PLC (b) (c)	76
(Cost \$0)		
<b>Money Market Funds — 0.5%</b>		
378,854	Morgan Stanley Institutional Liquidity Fund – Treasury Portfolio – Institutional Class – 0.22% (f)	378,854
(Cost \$378,854)		
<b>Total Investments — 99.7%</b>		84,466,800
(Cost \$72,168,907) (g)		
<b>Net Other Assets and Liabilities — 0.3%</b>		<u>255,352</u>
<b>Net Assets — 100.0%</b>		<u>\$ 84,722,152</u>

- (a) Portfolio securities are categorized based upon their country of incorporation, which can be different from the country categorization of the Fund's underlying index. For a breakdown of the portfolio securities by sector, please see the Fund Performance Overview.
- (b) Non-income producing security.
- (c) This security is fair valued by the Advisor's Pricing Committee in accordance with procedures adopted by the Trust's Board of Trustees, and in accordance with provisions of the Investment Company Act of 1940, as amended. At March 31, 2016, securities noted as such are valued at \$76 or 0.0% of net assets.
- (d) This is a restricted security which cannot be traded as a result of the in-specie distribution. It was acquired on August 6, 2009 at a cost of \$0 and has a carrying value per share of \$0.
- (e) This security is restricted in the U.S. and cannot be offered for public sale without first being registered under the Securities Act of 1933, as amended. This security is not restricted on the foreign exchange where it trades freely without any additional registration. As such, it does not require the additional disclosure required of restricted securities.
- (f) Interest rate shown reflects yield as of March 31, 2016.
- (g) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of March 31, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$15,918,983 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$3,621,090.

## First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund (FFR)

### Portfolio of Investments (Continued)

March 31, 2016 (Unaudited)

#### Valuation Inputs

A summary of the inputs used to value the Fund's investments as of March 31, 2016 is as follows (see Note 2A – Portfolio Valuation in the Notes to Financial Statements):

Level 1 – Quoted Prices

Level 2 – Other Significant Observable Inputs

Level 3 – Significant Unobservable Inputs

Investments	Total Value at 3/31/2016	Level 1	Level 2	Level 3
Common Stocks:				
Australia	\$ 5,081,919	\$ 5,081,919	\$ —**	\$ —
Other Country Categories*	78,832,809	78,832,809	—	—
Total Common Stocks	83,914,728	83,914,728	—**	—
Investment Companies*	173,142	173,142	—	—
Rights*	76	—	76	—
Money Market Funds	378,854	378,854	—	—
Total Investments	\$84,466,800	\$84,466,724	\$ 76	\$ —

\* See Portfolio of Investments for country breakout.

\*\* Investment is valued at \$0.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. As of March 31, 2016, the Fund transferred investments valued at \$34,442,254 from Level 2 to Level 1 of the fair value hierarchy. The investments that transferred from Level 2 to Level 1 did so as a result of being valued based on quoted prices. Previously, these investments were fair valued using a factor provided by a pricing service due to the change in value between the foreign markets' close and the NYSE close on September 30, 2015 exceeding a certain threshold.

## First Trust Dow Jones Global Select Dividend Index Fund (FGD)

### Portfolio of Investments March 31, 2016 (Unaudited)

Shares	Description	Value	Shares	Description	Value
<b>Common Stocks (a) — 99.4%</b>			<b>France — 7.8%</b>		
<b>Australia — 14.6%</b>			64,392	Bouygues S.A.	\$ 2,626,794
837,581	ALS Ltd.	\$ 2,561,763	83,777	Casino Guichard Perrachon S.A.	4,802,728
244,484	Australia and New Zealand Banking Group Ltd.	4,396,608	218,364	CNP Assurances	3,405,376
671,522	Bendigo and Adelaide Bank Ltd.	4,565,866	270,685	Engie S.A.	4,201,299
60,495	Commonwealth Bank of Australia	3,474,214	98,115	Lagardere S.C.A.	2,606,918
135,728	JB Hi-Fi Ltd.	2,453,310	73,601	TOTAL S.A.	3,355,055
58,115	Macquarie Group Ltd.	2,944,173	287,863	Vivendi S.A.	6,053,309
229,049	National Australia Bank Ltd.	4,607,141			<u>27,051,479</u>
329,549	Orica Ltd.	3,882,694	<b>Germany — 0.9%</b>		
1,090,158	Primary Health Care Ltd.	3,133,718	19,711	Allianz SE	<u>3,206,253</u>
395,663	Suncorp Group Ltd.	3,612,239	<b>Hong Kong — 3.9%</b>		
470,354	Sydney Airport	2,412,072	4,116,000	New World Development Co., Ltd.	3,921,086
882,211	Telstra Corp. Ltd.	3,604,450	4,767,212	PCCW Ltd.	3,084,997
94,909	Wesfarmers Ltd.	3,015,582	4,702,173	SJM Holdings Ltd.	3,358,111
154,149	Westpac Banking Corp.	3,586,234	291,000	Swire Pacific Ltd., Class A	3,132,320
136,020	Woodside Petroleum Ltd.	2,706,741			<u>13,496,514</u>
		<u>50,956,805</u>	<b>Italy — 1.0%</b>		
<b>Austria — 0.8%</b>			242,258	Eni S.p.A.	<u>3,666,357</u>
105,293	OMV AG	<u>2,962,380</u>	<b>Japan — 2.6%</b>		
<b>Bermuda — 2.1%</b>			844,000	Aozora Bank Ltd.	2,947,194
1,129,000	Kerry Properties Ltd.	3,099,989	224,800	Mitsui & Co., Ltd.	2,586,663
356,833	VTech Holdings Ltd.	4,236,540	618,600	Tokai Tokyo Financial Holdings, Inc.	3,391,321
		<u>7,336,529</u>			<u>8,925,178</u>
<b>Canada — 12.9%</b>			<b>New Zealand — 3.8%</b>		
65,487	Bank of Nova Scotia (The)	3,200,354	660,495	Fletcher Building Ltd.	3,602,052
60,562	BCE, Inc.	2,760,088	1,535,464	SKY Network Television Ltd.	5,285,335
42,222	Canadian Imperial Bank of Commerce	3,154,093	1,788,085	Spark New Zealand Ltd.	4,511,122
322,811	Crescent Point Energy Corp.	4,469,022			<u>13,398,509</u>
69,035	Emera, Inc.	2,526,987	<b>Norway — 1.0%</b>		
163,850	Genworth MI Canada, Inc.	3,861,751	211,826	Statoil ASA	<u>3,335,580</u>
132,956	IGM Financial, Inc.	4,004,804	<b>Portugal — 1.2%</b>		
109,735	National Bank of Canada	3,590,098	1,205,352	EDP-Energias de Portugal S.A.	<u>4,287,537</u>
181,140	Potash Corp. of Saskatchewan, Inc.	3,083,738	<b>Singapore — 2.1%</b>		
356,036	Russel Metals, Inc.	5,422,439	872,600	Keppel Corp., Ltd.	3,774,350
162,732	Shaw Communications, Inc., Class B	3,143,750	1,380,100	StarHub Ltd.	3,430,156
85,161	TELUS Corp.	2,772,363			<u>7,204,506</u>
71,205	TransCanada Corp.	2,799,405	<b>Spain — 3.7%</b>		
		<u>44,788,892</u>	177,666	Gas Natural SDG S.A.	3,592,500
<b>Cayman Islands — 1.1%</b>			1,960,329	Mapfre S.A.	4,236,029
295,646	Phoenix Group Holdings	<u>4,006,291</u>	437,281	Telefonica S.A.	4,902,189
<b>Denmark — 0.8%</b>					<u>12,730,718</u>
150,553	Tryg A/S	<u>2,922,087</u>	<b>Sweden — 4.4%</b>		
<b>Finland — 5.0%</b>			389,145	Nordea Bank AB	3,738,898
358,331	Fortum OYJ	5,427,095	353,614	Skandinaviska Enskilda Banken AB, Class A	3,377,916
249,517	Kemira OYJ	2,785,314	168,589	Swedbank AB, Class A (b)	3,632,090
130,864	Konecranes OYJ	3,124,142	890,004	Telia Co., AB	4,623,099
123,786	Metso OYJ	2,953,758			<u>15,372,003</u>
89,543	Nokian Renkaat OYJ	3,160,665			
		<u>17,450,974</u>			

## First Trust Dow Jones Global Select Dividend Index Fund (FGD)

### Portfolio of Investments (Continued)

March 31, 2016 (Unaudited)

Shares	Description	Value
<b>Common Stocks (a) (Continued)</b>		
<b>Switzerland — 3.6%</b>		
53,087	Swiss Re AG	\$ 4,908,153
5,058	Swisscom AG	2,748,484
20,541	Zurich Insurance Group AG	4,770,220
		<u>12,426,857</u>
<b>United Kingdom — 12.1%</b>		
659,645	Amec Foster Wheeler PLC	4,263,353
45,809	AstraZeneca PLC	2,567,570
330,815	BAE Systems PLC	2,418,419
947,194	Carillion PLC	4,000,944
418,394	Halfords Group PLC	2,380,229
672,264	HSBC Holdings PLC	4,189,460
901,411	Legal & General Group PLC	3,045,010
367,505	Noble Corp. PLC	3,803,677
1,110,200	Old Mutual PLC	3,079,017
196,427	Royal Dutch Shell PLC, Class A	4,769,805
78,303	Severn Trent PLC	2,443,806
338,657	Tate & Lyle PLC	2,811,360
185,451	United Utilities Group PLC	2,458,439
		<u>42,231,089</u>
<b>United States — 14.0%</b>		
79,159	AT&T, Inc.	3,100,658
160,344	CenterPoint Energy, Inc.	3,354,396
129,575	CenturyLink, Inc.	4,141,217
31,974	Chevron Corp.	3,050,320
69,534	FirstEnergy Corp.	2,501,138
110,163	Guess?, Inc.	2,067,760
48,277	Helmerich & Payne, Inc.	2,834,825
73,993	International Paper Co.	3,036,673
81,261	Mattel, Inc.	2,731,995
200,871	Olin Corp.	3,489,129
102,624	PacWest Bancorp	3,812,482
250,726	R.R. Donnelley & Sons Co.	4,111,906
52,581	Southern (The) Co.	2,720,015
58,748	Tupperware Brands Corp.	3,406,209
180,888	Waddell & Reed Financial, Inc., Class A	4,258,104
		<u>48,616,827</u>
	<b>Total Common Stocks — 99.4%</b>	346,373,365
	(Cost \$388,626,675)	
<b>Money Market Funds — 0.6%</b>		
2,160,862	Morgan Stanley Institutional Liquidity Fund – Treasury Portfolio – Institutional Class – 0.22% (c)	2,160,862
	(Cost \$2,160,862)	
	<b>Total Investments — 100.0%</b>	348,534,227
	(Cost \$390,787,537) (d)	
	<b>Net Other Assets and Liabilities — (0.0)%</b>	(121,615)
	<b>Net Assets — 100.0%</b>	<u>\$348,412,612</u>

- (a) Portfolio securities are categorized based upon their country of incorporation, which can be different from the country categorization of the Fund's underlying index. For a breakdown of the portfolio securities by sector, please see the Fund Performance Overview.
- (b) Non-income producing security.
- (c) Interest rate shown reflects yield as of March 31, 2016.
- (d) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of March 31, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$10,154,591 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$52,407,901.

### Valuation Inputs

A summary of the inputs used to value the Fund's investments as of March 31, 2016 is as follows (see Note 2A – Portfolio Valuation in the Notes to Financial Statements):

- Level 1 — Quoted Prices  
Level 2 — Other Significant Observable Inputs  
Level 3 — Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$346,373,365	\$ —	\$ —
Money Market Funds	2,160,862	—	—
Total Investments	<u>\$348,534,227</u>	<u>\$ —</u>	<u>\$ —</u>

\* See Portfolio of Investments for country breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. As of March 31, 2016, the Fund transferred common stocks valued at \$179,666,879 from Level 2 to Level 1 of the fair value hierarchy. The common stocks that transferred from Level 2 to Level 1 did so as a result of being valued based on quoted prices. Previously, these investments were fair valued using a factor provided by a pricing service due to the change in value between the foreign markets' close and the NYSE close on September 30, 2015 exceeding a certain threshold.

**First Trust Dow Jones Global Select Dividend Index Fund (FGD)**

**Portfolio of Investments (Continued)**

**March 31, 2016 (Unaudited)**

<b>Currency Exposure Diversification</b>	<b>% of Total Investments</b>
Euro	21.8%
United States Dollar	15.7
Australian Dollar	14.6
Canadian Dollar	12.8
British Pound Sterling	10.8
Hong Kong Dollar	6.0
Swedish Krona	4.4
New Zealand Dollar	3.8
Swiss Franc	3.6
Japanese Yen	2.6
Singapore Dollar	2.1
Norwegian Krone	1.0
Danish Krone	0.8
Total	<u>100.0%</u>

## First Trust ISE Global Wind Energy Index Fund (FAN)

### Portfolio of Investments

March 31, 2016 (Unaudited)

Shares	Description	Value
<b>Common Stocks (a) — 99.9%</b>		
<b>Australia — 6.7%</b>		
6,106,519	Infigen Energy (b)	\$ 3,042,610
<b>Bermuda — 4.3%</b>		
35,755,818	Concord New Energy Group Ltd.	1,935,899
<b>Brazil — 0.8%</b>		
213,058	Centrais Eletricas Brasileiras S.A., ADR (b)	379,243
<b>Cayman Islands — 0.4%</b>		
224,838	China High Speed Transmission Equipment Group Co., Ltd. (b)	187,236
<b>China — 8.1%</b>		
4,579,374	China Longyuan Power Group Corp., Ltd., Class H	3,388,478
1,134,074	China Suntain Green Energy Corp., Ltd., Class H	125,726
346,306	Harbin Electric Co., Ltd., Class H	139,730
		3,653,934
<b>Denmark — 11.9%</b>		
2,001,186	Greentech Energy Systems A/S (b)	1,925,246
49,122	Vestas Wind Systems A/S	3,465,582
		5,390,828
<b>France — 3.4%</b>		
15,933	Alstom S.A. (b)	407,295
1,582,598	Futuren S.A. (b)	1,152,539
		1,559,834
<b>Germany — 13.6%</b>		
71,096	E. ON SE	682,637
75,681	Nordex SE (b)	2,076,726
879,221	PNE Wind AG	1,820,851
54,056	RWE AG	699,681
8,322	Siemens AG, ADR	880,468
		6,160,363
<b>Greece — 0.5%</b>		
65,348	Terna Energy S.A.	211,925
<b>Japan — 1.3%</b>		
52,900	Mitsui & Co., Ltd.	608,694
<b>Portugal — 1.5%</b>		
188,343	EDP-Energias de Portugal S.A.	669,952
<b>South Korea — 0.5%</b>		
43,914	Dongkuk Structures & Construction Co., Ltd.	210,815
<b>Spain — 21.0%</b>		
3,842	Acciona S.A.	297,196
356,386	EDP Renovaveis S.A.	2,721,123
30,598	Endesa S.A.	587,372
149,945	Gamesa Corp. Tecnologica S.A.	2,962,864
446,786	Iberdrola S.A.	2,979,726
		9,548,281

Shares	Description	Value
<b>Sweden — 7.5%</b>		
463,633	Arise AB (b)	\$ 970,870
676,433	Eolus Vind AB, Class B	1,749,773
38,848	SKF AB, Class B	701,520
		3,422,163
<b>Switzerland — 0.8%</b>		
8,437	BKW AG	354,485
<b>United Kingdom — 3.6%</b>		
25,907	BP PLC, ADR	781,873
17,909	Royal Dutch Shell PLC, Class A, ADR	867,691
		1,649,564
<b>United States — 14.0%</b>		
53,356	AES Corp.	629,601
24,658	Allegheny Technologies, Inc.	401,925
8,169	Alliant Energy Corp.	606,793
11,758	Duke Energy Corp.	948,636
46,784	Federal-Mogul Holdings Corp. (b)	462,226
26,361	General Electric Co.	838,016
8,189	NextEra Energy, Inc.	969,086
47,200	NRG Energy, Inc.	614,072
6,261	Otter Tail Corp.	185,451
20,203	Trinity Industries, Inc.	369,917
6,613	Woodward, Inc.	344,008
		6,369,731
<b>Total Investments — 99.9%</b>		45,355,557
(Cost \$48,135,421) (c)		
<b>Net Other Assets and Liabilities — 0.1%</b>		52,809
<b>Net Assets — 100.0%</b>		\$ 45,408,366

- (a) Portfolio securities are categorized based upon their country of incorporation, which can be different from the country categorization of the Fund's underlying index. For a breakdown of the portfolio securities by sector, please see the Fund Performance Overview.
- (b) Non-income producing security.
- (c) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of March 31, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$7,866,909 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$10,646,773.

ADR – American Depositary Receipt



## First Trust ISE Global Wind Energy Index Fund (FAN)

### Portfolio of Investments (Continued)

March 31, 2016 (Unaudited)

#### Valuation Inputs

A summary of the inputs used to value the Fund's investments as of March 31, 2016 is as follows (see Note 2A – Portfolio Valuation in the Notes to Financial Statements):

Level 1 — Quoted Prices

Level 2 — Other Significant Observable Inputs

Level 3 — Significant Unobservable Inputs

<b>Investments</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Common Stocks*	\$45,355,557	\$ —	\$ —

\* See Portfolio of Investments for country breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. As of March 31, 2016, the Fund transferred common stocks valued at \$28,103,938 from Level 2 to Level 1 of the fair value hierarchy. The common stocks that transferred from Level 2 to Level 1 did so as a result of being valued based on quoted prices. Previously, these common stocks were fair valued using a factor provided by a pricing service due to the change in value between the foreign markets' close and the NYSE close on September 30, 2015 exceeding a certain threshold.

<b>Currency Exposure Diversification</b>	<b>% of Total Investments</b>
Euro	38.1%
United States Dollar	20.5
Hong Kong Dollar	12.7
Danish Krone	11.9
Swedish Krona	7.5
Australian Dollar	6.7
Japanese Yen	1.3
Swiss Franc	0.8
South Korean Won	0.5
Total	<u>100.0%</u>

**First Trust ISE Global Engineering and Construction Index Fund (FLM)**

**Portfolio of Investments**  
**March 31, 2016 (Unaudited)**

Shares	Description	Value	Shares	Description	Value
<b>Common Stocks (a) — 99.6%</b>			<b>Netherlands — 5.9%</b>		
<b>Australia — 3.4%</b>			4,942	Arcadis N.V.	\$ 92,169
12,783	CIMIC Group Ltd.	\$ 340,606	6,677	Boskalis Westminster	262,465
45,960	Downer EDI Ltd.	135,285	8,886	Chicago Bridge & Iron Co. N.V.	325,139
		<u>475,891</u>	30,673	Koninklijke BAM Groep N.V. (c)	145,301
<b>Canada — 4.5%</b>					<u>825,074</u>
4,767	Aecon Group, Inc.	59,204	<b>Norway — 0.4%</b>		
9,889	SNC-Lavalin Group, Inc.	361,296	4,558	Veidekke ASA	61,969
8,417	Stantec, Inc.	213,868	<b>Panama — 1.5%</b>		
		<u>634,368</u>	51,373	McDermott International, Inc. (c)	210,116
<b>Cayman Islands — 1.5%</b>			<b>Philippines — 0.7%</b>		
138,059	China State Construction International Holdings Ltd.	205,735	14,260	Manila Electric Co.	100,032
<b>China — 5.4%</b>			<b>South Korea — 1.9%</b>		
364,065	China Communications Construction Co., Ltd., Class H	435,056	26,656	Daewoo Engineering & Construction Co., Ltd. (c)	146,379
427,195	China Railway Group Ltd., Class H	324,361	4,916	GS Engineering & Construction Corp. (c)	117,355
		<u>759,417</u>			<u>263,734</u>
<b>Finland — 0.0%</b>			<b>Spain — 6.2%</b>		
1,041	YIT OYJ	5,892	11,912	ACS Actividades de Construccion y Servicios S.A.	354,998
<b>France — 8.6%</b>			35,214	Obrascon Huarte Lain S.A.	224,753
9,498	Bouygues S.A.	387,460	55,665	Sacyr S.A. (b)	107,490
4,649	Eiffage S.A.	357,082	6,598	Tecnicas Reunidas S.A. (b)	185,632
6,247	Vinci S.A.	465,392			<u>872,873</u>
		<u>1,209,934</u>	<b>Sweden — 5.8%</b>		
<b>Germany — 2.2%</b>			8,140	NCC AB, Class B	296,492
2,570	HOCHTIEF AG	314,520	13,782	Peab AB	121,807
<b>Ireland — 1.9%</b>			17,308	Skanska AB, Class B	395,057
9,919	Kingspan Group PLC	263,548			<u>813,356</u>
<b>Italy — 0.4%</b>			<b>United Kingdom — 4.9%</b>		
14,251	Salini Impregilo S.p.A.	60,227	44,542	Amec Foster Wheeler PLC	287,880
<b>Japan — 24.3%</b>			41,474	Balfour Beatty PLC (c)	151,657
29,000	Chiyoda Corp.	212,581	6,229	Galliford Try PLC	128,380
12,400	COMSYS Holdings Corp.	191,490	974	Keller Group PLC	12,024
19,000	JGC Corp.	284,464	5,352	WS Atkins PLC	105,309
58,000	Kajima Corp.	363,837			<u>685,250</u>
3,000	Kandenko Co., Ltd.	21,405	<b>United States — 20.1%</b>		
14,500	Kinden Corp.	177,795	10,603	AECOM (c)	326,466
71,000	Kumagai Gumi Co., Ltd.	180,425	3,964	Dycom Industries, Inc. (c)	256,352
7,300	Kyowa Exeo Corp.	81,079	5,391	EMCOR Group, Inc.	262,003
14,000	Maeda Corp. (b)	104,367	8,530	Fluor Corp.	458,061
4,000	Maeda Road Construction Co., Ltd.	65,965	3,525	Granite Construction, Inc.	168,495
4,000	Nippo Corp.	67,280	8,597	Jacobs Engineering Group, Inc. (c)	374,399
39,000	Nishimatsu Construction Co., Ltd.	167,373	16,450	KBR, Inc.	254,646
39,000	Obayashi Corp.	384,646	13,935	MasTec, Inc. (c)	282,044
5,000	Okumura Corp.	26,434	1,151	Matrix Service Co. (c)	20,373
39,100	Penta-Ocean Construction Co., Ltd.	163,633	16,336	Quanta Services, Inc. (c)	368,540
39,000	Shimizu Corp.	330,588	2,673	Tutor Perini Corp. (c)	41,539
900	SHO-BOND Holdings Co., Ltd.	34,226			<u>2,812,918</u>
59,000	Taisei Corp.	390,031	<b>Total Common Stocks — 99.6%</b>		
32,000	Toda Corp.	154,676	<b>(Cost \$14,394,551)</b>		
		<u>3,402,295</u>			<u>13,977,149</u>

## First Trust ISE Global Engineering and Construction Index Fund (FLM)

### Portfolio of Investments (Continued)

March 31, 2016 (Unaudited)

Shares	Description	Value
	<b>Money Market Funds — 0.7%</b>	
89,926	Goldman Sachs Financial Square Treasury Obligations Fund – Institutional Class – 0.19% (d) (e)	\$ 89,926
	(Cost \$89,926)	

Principal Value	Description	Value
	<b>Repurchase Agreements — 1.3%</b>	
\$183,411	RBC Capital Markets LLC, 0.25% (d), dated 03/31/16, due 04/01/16, with a maturity value of \$183,412. Collateralized by U.S. Treasury Notes, interest rates of 1.500% to 2.125%, due 05/31/20 to 01/31/23. The value of the collateral including accrued interest is \$187,770. (e)	183,411
	(Cost \$183,411)	
	<b>Total Investments — 101.6%</b>	14,250,486
	(Cost \$14,667,888) (f)	
	<b>Net Other Assets and Liabilities — (1.6)%</b>	(217,914)
	<b>Net Assets — 100.0%</b>	<u>\$ 14,032,572</u>

- (a) Portfolio securities are categorized based upon their country of incorporation, which can be different from the country categorization of the Fund's underlying index. For a breakdown of the portfolio securities by sector, please see the Fund Performance Overview.
- (b) All or a portion of this security is on loan (see Note 2E – Securities Lending in the Notes to Financial Statements). The aggregate value of such securities is \$257,210 and the total value of the collateral held by the Fund is \$273,337.
- (c) Non-income producing security.
- (d) Interest rate shown reflects yield as of March 31, 2016.
- (e) This security serves as collateral for securities on loan.
- (f) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of March 31, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$1,337,216 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$1,754,618.

### Valuation Inputs

A summary of the inputs used to value the Fund's investments as of March 31, 2016 is as follows (see Note 2A – Portfolio Valuation in the Notes to Financial Statements):

- Level 1 — Quoted Prices  
 Level 2 — Other Significant Observable Inputs  
 Level 3 — Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$13,977,149	\$ —	\$ —
Money Market Funds	89,926	—	—
Repurchase Agreements	—	183,411	—
<b>Total Investments</b>	<u>\$14,067,075</u>	<u>\$183,411</u>	<u>\$ —</u>

\* See Portfolio of Investments for country breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. As of March 31, 2016, the Fund transferred common stocks valued at \$8,761,963 from Level 2 to Level 1 of the fair value hierarchy. The common stocks that transferred from Level 2 to Level 1 did so as a result of being valued based on quoted prices. Previously, these common stocks were fair valued using a factor provided by a pricing service due to the change in value between the foreign markets' close and the NYSE close on September 30, 2015 exceeding a certain threshold.

## First Trust ISE Global Engineering and Construction Index Fund (FLM)

### Portfolio of Investments (Continued)

March 31, 2016 (Unaudited)

#### Offsetting Assets and Liabilities

Offsetting assets and liabilities requires entities to disclose both gross and net information about instruments and transactions eligible for offset, and to disclose instruments and transactions subject to master netting or similar agreements (see Note 2C – Offsetting on the Statements of Assets and Liabilities in the Notes to Financial Statements).

The Fund's loaned securities were all subject to an enforceable Securities Lending Agency Agreement. Securities lent in accordance with the Securities Lending Agency Agreement on a gross basis were as follows:

#### Securities Lending Agency Agreement

Total gross amount presented on the Statements of Assets and Liabilities <sup>(1)</sup>	\$ 257,210
Non-cash Collateral <sup>(2)</sup>	(257,210)
Net Amount	<u>\$ —</u>

<sup>(1)</sup> The amount presented on the Statements of Assets and Liabilities, which is included in "Investments, at value", is not offset and is shown on a gross basis.

<sup>(2)</sup> At March 31, 2016, the value of the collateral received from each borrower exceeded the value of the related securities loaned. This amount is disclosed on the Portfolio of Investments

The Fund's investments in repurchase agreements were all subject to an enforceable Master Repurchase Agreement. Repurchase Agreements on a gross basis were as follows:

#### Repurchase Agreements

Total gross amount presented on the Statements of Assets and Liabilities <sup>(3)</sup>	\$ 183,411
Non-cash Collateral <sup>(4)</sup>	(183,411)
Net Amount	<u>\$ —</u>

<sup>(3)</sup> The amount is included in "Investments, at value" on the Statements of Assets and Liabilities.

<sup>(4)</sup> At March 31, 2016, the value of the collateral received from each seller exceeded the value of the repurchase agreements.

#### Currency Exposure Diversification

	% of Total Investments
United States Dollar	25.4%
Japanese Yen	23.9
Euro	22.6
Hong Kong Dollar	6.8
Swedish Krona	5.7
British Pound Sterling	4.8
Canadian Dollar	4.5
Australian Dollar	3.3
South Korean Won	1.9
Philippine Peso	0.7
Norwegian Krone	0.4
Total	<u>100.0%</u>

**First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund (GRID)**

**Portfolio of Investments**  
**March 31, 2016 (Unaudited)**

Shares	Description	Value
<b>Common Stocks (a) — 100.2%</b>		
<b>Cayman Islands — 2.0%</b>		
395,786	Wasion Group Holdings Ltd.	\$ 209,185
<b>France — 7.9%</b>		
598	Saft Groupe S.A.	18,093
12,696	Schneider Electric SE	802,376
		<u>820,469</u>
<b>Germany — 6.1%</b>		
2,034	Siemens AG	215,595
8,036	SMA Solar Technology AG (c)	419,992
		<u>635,587</u>
<b>Ireland — 2.0%</b>		
3,331	Eaton Corp. PLC	208,387
<b>Italy — 8.1%</b>		
36,986	Prysmian S.p.A.	837,941
<b>Japan — 8.2%</b>		
61,000	NEC Corp.	153,387
6,000	NGK Insulators Ltd.	110,836
29,000	Osaki Electric Co., Ltd. (b)	207,686
22,300	Panasonic Corp.	204,781
89,000	Toshiba Corp. (c)	173,184
		<u>849,874</u>
<b>Spain — 7.9%</b>		
9,506	Red Electrica Corp. S.A.	825,330
<b>Switzerland — 7.9%</b>		
42,039	ABB Ltd.	819,314
<b>United Kingdom — 1.9%</b>		
14,067	National Grid PLC	199,451
<b>United States — 48.2%</b>		
12,664	Advanced Energy Industries, Inc. (c)	440,580
606	AZZ, Inc.	34,300
5,751	Badger Meter, Inc.	382,499
15,382	Control4 Corp. (b) (c)	122,441
605	Digi International, Inc. (c)	5,705
21,158	EnerNOC, Inc. (c)	158,262
1,019	EnerSys	56,779
22,396	Enphase Energy, Inc. (b) (c)	52,183
10,584	ESCO Technologies, Inc.	412,564
37,894	General Cable Corp.	462,686
6,482	General Electric Co.	206,063
1,864	Honeywell International, Inc.	208,861
1,251	Hubbell, Inc.	132,518
9,482	Itron, Inc. (c)	395,589
1,467	MasTec, Inc. (c)	29,692
15,915	MYR Group, Inc. (c)	399,626
20,800	OPOWER, Inc. (b) (c)	141,648
37,236	Quanta Services, Inc. (c)	840,044
28,527	Silver Spring Networks, Inc. (c)	420,773
492	Valmont Industries, Inc.	60,929

Shares	Description	Value
<b>United States (Continued)</b>		
871	WESCO International, Inc. (c)	\$ 47,618
		<u>5,011,360</u>
<b>Total Common Stocks — 100.2%</b>		<u>10,416,898</u>
(Cost \$10,440,243)		
<b>Money Market Funds — 1.9%</b>		
200,275	Goldman Sachs Financial Square Treasury Obligations Fund – Institutional Class – 0.19% (d) (e)	200,275
		<u>(Cost \$200,275)</u>
Principal Value	Description	Value
<b>Repurchase Agreements — 4.0%</b>		
\$408,476	RBC Capital Markets LLC, 0.25% (d), dated 03/31/16, due 04/01/16, with a maturity value of \$408,479. Collateralized by U.S. Treasury Notes, interest rates of 1.500% to 2.125%, due 05/31/20 to 01/31/23. The value of the collateral including accrued interest is \$418,185. (e)	408,476
		<u>(Cost \$408,476)</u>
<b>Total Investments — 106.1%</b>		11,025,649
(Cost \$11,048,994) (f)		
<b>Net Other Assets and Liabilities — (6.1)%</b>		<u>(631,486)</u>
<b>Net Assets — 100.0%</b>		<u>\$ 10,394,163</u>

- (a) Portfolio securities are categorized based upon their country of incorporation, which can be different from the country categorization of the Fund's underlying index. For a breakdown of the portfolio securities by sector, please see the Fund Performance Overview.
- (b) All or a portion of this security is on loan (see Note 2E – Securities Lending in the Notes to Financial Statements). The aggregate value of such securities is \$293,626 and the total value of the collateral held by the Fund is \$608,751.
- (c) Non-income producing security.
- (d) Interest rate shown reflects yield as of March 31, 2016.
- (e) This security serves as collateral for securities on loan.
- (f) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of March 31, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$1,141,523 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$1,164,868.

## First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund (GRID)

### Portfolio of Investments (Continued)

March 31, 2016 (Unaudited)

#### Valuation Inputs

A summary of the inputs used to value the Fund's investments as of March 31, 2016 is as follows (see Note 2A – Portfolio Valuation in the Notes to Financial Statements):

Level 1 — Quoted Prices

Level 2 — Other Significant Observable Inputs

Level 3 — Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$10,416,898	\$ —	\$ —
Money Market Funds	200,275	—	—
Repurchase Agreements	—	408,476	—
Total Investments	\$10,617,173	\$408,476	\$ —

\* See Portfolio of Investments for country breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. As of March 31, 2016, the Fund transferred common stocks valued at \$4,991,544 from Level 2 to Level 1 of the fair value hierarchy. The common stocks that transferred from Level 2 to Level 1 did so as a result of being valued based on quoted prices. Previously, these common stocks were fair valued using a factor provided by a pricing service due to the change in value between the foreign markets' close and the NYSE close on September 30, 2015 exceeding a certain threshold.

#### Offsetting Assets and Liabilities

Offsetting assets and liabilities requires entities to disclose both gross and net information about instruments and transactions eligible for offset, and to disclose instruments and transactions subject to master netting or similar agreements (see Note 2C – Offsetting on the Statements of Assets and Liabilities in the Notes to Financial Statements).

The Fund's loaned securities were all subject to an enforceable Securities Lending Agency Agreement. Securities lent in accordance with the Securities Lending Agency Agreement on a gross basis were as follows:

#### Securities Lending Agency Agreement

Total gross amount presented on the Statements of Assets and Liabilities <sup>(1)</sup>	\$ 293,626
Non-cash Collateral <sup>(2)</sup>	(293,626)
Net Amount	\$ —

<sup>(1)</sup> The amount presented on the Statements of Assets and Liabilities, which is included in "Investments, at value", is not offset and is shown on a gross basis.

<sup>(2)</sup> At March 31, 2016, the value of the collateral received from each borrower exceeded the value of the related securities loaned. This amount is disclosed on the Portfolio of Investments.

The Fund's investments in repurchase agreements were all subject to an enforceable Master Repurchase Agreement. Repurchase Agreements on a gross basis were as follows:

#### Repurchase Agreements

Total gross amount presented on the Statements of Assets and Liabilities <sup>(3)</sup>	\$ 408,476
Non-cash Collateral <sup>(4)</sup>	(408,476)
Net Amount	\$ —

<sup>(3)</sup> The amount is included in "Investments, at value" on the Statements of Assets and Liabilities.

<sup>(4)</sup> At March 31, 2016, the value of the collateral received from each seller exceeded the value of the repurchase agreements.

Currency Exposure Diversification	% of Total Investments
United States Dollar	52.9%
Euro	28.3
Japanese Yen	7.7
Swiss Franc	7.4
Hong Kong Dollar	1.9
British Pound Sterling	1.8
Total	100.0%

## First Trust Indxx Global Natural Resources Income ETF (FTRI)

### Portfolio of Investments

March 31, 2016 (Unaudited)

Shares	Description	Value	Shares	Description	Value
<b>Common Stocks (a) — 99.3%</b>			<b>Russia — 6.4%</b>		
<b>Australia — 17.4%</b>			6,840	Gazprom Neft PAO (c)	\$ 15,320
85,020	BHP Billiton Ltd.	\$ 1,098,798	13,385	Lukoil PJSC, ADR	514,185
14,163	Rio Tinto Ltd.	463,469	16,953	MMC Norilsk Nickel PJSC, ADR	218,863
23,674	Woodside Petroleum Ltd.	471,103			748,368
		2,033,370	<b>South Africa — 0.3%</b>		
<b>Canada — 10.8%</b>			3,047	African Rainbow Minerals Ltd.	19,613
11,564	ARC Resources Ltd.	168,196	1,034	Assore Ltd.	11,276
16,834	Crescent Point Energy Corp.	233,051			30,889
10,224	Husky Energy, Inc.	127,293	<b>Sweden — 0.4%</b>		
27,441	Potash Corp. of Saskatchewan, Inc.	467,046	1,615	Holmen AB, Class B	52,877
2,055	Russel Metals, Inc.	31,298	<b>Thailand — 0.3%</b>		
18,867	Teck Resources Ltd., Class B	143,091	68,200	Banpu PCL	32,375
5,296	TORC Oil & Gas Ltd.	31,480	<b>Turkey — 0.5%</b>		
9,919	Whitecap Resources, Inc.	59,113	41,548	Eregli Demir ve Celik Fabrikalari TAS	62,518
		1,260,568	<b>United Kingdom — 25.5%</b>		
<b>China — 1.5%</b>			225,074	BP PLC	1,131,900
113,500	China Shenhua Energy Co., Ltd., Class H	178,502	13,703	Pennon Group PLC	159,612
<b>Faroe Islands — 0.4%</b>			47,426	Royal Dutch Shell PLC, Class A	1,147,062
1,234	Bakkafrost P/F	47,796	7,810	Severn Trent PLC	243,747
<b>Finland — 4.1%</b>			22,515	United Utilities Group PLC	298,471
17,956	Stora Enso OYJ, Class R	160,699			2,980,792
17,331	UPM-Kymmene OYJ	313,958	<b>United States — 5.8%</b>		
		474,657	769	Alliance Holdings GP L.P. (d)	11,243
<b>France — 5.2%</b>			1,404	Alliance Resource Partners L.P. (d)	16,357
10,111	Suez Environnement Co.	185,466	2,089	Domtar Corp.	84,604
17,414	Veolia Environnement S.A.	419,493	769	Hi-Crush Partners L.P. (d)	3,814
		604,959	13,437	International Paper Co.	551,454
<b>Germany — 1.2%</b>			2,713	Memorial Production Partners L.P. (d)	5,779
6,201	K+S AG	145,109			673,251
<b>Hong Kong — 1.0%</b>			<b>Total Investments — 99.3%</b>		
94,000	Guangdong Investment Ltd.	118,873	<b>(Cost \$11,059,760) (e)</b>		
<b>Indonesia — 0.2%</b>			<b>Net Other Assets and Liabilities — 0.7%</b>		
10,682	Astra Agro Lestari Tbk PT	14,662	<b>Net Assets — 100.0%</b>		
67,991	Vale Indonesia Tbk PT (b)	8,973			82,741
		23,635			\$ 11,698,402
<b>Italy — 10.0%</b>					
77,239	Eni S.p.A.	1,168,943			
<b>Luxembourg — 0.2%</b>					
1,636	Ternium S.A., ADR	29,415			
<b>Malaysia — 1.1%</b>					
59,000	Felda Global Ventures Holdings Bhd	22,835			
92,500	IOI Corp. Bhd	108,349			
		131,184			
<b>Norway — 7.0%</b>					
663	Leroy Seafood Group ASA	31,328			
1,635	Salmar ASA	40,111			
33,477	Statoil ASA	527,156			
5,819	Yara International ASA	218,985			
		817,580			

## First Trust Indxx Global Natural Resources Income ETF (FTRI)

### Portfolio of Investments (Continued)

March 31, 2016 (Unaudited)

- (a) Portfolio securities are categorized based upon their country of incorporation, which can be different from the country categorization of the Fund's underlying index. For a breakdown of the portfolio securities by sector, please see the Fund Performance Overview.
- (b) Non-income producing security.
- (c) This security is fair valued by the Advisor's Pricing Committee in accordance with procedures adopted by the Trust's Board of Trustees, and in accordance with provisions of the Investment Company Act of 1940, as amended. At March 31, 2016, securities noted as such are valued at \$15,320 or 0.1% of net assets.
- (d) Master Limited Partnership ("MLP").
- (e) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of March 31, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$765,609 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$209,708.

ADR – American Depositary Receipt

### Valuation Inputs

A summary of the inputs used to value the Fund's investments as of March 31, 2016 is as follows (see Note 2A – Portfolio Valuation in the Notes to Financial Statements):

- Level 1 — Quoted Prices  
 Level 2 — Other Significant Observable Inputs  
 Level 3 — Significant Unobservable Inputs

Investments	Total Value at 3/31/2016	Level 1	Level 2	Level 3
Common Stocks:				
Russia	\$ 748,368	\$ 733,048	\$15,320	\$ —
Other Country Categories*	10,867,293	10,867,293	—	—
Total Investments	\$11,615,661	\$11,600,341	\$15,320	\$ —

\* See Portfolio of Investments for country breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. As of March 31, 2016, the Fund transferred common stocks valued at \$218,863 from Level 2 to Level 1 of the fair value hierarchy. The common stocks that transferred from Level 2 to Level 1 did so as a result of being valued based on quoted prices. Previously, these common stocks were fair valued using a factor provided by a pricing service due to the change in value between the foreign markets' close and the NYSE close on September 30, 2015 exceeding a certain threshold.

Currency Exposure Diversification	% of Total Investments
British Pound Sterling	25.7%
Euro	20.6
Australian Dollar	17.5
United States Dollar	16.5
Norwegian Krone	7.4
Canadian Dollar	6.8
Hong Kong Dollar	2.6
Malaysian Ringgit	1.1
Turkish Lira	0.5
Swedish Krona	0.5
Thai Baht	0.3
South African Rand	0.3
Indonesian Rupiah	0.2
Total	100.0%



## First Trust Indxx Global Agriculture ETF (FTAG)

### Portfolio of Investments

March 31, 2016 (Unaudited)

Shares	Description	Value	Shares	Description	Value
<b>Common Stocks (a) — 100.1%</b>			<b>Norway — 2.1%</b>		
<b>Australia — 1.4%</b>			2,405	Yara International ASA	\$ 90,507
2,001	GrainCorp Ltd., Class A	\$ 11,565	<b>Russia — 2.6%</b>		
14,752	Incitec Pivot Ltd.	36,073	3,344	PhosAgro OAO, GDR	47,151
2,324	Nufarm Ltd.	13,361	25,671	Uralkali PJSC (b) (c)	65,310
		<u>60,999</u>			<u>112,461</u>
<b>Belgium — 0.3%</b>			<b>Singapore — 3.2%</b>		
375	Tessenderlo Chemie N.V. (b)	14,252	56,000	Wilmar International Ltd.	139,600
<b>Bermuda — 1.6%</b>			<b>Switzerland — 5.0%</b>		
1,233	Bunge Ltd.	69,874	90	Bucher Industries AG	21,874
<b>Canada — 5.3%</b>			466	Syngenta AG	193,854
1,208	Agrium, Inc.	106,657			<u>215,728</u>
7,283	Potash Corp. of Saskatchewan, Inc.	123,957	<b>Taiwan — 0.3%</b>		
		<u>230,614</u>	8,569	Taiwan Fertilizer Co., Ltd.	12,953
<b>Chile — 0.5%</b>			<b>Turkey — 0.3%</b>		
1,053	Sociedad Quimica y Minera de Chile S.A., Class B (Preference Shares)	21,708	467	Turk Traktor ve Ziraat Makineleri AS	13,913
<b>Germany — 24.9%</b>			<b>United States — 35.8%</b>		
5,947	BASF SE	448,659	721	AGCO Corp.	35,834
3,889	Bayer AG	457,134	2,038	CF Industries Holdings, Inc.	63,871
293	BayWa AG	9,897	2,307	Deere & Co.	177,616
4,075	Evonik Industries AG	122,254	8,589	Dow Chemical (The) Co.	436,837
1,674	K+S AG	39,173	6,641	E.I. du Pont de Nemours and Co.	420,508
		<u>1,077,117</u>	1,169	FMC Corp.	47,192
<b>India — 3.4%</b>			2,159	Monsanto Co.	189,431
5,428	Mahindra & Mahindra Ltd.	99,236	3,082	Mosaic (The) Co.	83,214
1,199	PI Industries Ltd.	10,292	537	Scotts Miracle-Gro (The) Co., Class A	39,077
2,226	Tata Chemicals Ltd.	12,562	162	Terra Nitrogen Co., L.P. (d)	18,027
3,751	UPL Ltd.	27,058	476	Toro (The) Co.	40,993
		<u>149,148</u>			<u>1,552,600</u>
<b>Japan — 6.7%</b>			<b>Total Investments — 100.1%</b>		
10,900	Kubota Corp.	148,810	(Cost \$4,397,631) (e)		
9,000	Mitsui Chemicals, Inc.	29,988	<b>Net Other Assets and Liabilities — (0.1)%</b>		
1,400	Nissan Chemical Industries Ltd.	36,075	<b>Net Assets — 100.0%</b>		
400	Sakata Seed Corp.	10,161			<u>(5,689)</u>
14,000	Sumitomo Chemical Co., Ltd.	63,317			<u>\$ 4,331,172</u>
		<u>288,351</u>			
<b>Luxembourg — 0.3%</b>					
1,058	Adecoagro S.A. (b)	12,220			
<b>Malaysia — 3.7%</b>					
19,700	Hap Seng Consolidated Bhd	38,021			
69,900	Petronas Chemicals Group Bhd	120,218			
		<u>158,239</u>			
<b>Netherlands — 2.7%</b>					
11,909	CNH Industrial N.V.	80,505			
1,842	OCI N.V. (b)	36,072			
		<u>116,577</u>			

## First Trust Indxx Global Agriculture ETF (FTAG)

### Portfolio of Investments (Continued)

March 31, 2016 (Unaudited)

- (a) Portfolio securities are categorized based upon their country of incorporation, which can be different from the country categorization of the Fund's underlying index. For a breakdown of the portfolio securities by sector, please see the Fund Performance Overview.
- (b) Non-income producing security.
- (c) This security is fair valued by the Advisor's Pricing Committee in accordance with procedures adopted by the Trust's Board of Trustees, and in accordance with provisions of the Investment Company Act of 1940, as amended. At March 31, 2016, securities noted as such are valued at \$65,310 or 1.5% of net assets.
- (d) Master Limited Partnership ("MLP").
- (e) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of March 31, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$100,617 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$161,387.

GDR – Global Depositary Receipt

### Valuation Inputs

A summary of the inputs used to value the Fund's investments as of March 31, 2016 is as follows (see Note 2A – Portfolio Valuation in the Notes to Financial Statements):

Level 1 — Quoted Prices

Level 2 — Other Significant Observable Inputs

Level 3 — Significant Unobservable Inputs

Investments	Total Value at 3/31/2016	Level 1	Level 2	Level 3
Common Stocks:				
Russia	\$ 112,461	\$ 47,151	\$ 65,310	\$ —
Other Country Categories*	4,224,400	4,224,400	—	—
Total Investments	\$4,336,861	\$4,271,551	\$ 65,310	\$ —

\* See Portfolio of Investments for country breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at March 31, 2016.

Currency Exposure Diversification	% of Total Investments
United States Dollar	43.5%
Euro	26.0
Japanese Yen	6.7
Swiss Franc	5.0
Malaysian Ringgit	3.6
Indian Rupee	3.4
Singapore Dollar	3.2
Canadian Dollar	2.5
Norwegian Krone	2.1
Russian Ruble	1.5
Australian Dollar	1.4
Chilean Peso	0.5
Turkish Lira	0.3
New Taiwan Dollar	0.3
Total	100.0%

**First Trust BICK Index Fund (BICK)**
**Portfolio of Investments**
**March 31, 2016 (Unaudited)**

Shares	Description	Value	Shares	Description	Value
<b>Common Stocks (a) — 99.8%</b>			<b>China (Continued)</b>		
<b>Brazil — 24.2%</b>			22,801	China Pacific Insurance (Group) Co., Ltd., Class H	\$ 85,239
15,458	Ambev S.A., ADR	\$ 80,072	120,506	China Petroleum & Chemical Corp., Class H	79,070
10,395	Banco Bradesco S.A., ADR	77,443	47,500	China Shenhua Energy Co., Ltd., Class H	74,703
12,220	Banco do Brasil S.A.	66,340	32,700	China Vanke Co., Ltd., Class H	80,176
8,895	BB Seguridade Participacoes S.A.	73,225	74,600	CRRC Corp., Ltd., Class H	75,106
17,672	BM&FBovespa S.A.	75,197	49,440	Haitong Securities Co., Ltd., Class H	84,510
11,605	Braskem S.A. (Preference Shares), Class A	75,007	143,798	Industrial and Commercial Bank of China Ltd., Class H	80,451
5,319	BRF S.A.	75,991	109,453	PetroChina Co., Ltd., Class H	72,806
19,283	CCR S.A.	75,187	44,000	PICC Property and Casualty Co., Ltd., Class H	80,656
6,917	CETIP S.A. – Mercados Organizados	77,141	17,452	Ping An Insurance (Group) Co. of China Ltd., Class H	83,465
8,268	Cielo S.A.	80,251			<u>1,282,857</u>
3,088	Embraer S.A., ADR	81,400	<b>Hong Kong — 1.0%</b>		
9,194	Fibria Celulose S.A.	77,477	65,187	CNOOC Ltd.	<u>76,974</u>
10,288	Hypermarcas S.A. (b)	80,172	<b>India — 20.5%</b>		
8,609	Itau Unibanco Holding S.A., ADR	73,951	3,844	Axis Bank Ltd., GDR	130,119
32,696	Itausa-Investimentos Itau S.A. (Preference Shares)	73,655	2,531	Dr. Reddy's Laboratories Ltd., ADR	114,376
23,683	JBS S.A.	72,057	2,095	HDFC Bank Ltd., ADR	129,115
13,906	Klabin S.A.	75,299	18,372	ICICI Bank Ltd., ADR	131,544
23,988	Kroton Educacional S.A.	76,588	6,711	Infosys Ltd., ADR	127,643
13,457	Lojas Renner S.A.	78,070	6,809	Larsen & Toubro Ltd., GDR	122,902
13,948	Petroleo Brasileiro S.A., ADR (b)	81,456	6,696	Mahindra & Mahindra Ltd., GDR	120,193
5,814	Raia Drogasil S.A.	84,357	4,004	Reliance Industries Ltd., GDR (c)	122,723
23,000	Suzano Papel e Celulose S.A. (Preference Shares), Class A	81,237	4,439	State Bank of India, GDR	130,063
6,737	Telefonica Brasil S.A., ADR	84,145	4,487	Tata Motors Ltd., ADR (b)	130,347
4,182	Ultrapar Participacoes S.A.	80,973	22,485	Vedanta Ltd., ADR	123,667
20,139	Vale S.A., ADR	84,785	18,372	Videocon d2h Ltd., ADR (b)	135,218
		<u>1,941,476</u>	10,196	Wipro Ltd., ADR	128,266
<b>Cayman Islands — 7.9%</b>					<u>1,646,176</u>
1,042	Alibaba Group Holding Ltd., ADR (b)	82,349	<b>Jersey — 1.6%</b>		
422	Baidu, Inc., ADR (b)	80,551	4,182	WNS (Holdings) Ltd., ADR (b)	<u>128,136</u>
1,907	Ctrip.com International Ltd., ADR (b)	84,404	<b>Mauritius — 1.6%</b>		
2,772	JD.com, Inc., ADR (b)	73,458	6,840	MakeMyTrip Ltd. (b)	<u>123,736</u>
535	NetEase, Inc., ADR	76,815	<b>South Korea — 25.5%</b>		
1,027	Qihoo 360 Technology Co., Ltd., ADR (b)	77,590	257	Amorepacific Corp.	86,858
4,072	Tencent Holdings Ltd.	83,148	877	Celltrion, Inc. (b) (d)	84,203
6,093	Vipshop Holdings Ltd., ADR (b)	78,478	136	Hanmi Pharm Co., Ltd.	83,127
		<u>636,793</u>	622	Hanmi Science Co., Ltd.	81,041
<b>China — 16.0%</b>			364	Hyundai Mobis Co., Ltd.	79,255
220,411	Agricultural Bank of China Ltd., Class H	79,273	618	Hyundai Motor Co.	82,411
192,950	Bank of China Ltd., Class H	80,092	2,849	KB Financial Group, Inc.	79,346
14,500	BYD Co., Ltd., Class H (b)	83,179	1,921	Kia Motors Corp.	81,133
124,606	China Construction Bank Corp., Class H	79,512	1,259	Korea Aerospace Industries Ltd.	71,779
33,712	China Life Insurance Co., Ltd., Class H	83,179	310	LG Chem Ltd.	88,777
38,758	China Merchants Bank Co., Ltd., Class H	81,440	3,681	LG Display Co., Ltd.	85,620
			1,468	LG Electronics, Inc.	79,074
			110	LG Household & Health Care Ltd.	90,897

## First Trust BICK Index Fund (BICK)

### Portfolio of Investments (Continued)

March 31, 2016 (Unaudited)

Shares	Description	Value
<b>Common Stocks (a) (Continued)</b>		
<i>South Korea (Continued)</i>		
292	Lotte Chemical Corp.	\$ 87,197
145	NAVER Corp.	80,767
421	POSCO	80,806
612	Samsung C&T Corp.	76,527
74	Samsung Electronics Co., Ltd.	84,897
848	Samsung Life Insurance Co., Ltd.	87,128
920	Samsung SDI Co., Ltd.	79,643
479	Samsung SDS Co., Ltd.	73,299
2,259	Shinhan Financial Group Co., Ltd.	80,001
398	SK Holdings Co., Ltd.	77,609
2,998	SK Hynix, Inc.	73,796
596	SK Innovation Co., Ltd.	89,640
		<u>2,044,831</u>
<i>United Kingdom — 1.5%</i>		
24,972	Vedanta Resources PLC	<u>123,020</u>
	<b>Total Investments — 99.8%</b>	8,003,999
	(Cost \$8,674,573) (e)	
	<b>Net Other Assets and Liabilities — 0.2%</b>	<u>17,781</u>
	<b>Net Assets — 100.0%</b>	<u>\$ 8,021,780</u>

- (a) Portfolio securities are categorized based upon their country of incorporation, which can be different from the country categorization of the Fund's underlying index. For a breakdown of the portfolio securities by sector, please see the Fund Performance Overview.
- (b) Non-income producing security.
- (c) This security is restricted in the U.S. and cannot be offered for public sale without first being registered under the Securities Act of 1933, as amended. This security is not restricted on the foreign exchange where it trades freely without any additional registration. As such, it does not require the additional disclosure required of restricted securities.
- (d) Non-income producing security which makes in-kind distributions. For the fiscal year-to-date period (October 1, 2015 to March 31, 2016), the Fund received 34 shares of Celltrion, Inc.
- (e) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of March 31, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$618,069 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$1,288,643.

ADR – American Depositary Receipt

GDR – Global Depositary Receipt

### Valuation Inputs

A summary of the inputs used to value the Fund's investments as of March 31, 2016 is as follows (see Note 2A – Portfolio Valuation in the Notes to Financial Statements):

Level 1 — Quoted Prices

Level 2 — Other Significant Observable Inputs

Level 3 — Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$8,003,999	\$ —	\$ —

\* See Portfolio of Investments for country breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. As of March 31, 2016, the Fund transferred common stocks valued at \$3,409,633 from Level 2 to Level 1 of the fair value hierarchy. The common stocks that transferred from Level 2 to Level 1 did so as a result of being valued based on quoted prices. Previously, these common stocks were fair valued using a factor provided by a pricing service due to the change in value between the foreign markets' close and the NYSE close on September 30, 2015 exceeding a certain threshold.

## First Trust Nasdaq Smartphone Index Fund (FONE)

### Portfolio of Investments

March 31, 2016 (Unaudited)

Shares	Description	Value	Shares	Description	Value
	<b>Common Stocks (a) — 99.5%</b>			<b>Spain — 0.7%</b>	
	<b>Bermuda — 2.0%</b>		6,916	Telefonica S.A.	\$ 77,533
21,347	Marvell Technology Group Ltd.	\$ 220,088		<b>Sweden — 2.0%</b>	
	<b>Canada — 5.9%</b>		22,122	Telefonaktiebolaget LM Ericsson, Class B	221,540
40,024	BlackBerry Ltd. (b)	323,794		<b>Taiwan — 8.6%</b>	
30,437	Celestica, Inc. (b)	334,198	129,363	HTC Corp.	370,596
		657,992	436,464	Inventec Corp.	276,655
	<b>Cayman Islands — 3.5%</b>		524,639	Wistron Corp.	324,395
874,853	FIH Mobile Ltd.	390,209			971,646
	<b>China — 3.7%</b>			<b>United Kingdom — 0.6%</b>	
40,946	BYD Co., Ltd., Class H (b) (c)	234,886	22,688	Vodafone Group PLC	72,079
97,973	ZTE Corp., Class H (d)	180,226		<b>United States — 39.8%</b>	
		415,112	5,458	Agilent Technologies, Inc.	217,501
	<b>Finland — 2.7%</b>		292	Alphabet, Inc., Class C (b)	217,525
51,838	Nokia OYJ, ADR	306,363	3,847	Analog Devices, Inc.	227,704
	<b>France — 1.2%</b>		3,233	Apple, Inc.	352,365
3,992	Orange S.A.	69,932	1,880	AT&T, Inc.	73,640
3,342	Vivendi S.A.	70,277	14,438	Benchmark Electronics, Inc. (b)	332,796
		140,209	10,396	CEVA, Inc. (b)	233,910
	<b>Germany — 0.7%</b>		9,944	Ciena Corp. (b)	189,135
4,133	Deutsche Telekom AG	74,189	2,357	Crown Castle International Corp.	203,880
	<b>Guernsey — 1.9%</b>		6,021	Maxim Integrated Products, Inc.	221,452
3,592	Amdocs Ltd.	217,029	19,178	Micron Technology, Inc. (b)	200,794
	<b>Hong Kong — 0.6%</b>		2,774	Motorola Solutions, Inc.	209,992
6,426	China Mobile Ltd.	71,613	4,014	QUALCOMM, Inc.	205,276
	<b>Italy — 0.7%</b>		15,174	Sanmina Corp. (b)	354,768
71,113	Telecom Italia S.p.A. (b)	76,712	2,148	SBA Communications Corp., Class A (b)	215,165
	<b>Japan — 10.3%</b>		3,068	Skyworks Solutions, Inc.	238,997
2,734	KDDI Corp.	73,023	20,193	Sprint Corp. (b) (c)	70,272
7,100	Kyocera Corp.	312,717	2,510	Synaptics, Inc. (b)	200,147
3,000	NTT DOCOMO, Inc.	68,040	3,845	Texas Instruments, Inc.	220,780
1,400	SoftBank Group Corp.	66,750	1,369	Verizon Communications, Inc.	74,036
14,800	Sony Corp.	380,438	4,317	Xilinx, Inc.	204,755
132,000	Toshiba Corp. (b)	256,857			4,464,890
		1,157,825		<b>Total Common Stocks — 99.5%</b>	<b>11,171,133</b>
	<b>Netherlands — 3.9%</b>			(Cost \$9,571,087)	
3,203	Gemalto N.V.	236,796		<b>Money Market Funds — 0.7%</b>	
35,427	STMicroelectronics N.V.	196,644	77,150	Goldman Sachs Financial Square Treasury Obligations Fund – Institutional Class – 0.19% (e) (f)	77,150
		433,440		(Cost \$77,150)	
	<b>Russia — 0.7%</b>				
9,923	Mobile TeleSystems PJSC, ADR	80,277			
	<b>Singapore — 3.1%</b>				
28,783	Flextronics International Ltd. (b)	347,123			
	<b>South Korea — 6.9%</b>				
5,823	KT Corp., ADR	78,145			
5,956	LG Electronics, Inc.	320,820			
328	Samsung Electronics Co., Ltd.	376,299			
		775,264			

## First Trust Nasdaq Smartphone Index Fund (FONE)

### Portfolio of Investments (Continued)

March 31, 2016 (Unaudited)

#### Principal

Value	Description	Value
<b>Repurchase Agreements — 1.4%</b>		
\$ 157,355	RBC Capital Markets LLC, 0.25% (e), dated 03/31/16, due 04/01/16, with a maturity value of \$157,356. Collateralized by U.S. Treasury Notes, interest rates of 1.500% to 2.125%, due 05/31/20 to 01/31/23. The value of the collateral including accrued interest is \$161,095. (f) (Cost \$157,355)	\$ 157,355
	<b>Total Investments — 101.6%</b> (Cost \$9,805,592) (g)	11,405,638
	<b>Net Other Assets and Liabilities — (1.6%)</b>	(181,326)
	<b>Net Assets — 100.0%</b>	<u>\$ 11,224,312</u>

- (a) Portfolio securities are categorized based upon their country of incorporation, which can be different from the country categorization of the Fund's underlying index. For a breakdown of the portfolio securities by sector, please see the Fund Performance Overview.
- (b) Non-income producing security.
- (c) All or a portion of this security is on loan (see Note 2E – Securities Lending in the Notes to Financial Statements). The aggregate value of such securities is \$224,661 and the total value of the collateral held by the Fund is \$234,505.
- (d) This security is fair valued by the Advisor's Pricing Committee in accordance with procedures adopted by the Trust's Board of Trustees, and in accordance with provisions of the Investment Company Act of 1940, as amended. At March 31, 2016, securities noted as such are valued at \$180,226 or 1.6% of net assets.
- (e) Interest rate shown reflects yield as of March 31, 2016.
- (f) This security serves as collateral for securities on loan.
- (g) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of March 31, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$2,172,241 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$572,195.

ADR – American Depositary Receipt

#### Valuation Inputs

A summary of the inputs used to value the Fund's investments as of March 31, 2016 is as follows (see Note 2A – Portfolio Valuation in the Notes to Financial Statements):

- Level 1 — Quoted Prices  
 Level 2 — Other Significant Observable Inputs  
 Level 3 — Significant Unobservable Inputs

Investments	Total Value at 3/31/2016	Level 1	Level 2	Level 3
Common Stocks:				
China	\$ 415,112	\$ 234,886	\$ 180,226	\$ —
Other Country Categories*	10,756,021	10,756,021	—	—
Total Common Stocks	11,171,133	10,990,907	180,226	—
Money Market Funds	77,150	77,150	—	—
Repurchase Agreements	157,355	—	157,355	—
Total Investments	<u>\$11,405,638</u>	<u>\$11,068,057</u>	<u>\$ 337,581</u>	<u>\$ —</u>

\* See Portfolio of Investments for country breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. As of March 31, 2016, the Fund transferred common stocks valued at \$4,052,351 from Level 2 to Level 1 of the fair value hierarchy. The common stocks that transferred from Level 2 to Level 1 did so as a result of being valued based on quoted prices. Previously, these common stocks were fair valued using a factor provided by a pricing service due to the change in value between the foreign markets' close and the NYSE close on September 30, 2015 exceeding a certain threshold.

## First Trust Nasdaq Smartphone Index Fund (FONE)

### Portfolio of Investments (Continued)

March 31, 2016 (Unaudited)

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#### Offsetting Assets and Liabilities

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Offsetting assets and liabilities requires entities to disclose both gross and net information about instruments and transactions eligible for offset, and to disclose instruments and transactions subject to master netting or similar agreements (see Note 2C — Offsetting on the Statements of Assets and Liabilities in the Notes to Financial Statements).

The Fund's loaned securities were all subject to an enforceable Securities Lending Agency Agreement. Securities lent in accordance with the Securities Lending Agency Agreement on a gross basis were as follows:

#### Securities Lending Agency Agreement

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Total gross amount presented on the Statements of Assets and Liabilities <sup>(1)</sup>	\$ 224,661
Non-cash Collateral <sup>(2)</sup>	<u>(224,661)</u>
Net Amount	<u>\$ —</u>

(1) The amount presented on the Statements of Assets and Liabilities, which is included in "Investments, at value", is not offset and is shown on a gross basis.

(2) At March 31, 2016, the value of the collateral received from each borrower exceeded the value of the related securities loaned. This amount is disclosed on the Portfolio of Investments.

The Fund's investments in repurchase agreements were all subject to an enforceable Master Repurchase Agreement. Repurchase Agreements on a gross basis were as follows:

#### Repurchase Agreements

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Total gross amount presented on the Statements of Assets and Liabilities <sup>(3)</sup>	\$ 157,355
Non-cash Collateral <sup>(4)</sup>	<u>(157,355)</u>
Net Amount	<u>\$ —</u>

(3) The amount is included in "Investments, at value" on the Statements of Assets and Liabilities.

(4) At March 31, 2016, the value of the collateral received from each seller exceeded the value of the repurchase agreements.

## First Trust NASDAQ Global Auto Index Fund (CARZ)

### Portfolio of Investments

March 31, 2016 (Unaudited)

Shares	Description	Value
<b>Common Stocks (a) — 99.3%</b>		
<b>Bermuda — 1.1%</b>		
288,869	Brilliance China Automotive Holdings Ltd.	\$ 299,022
<b>Cayman Islands — 0.9%</b>		
496,021	Geely Automobile Holdings Ltd.	245,537
2,797	Kolao Holdings	23,113
		<u>268,650</u>
<b>China — 4.5%</b>		
100,824	AviChina Industry & Technology Co., Ltd., Class H	75,644
71,425	BYD Co., Ltd., Class H (b) (c)	409,729
85,782	Chongqing Changan Automobile Co., Ltd., Class B	160,675
101,503	Dongfeng Motor Group Co., Ltd., Class H	126,660
323,507	Great Wall Motor Co., Ltd., Class H	262,731
229,985	Guangzhou Automobile Group Co., Ltd., Class H	239,254
		<u>1,274,693</u>
<b>France — 6.4%</b>		
41,336	Peugeot S.A. (c)	708,367
11,297	Renault S.A.	1,122,489
		<u>1,830,856</u>
<b>Germany — 19.0%</b>		
12,649	Bayerische Motoren Werke AG	1,161,542
30,128	Daimler AG	2,309,627
15,975	Porsche Automobil Holding SE (Preference Shares)	823,281
8,826	Volkswagen AG (Preference Shares)	1,123,324
		<u>5,417,774</u>
<b>Italy — 0.1%</b>		
17,334	Piaggio & C. S.p.A.	36,786
<b>Japan — 34.6%</b>		
21,788	Daihatsu Motor Co., Ltd.	307,039
31,565	Fuji Heavy Industries Ltd.	1,114,851
80,735	Honda Motor Co., Ltd.	2,213,765
59,459	Mazda Motor Corp.	922,699
64,700	Mitsubishi Motors Corp.	484,625
113,776	Nissan Motor Co., Ltd.	1,052,892
8,088	Nissan Shatai Co., Ltd.	81,423
41,259	Suzuki Motor Corp.	1,103,833
39,576	Toyota Motor Corp.	2,092,997
29,212	Yamaha Motor Co., Ltd.	485,893
		<u>9,860,017</u>
<b>Malaysia — 0.4%</b>		
69,495	UMW Holdings Bhd	122,371
<b>South Korea — 8.2%</b>		
8,660	Hyundai Motor Co.	1,154,818
27,065	Kia Motors Corp.	1,143,091
4,438	Ssangyong Motor Co. (c)	32,055
		<u>2,329,964</u>

Shares	Description	Value
<b>Taiwan — 0.7%</b>		
72,196	China Motor Corp.	\$ 51,818
69,776	Sanyang Motor Co., Ltd. (c)	46,613
90,253	Yulon Motor Co., Ltd.	87,634
		<u>186,065</u>
<b>United States — 23.4%</b>		
165,119	Ford Motor Co.	2,229,106
70,164	General Motors Co.	2,205,255
19,199	Harley-Davidson, Inc.	985,485
5,381	Tesla Motors, Inc. (b) (c)	1,236,392
		<u>6,656,238</u>
<b>Total Common Stocks — 99.3%</b> (Cost \$33,080,072)		
<b>Money Market Funds — 1.5%</b>		
410,744	Goldman Sachs Financial Square Treasury Obligations Fund – Institutional Class – 0.19% (d) (e)	410,744
		<u>(Cost \$410,744)</u>
<b>Principal Value</b>	<b>Description</b>	<b>Value</b>
<b>Repurchase Agreements — 2.9%</b>		
\$ 837,745	RBC Capital Markets LLC, 0.25% (d), dated 03/31/16, due 04/01/16, with a maturity value of \$837,751. Collateralized by U.S. Treasury Notes, interest rates of 1.500% to 2.125%, due 05/31/20 to 01/31/23. The value of the collateral including accrued interest is \$857,657. (e)	837,745
		<u>(Cost \$837,745)</u>
<b>Total Investments — 103.7%</b> (Cost \$34,328,561) (f)		
<b>Net Other Assets and Liabilities — (3.7%)</b> <u>(1,053,711)</u>		
<b>Net Assets — 100.0%</b> <u>\$ 28,477,214</u>		

- (a) Portfolio securities are categorized based upon their country of incorporation, which can be different from the country categorization of the Fund's underlying index. For a breakdown of the portfolio securities by sector, please see the Fund Performance Overview.
- (b) All or a portion of this security is on loan (see Note 2E – Securities Lending in the Notes to Financial Statements). The aggregate value of such securities is \$1,226,253 and the total value of the collateral held by the Fund is \$1,248,489.
- (c) Non-income producing security.
- (d) Interest rate shown reflects yield as of March 31, 2016.
- (e) This security serves as collateral for securities on loan.



## First Trust NASDAQ Global Auto Index Fund (CARZ)

### Portfolio of Investments (Continued)

March 31, 2016 (Unaudited)

- (f) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of March 31, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$651,834 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$5,449,470.

#### Valuation Inputs

A summary of the inputs used to value the Fund's investments as of March 31, 2016 is as follows (see Note 2A – Portfolio Valuation in the Notes to Financial Statements):

Level 1 — Quoted Prices

Level 2 — Other Significant Observable Inputs

Level 3 — Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$28,282,436	\$ —	\$ —
Money Market Funds	410,744	—	—
Repurchase Agreements	—	837,745	—
Total Investments	\$28,693,180	\$837,745	\$ —

\* See Portfolio of Investments for country breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. As of March 31, 2016, the Fund transferred common stocks valued at \$21,326,658 from Level 2 to Level 1 of the fair value hierarchy. The common stocks that transferred from Level 2 to Level 1 did so as a result of being valued based on quoted prices. Previously, these common stocks were fair valued using a factor provided by a pricing service due to the change in value between the foreign markets' close and the NYSE close on September 30, 2015 exceeding a certain threshold.

#### Offsetting Assets and Liabilities

Offsetting assets and liabilities requires entities to disclose both gross and net information about instruments and transactions eligible for offset, and to disclose instruments and transactions subject to master netting or similar agreements (see Note 2C – Offsetting on the Statements of Assets and Liabilities in the Notes to Financial Statements).

The Fund's loaned securities were all subject to an enforceable Securities Lending Agency Agreement. Securities lent in accordance with the Securities Lending Agency Agreement on a gross basis were as follows:

#### Securities Lending Agency Agreement

Total gross amount presented on the Statements of Assets and Liabilities <sup>(1)</sup>	\$ 1,226,253
Non-cash Collateral <sup>(2)</sup>	(1,226,253)
Net Amount	\$ —

<sup>(1)</sup> The amount presented on the Statements of Assets and Liabilities, which is included in "Investments, at value", is not offset and is shown on a gross basis.

<sup>(2)</sup> At March 31, 2016, the value of the collateral received from each borrower exceeded the value of the related securities loaned. This amount is disclosed on the Portfolio of Investments.

The Fund's investments in repurchase agreements were all subject to an enforceable Master Repurchase Agreement. Repurchase Agreements on a gross basis were as follows:

#### Repurchase Agreements

Total gross amount presented on the Statements of Assets and Liabilities <sup>(3)</sup>	\$ 837,745
Non-cash Collateral <sup>(4)</sup>	(837,745)
Net Amount	\$ —

<sup>(3)</sup> The amount is included in "Investments, at value" on the Statements of Assets and Liabilities.

<sup>(4)</sup> At March 31, 2016, the value of the collateral received from each seller exceeded the value of the repurchase agreements.

Currency Exposure Diversification	% of Total Investments
Japanese Yen	33.4%
United States Dollar	26.8
Euro	24.7
South Korean Won	8.0
Hong Kong Dollar	6.1
New Taiwan Dollar	0.6
Malaysian Ringgit	0.4
Total	100.0%

## First Trust ISE Cloud Computing Index Fund (SKYY)

### Portfolio of Investments

March 31, 2016 (Unaudited)

Shares	Description	Value
	<b>Common Stocks (a) — 100.0%</b>	
	<b>Canada — 4.1%</b>	
422,183	Open Text Corp.	\$ 21,869,080
	<b>Germany — 4.1%</b>	
266,852	SAP SE, ADR	21,460,238
	<b>India — 1.0%</b>	
402,997	Wipro Ltd., ADR	5,069,702
	<b>Israel — 0.9%</b>	
56,356	Check Point Software Technologies Ltd. (b)	4,929,459
	<b>United States — 89.9%</b>	
127,655	Activision Blizzard, Inc.	4,319,845
51,973	Adobe Systems, Inc. (b)	4,875,067
397,678	Akamai Technologies, Inc. (b)	22,098,967
27,456	Alphabet, Inc., Class A (b)	20,946,182
32,186	Amazon.com, Inc. (b)	19,106,897
116,527	Apple, Inc.	12,700,278
175,003	CA, Inc.	5,388,342
787,603	Cisco Systems, Inc.	22,423,057
795,202	EMC Corp.	21,192,133
71,062	Equinix, Inc.	23,500,914
211,190	F5 Networks, Inc. (b)	22,354,462
201,759	Facebook, Inc., Class A (b)	23,020,702
930,073	Hewlett Packard Enterprise Co.	16,490,194
98,005	International Business Machines Corp.	14,842,857
49,431	Intuit, Inc.	5,141,318
61,316	j2 Global, Inc.	3,775,839
719,906	Juniper Networks, Inc.	18,364,802
243,960	Microsoft Corp.	13,473,911
709,005	NetApp, Inc.	19,348,747
173,271	Netflix, Inc. (b)	17,713,494
152,972	NetScout Systems, Inc. (b)	3,513,767
259,689	NetSuite, Inc. (b)	17,786,100
553,714	Oracle Corp.	22,652,440
371,779	Polycom, Inc. (b)	4,145,336
808,623	Rackspace Hosting, Inc. (b)	17,458,171
262,200	Red Hat, Inc. (b)	19,536,522
268,033	salesforce.com, Inc. (b)	19,788,876
761,127	Teradata Corp. (b)	19,971,973
348,920	VMware, Inc., Class A (b)	18,252,005
8,375,485	Zynga, Inc., Class A (b)	19,096,106
		<u>473,279,304</u>
	<b>Total Investments — 100.0%</b>	526,607,783
	(Cost \$502,772,181) (c)	
	<b>Net Other Assets and Liabilities — 0.0%</b>	39,448
	<b>Net Assets — 100.0%</b>	<u>\$526,647,231</u>

(a) Portfolio securities are categorized based upon their country of incorporation, which can be different from the country categorization of the Fund's underlying index. For a breakdown of the portfolio securities by sector, please see the Fund Performance Overview.

(b) Non-income producing security.

(c) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of March 31, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$61,353,874 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$37,518,272.

ADR – American Depositary Receipt

### Valuation Inputs

A summary of the inputs used to value the Fund's investments as of March 31, 2016 is as follows (see Note 2A – Portfolio Valuation in the Notes to Financial Statements):

Level 1 — Quoted Prices

Level 2 — Other Significant Observable Inputs

Level 3 — Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$26,607,783	\$ —	\$ —

\* See Portfolio of Investments for country breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at March 31, 2016.



## First Trust International IPO ETF (FPXI)

### Portfolio of Investments (Continued)

March 31, 2016 (Unaudited)

- (a) Portfolio securities are categorized based upon their country of incorporation, which can be different from the country categorization of the Fund's underlying index. For a breakdown of the portfolio securities by sector, please see the Fund Performance Overview.
- (b) Non-income producing security.
- (c) This security is restricted in the U.S. and cannot be offered for public sale without first being registered under the Securities Act of 1933, as amended. This security is not restricted on the foreign exchange where it trades freely without any additional registration. As such, it does not require the additional disclosure required of restricted securities.
- (d) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of March 31, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$98,433 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$87,173.

ADR – American Depositary Receipt

### Valuation Inputs

A summary of the inputs used to value the Fund's investments as of March 31, 2016 is as follows (see Note 2A – Portfolio Valuation in the Notes to Financial Statements):

Level 1 — Quoted Prices  
Level 2 — Other Significant Observable Inputs  
Level 3 — Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$1,300,208	\$ —	\$ —

\* See Portfolio of Investments for country breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. As of March 31, 2016, the Fund transferred common stocks valued at \$525,127 from Level 2 to Level 1 of the fair value hierarchy. The common stocks that transferred from Level 2 to Level 1 did so as a result of being valued based on quoted prices. Previously, these common stocks were fair valued using a factor provided by a pricing service due to the change in value between the foreign markets' close and the NYSE close on September 30, 2015 exceeding a certain threshold.

Currency Exposure Diversification	% of Total Investments
Japanese Yen	25.2%
Euro	24.3
United States Dollar	19.6
Hong Kong Dollar	11.6
British Pound Sterling	5.3
Danish Krone	3.7
Brazilian Real	2.6
Malaysian Ringgit	2.1
Mexican Peso	1.7
Canadian Dollar	1.7
Australian Dollar	1.5
New Zealand Dollar	0.7
Total	100.0%

## First Trust Nasdaq Cybersecurity ETF (CIBR)

### Portfolio of Investments

March 31, 2016 (Unaudited)

Shares	Description	Value
	<b>Common Stocks (a) — 99.9%</b>	
	<b>Israel — 6.7%</b>	
30,549	Check Point Software Technologies Ltd. (b)	\$ 2,672,121
67,726	CyberArk Software Ltd. (b)	2,887,159
52,956	Radware Ltd. (b)	626,470
		<u>6,185,750</u>
	<b>Japan — 2.8%</b>	
69,700	Trend Micro, Inc.	2,551,548
	<b>Jersey — 3.0%</b>	
153,928	Experian PLC	2,752,425
	<b>Netherlands — 10.9%</b>	
60,778	AVG Technologies N.V. (b)	1,261,144
39,876	Gemalto N.V.	2,948,013
71,244	NXP Semiconductors N.V. (b)	5,775,751
		<u>9,984,908</u>
	<b>South Korea — 3.0%</b>	
53,556	Ahnlab, Inc.	2,720,885
	<b>United Kingdom — 3.2%</b>	
354,966	BAE Systems PLC	2,594,974
15,415	Ultra Electronics Holdings PLC	399,622
		<u>2,994,596</u>
	<b>United States — 70.3%</b>	
94,041	Akamai Technologies, Inc. (b)	5,225,858
114,794	Barracuda Networks, Inc. (b)	1,767,828
193,866	Cisco Systems, Inc.	5,519,365
88,084	Computer Sciences Corp.	3,029,209
26,388	F5 Networks, Inc. (b)	2,793,170
149,806	FireEye, Inc. (b)	2,695,010
89,356	Fortinet, Inc. (b)	2,736,974
57,846	Imperva, Inc. (b)	2,921,223
132,935	Infoblox, Inc. (b)	2,273,188
46,770	Intralinks Holdings, Inc. (b)	368,548
36,984	Itron, Inc. (b)	1,542,972
205,482	Juniper Networks, Inc.	5,241,846
223,006	LifeLock, Inc. (b)	2,691,682
23,013	ManTech International Corp., Class A	736,186
35,054	Palo Alto Networks, Inc. (b)	5,718,710
54,178	Proofpoint, Inc. (b)	2,913,693
78,823	Qualys, Inc. (b)	1,995,010
49,037	Science Applications International Corp.	2,615,634
58,204	Splunk, Inc. (b)	2,847,922
131,419	Symantec Corp.	2,415,481
91,304	VASCO Data Security International, Inc. (b)	1,406,082
71,424	Verint Systems, Inc. (b)	2,384,133
50,262	VMware, Inc., Class A (b)	2,629,205
		<u>64,468,929</u>

Description	Value
<b>Total Investments — 99.9%</b> (Cost \$99,731,751) (c)	\$ 91,659,041
<b>Net Other Assets and Liabilities — 0.1%</b>	58,554
<b>Net Assets — 100.0%</b>	<u>\$ 91,717,595</u>

- (a) Portfolio securities are categorized based upon their country of incorporation, which can be different from the country categorization of the Fund's underlying index. For a breakdown of the portfolio securities by sector, please see the Fund Performance Overview.
- (b) Non-income producing security.
- (c) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of March 31, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$1,603,858 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$9,676,568.

### Valuation Inputs

A summary of the inputs used to value the Fund's investments as of March 31, 2016 is as follows (see Note 2A – Portfolio Valuation in the Notes to Financial Statements):

- Level 1 — Quoted Prices  
Level 2 — Other Significant Observable Inputs  
Level 3 — Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$91,659,041	\$ —	\$ —

\* See Portfolio of Investments for country breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. As of March 31, 2016, the Fund transferred common stock valued at \$11,381,796 from Level 2 to Level 1 of the fair value hierarchy. The common stock that transferred from Level 2 to Level 1 did so as a result of being valued based on quoted prices. Previously, these common stocks were fair valued using a factor provided by a pricing service due to the change in value between the foreign markets' close and the NYSE close on September 30, 2015 exceeding a certain threshold.



First Trust Dow Jones Global Select Dividend Index Fund (FGD)	First Trust ISE Global Wind Energy Index Fund (FAN)	First Trust ISE Global Engineering and Construction Index Fund (FLM)	First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund (GRID)	First Trust Indxx Global Natural Resources Income ETF (FTRI)
\$ 348,534,227	\$ 45,355,557	\$ 14,250,486	\$ 11,025,649	\$ 11,615,661
—	—	27,674	—	52,991
241,066	—	—	—	—
—	—	—	—	—
—	495,723	—	—	—
678,024	120,880	9,829	5,847	—
2,104,778	58,680	48,634	11,088	44,933
439	3	—	—	—
—	—	205	1,008	—
—	—	—	735	—
6,444	4,034	3,865	74	—
<u>351,564,978</u>	<u>46,034,877</u>	<u>14,340,693</u>	<u>11,044,401</u>	<u>11,713,585</u>
—	49,979	—	9,992	—
—	1,901	602	1,259	8,299
2,743,904	497,089	—	—	—
116,994	19,546	341	—	6,883
46,039	8,594	2,471	2,575	—
17,250	16,125	16,125	16,125	—
2,737	2,972	2,990	2,993	—
782	310	6	—	1
—	—	273,337	608,751	—
84,383	10,401	3,173	2,222	—
140,277	19,594	9,076	6,321	—
<u>3,152,366</u>	<u>626,511</u>	<u>308,121</u>	<u>650,238</u>	<u>15,183</u>
<u>\$ 348,412,612</u>	<u>\$ 45,408,366</u>	<u>\$ 14,032,572</u>	<u>\$ 10,394,163</u>	<u>\$ 11,698,402</u>
\$ 442,635,936	\$ 111,585,050	\$ 20,480,444	\$ 14,124,639	\$ 74,073,155
154,000	39,000	3,000	3,000	11,500
1,537,727	(130,793)	41,104	21,126	(2,388)
(53,682,856)	(63,296,195)	(6,073,373)	(3,731,153)	(62,941,200)
(42,232,195)	(2,788,696)	(418,603)	(23,449)	557,335
<u>\$ 348,412,612</u>	<u>\$ 45,408,366</u>	<u>\$ 14,032,572</u>	<u>\$ 10,394,163</u>	<u>\$ 11,698,402</u>
<b>\$ 22.62</b>	<b>\$ 11.64</b>	<b>\$ 46.77</b>	<b>\$ 34.65</b>	<b>\$ 10.17</b>
15,400,002	3,900,002	300,002	300,002	1,150,002
<u>\$ 390,787,537</u>	<u>\$ 48,135,421</u>	<u>\$ 14,667,888</u>	<u>\$ 11,048,994</u>	<u>\$ 11,059,760</u>
<u>\$ 240,245</u>	<u>\$ (2,574)</u>	<u>\$ (570)</u>	<u>\$ (1,246)</u>	<u>\$ (8,185)</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ 257,210</u>	<u>\$ 293,626</u>	<u>\$ —</u>

## First Trust Exchange-Traded Fund II

### Statements of Assets and Liabilities (Continued)

March 31, 2016 (Unaudited)

	First Trust Indxx Global Agriculture ETF (FTAG)	First Trust BICK Index Fund (BICK)
	<u>                    </u>	<u>                    </u>
<b>ASSETS:</b>		
Investments, at value . . . . .	\$ 4,336,861	\$ 8,003,999
Cash . . . . .	—	16,035
Foreign currency, at value . . . . .	—	—
Receivables:		
Capital shares sold . . . . .	—	—
Investment securities sold . . . . .	—	—
Reclaims . . . . .	72	—
Dividends . . . . .	7,780	33,151
Interest . . . . .	—	—
Securities lending income . . . . .	—	—
From investment advisor . . . . .	—	—
Prepaid expenses . . . . .	—	—
<b>Total Assets</b> . . . . .	<u>4,344,713</u>	<u>8,053,185</u>
<b>LIABILITIES:</b>		
Due to custodian . . . . .	8,368	—
Due to custodian foreign currency . . . . .	2,632	350
Payables:		
Investment securities purchased . . . . .	—	26,861
Investment advisory fees . . . . .	2,541	4,194
Printing fees . . . . .	—	—
Audit and tax fees . . . . .	—	—
Trustees' fees . . . . .	—	—
Currency payable . . . . .	—	—
Collateral for securities on loan . . . . .	—	—
Licensing fees . . . . .	—	—
Other liabilities . . . . .	—	—
<b>Total Liabilities</b> . . . . .	<u>13,541</u>	<u>31,405</u>
<b>NET ASSETS</b> . . . . .	<u>\$ 4,331,172</u>	<u>\$ 8,021,780</u>
<b>NET ASSETS consist of:</b>		
Paid-in capital . . . . .	\$ 24,185,259	\$ 21,706,298
Par value . . . . .	10,500	4,000
Accumulated net investment income (loss) . . . . .	(45,664)	(6,185)
Accumulated net realized gain (loss) on investments and foreign currency transactions . . . . .	(19,758,179)	(13,012,991)
Net unrealized appreciation (depreciation) on investments and foreign currency translation . . . . .	(60,744)	(669,342)
<b>NET ASSETS</b> . . . . .	<u>\$ 4,331,172</u>	<u>\$ 8,021,780</u>
<b>NET ASSET VALUE</b> , per share . . . . .	<u>\$ 4.12</u>	<u>\$ 20.05</u>
Number of shares outstanding (unlimited number of shares authorized, par value \$0.01 per share) . . . . .	<u>1,050,002</u>	<u>400,002</u>
Investments, at cost . . . . .	<u>\$ 4,397,631</u>	<u>\$ 8,674,573</u>
Foreign currency, at cost (proceeds) . . . . .	<u>\$ (2,651)</u>	<u>\$ (360)</u>
Securities on loan, at value . . . . .	<u>\$ —</u>	<u>\$ —</u>



First Trust Nasdaq Smartphone Index Fund (FONE)	First Trust NASDAQ Global Auto Index Fund (CARZ)	First Trust ISE Cloud Computing Index Fund (SKYY)	First Trust International IPO ETF (FPXI)	First Trust Nasdaq Cybersecurity ETF (CIBR)
\$ 11,405,638	\$ 29,530,925	\$ 526,607,783	\$ 1,300,208	\$ 91,659,041
43,162	30,673	34,867	2,227	—
—	—	—	8,863	139,258
—	—	—	—	—
—	—	—	—	—
1,025	14,709	89,498	409	4,229
15,207	163,525	176,401	5,614	3,116
—	—	—	—	—
571	3,443	—	—	—
—	—	—	—	—
—	—	—	—	—
<u>11,465,603</u>	<u>29,743,275</u>	<u>526,908,549</u>	<u>1,317,321</u>	<u>91,805,644</u>
—	—	—	—	42,793
290	1,098	1,304	—	—
—	—	—	8,999	—
6,496	16,474	260,014	746	45,256
—	—	—	—	—
—	—	—	—	—
—	—	—	1	—
234,505	1,248,489	—	—	—
—	—	—	—	—
—	—	—	—	—
<u>241,291</u>	<u>1,266,061</u>	<u>261,318</u>	<u>9,746</u>	<u>88,049</u>
<u>\$ 11,224,312</u>	<u>\$ 28,477,214</u>	<u>\$ 526,647,231</u>	<u>\$ 1,307,575</u>	<u>\$ 91,717,595</u>
\$ 10,845,576	\$ 35,439,656	\$ 499,657,805	\$ 1,553,417	\$ 105,773,265
3,000	8,500	178,000	500	54,000
4,519	100,297	(5,745)	5,291	(24,311)
(1,229,011)	(2,276,481)	2,982,100	(262,989)	(6,014,058)
1,600,228	(4,794,758)	23,835,071	11,356	(8,071,301)
<u>\$ 11,224,312</u>	<u>\$ 28,477,214</u>	<u>\$ 526,647,231</u>	<u>\$ 1,307,575</u>	<u>\$ 91,717,595</u>
<b><u>\$ 37.41</u></b>	<b><u>\$ 33.50</u></b>	<b><u>\$ 29.59</u></b>	<b><u>\$ 26.15</u></b>	<b><u>\$ 16.98</u></b>
300,002	850,002	17,800,002	50,002	5,400,002
<u>\$ 9,805,592</u>	<u>\$ 34,328,561</u>	<u>\$ 502,772,181</u>	<u>\$ 1,288,948</u>	<u>\$ 99,731,751</u>
<u>\$ (289)</u>	<u>\$ (1,108)</u>	<u>\$ (1,247)</u>	<u>\$ 8,605</u>	<u>\$ 137,979</u>
<u>\$ 224,661</u>	<u>\$ 1,226,253</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>



<b>First Trust Dow Jones Global Select Dividend Index Fund (FGD)</b>	<b>First Trust ISE Global Wind Energy Index Fund (FAN)</b>	<b>First Trust ISE Global Engineering and Construction Index Fund (FLM)</b>	<b>First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund (GRID)</b>	<b>First Trust Indxx Global Natural Resources Income ETF (FTRI)</b>
\$ 8,783,522	\$ 468,963	\$ 102,090	\$ 64,528	\$ 146,069
699	13	—	—	—
(505,065)	(44,706)	(8,782)	(3,751)	(11,200)
—	—	3,840	5,869	—
<u>8,279,156</u>	<u>424,270</u>	<u>97,148</u>	<u>66,646</u>	<u>134,869</u>
735,754	84,953	28,142	21,452	42,460 (a)
109,836	21,238	7,035	4,827	—
87,145	11,428	5,405	3,740	—
46,984	9,935	3,123	3,068	—
—	—	—	—	—
13,631	13,256	13,256	13,256	—
52,015	8,611	3,273	1,282	—
4,580	4,071	4,045	4,021	—
9,197	1,062	352	268	—
3,774	3,581	3,581	2,854	—
259	259	259	259	—
(5,203)	(131)	1	(74)	—
—	—	—	—	—
—	—	—	—	—
8,666	3,087	3,006	2,320	—
<u>1,066,638</u>	<u>161,350</u>	<u>71,478</u>	<u>57,273</u>	<u>42,460</u>
—	(33,920)	(22,230)	(19,732)	—
<u>1,066,638</u>	<u>127,430</u>	<u>49,248</u>	<u>37,541</u>	<u>42,460</u>
7,212,518	296,840	47,900	29,105	92,409
(14,336,542)	1,687,266	(208,659)	99,530	(15,187,788)
(2,337,440)	—	380,624	174,880	(9,894)
(30,189)	(16,319)	(31)	(9,429)	10,086
<u>(16,704,171)</u>	<u>1,670,947</u>	<u>171,934</u>	<u>264,981</u>	<u>(15,187,596)</u>
31,746,932	3,393,181	717,684	616,728	14,253,375
86,055	2,984	476	(1,454)	1,384
<u>31,832,987</u>	<u>3,396,165</u>	<u>718,160</u>	<u>615,274</u>	<u>14,254,759</u>
15,128,816	5,067,112	890,094	880,255	(932,837)
<u>\$ 22,341,334</u>	<u>\$ 5,363,952</u>	<u>\$ 937,994</u>	<u>\$ 909,360</u>	<u>\$ (840,428)</u>

**First Trust Exchange-Traded Fund II**

**Statements of Operations (Continued)**

**For the Six Months Ended March 31, 2016 (Unaudited)**

	<b>First Trust Indxx Global Agriculture ETF (FTAG)</b>	<b>First Trust BICK Index Fund (BICK)</b>
	<u>                    </u>	<u>                    </u>
<b>INVESTMENT INCOME:</b>		
Dividends .....	\$ 33,278	\$ 70,016
Interest .....	—	—
Foreign tax withholding .....	(1,177)	(5,302)
Securities lending income (net of fees) .....	—	—
Total investment income .....	<u>32,101</u>	<u>64,714</u>
<b>EXPENSES:</b>		
Investment advisory fees .....	16,669 (a)	24,423 (a)
Licensing fees .....	—	—
Accounting and administration fees .....	—	—
Printing fees .....	—	—
Expenses previously waived or reimbursed .....	—	—
Audit and tax fees .....	—	—
Custodian fees .....	—	—
Trustees' fees and expenses .....	—	—
Transfer agent fees .....	—	—
Listing fees .....	—	—
Registration and filing fees .....	—	—
Legal fees .....	—	—
Excise tax .....	—	—
Foreign capital gains tax .....	501	—
Other expenses .....	—	—
Total expenses .....	<u>17,170</u>	<u>24,423</u>
Less fees waived and expenses reimbursed by the investment advisor ..	—	—
Net expenses .....	<u>17,170</u>	<u>24,423</u>
<b>NET INVESTMENT INCOME (LOSS) .....</b>	<u>14,931</u>	<u>40,291</u>
<b>REALIZED AND UNREALIZED GAIN (LOSS):</b>		
Net realized gain (loss) on:		
Investments .....	(6,308,600)	(476,064)
In-kind redemptions .....	(15,785)	—
Foreign currency transactions .....	(773)	410
Net realized gain (loss) .....	<u>(6,325,158)</u>	<u>(475,654)</u>
Net change in unrealized appreciation (depreciation) on:		
Investments .....	5,074,811	1,000,588
Foreign currency translation .....	(274)	1,280
Net change in unrealized appreciation (depreciation) .....	<u>5,074,537</u>	<u>1,001,868</u>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS) .....</b>	<u>(1,250,621)</u>	<u>526,214</u>
<b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS .....</b>	<u>\$ (1,235,690)</u>	<u>\$ 566,505</u>

(a) Fund is subject to a unitary fee (see Note 3 in the Notes to Financial Statements).



**First Trust Exchange-Traded Fund II**  
**Statements of Changes in Net Assets**

	<b>First Trust STOXX® European Select Dividend Index Fund (FDD)</b>	
	For the Six Months Ended 3/31/2016 (Unaudited)	For the Year Ended 9/30/2015
<b>OPERATIONS:</b>		
Net investment income (loss) .....	\$ 1,723,849	\$ 8,235,838
Net realized gain (loss) .....	(389,519)	(5,843,257)
Net change in unrealized appreciation (depreciation) .....	3,111,125	(19,358,491)
Net increase (decrease) in net assets resulting from operations .....	<u>4,445,455</u>	<u>(16,965,910)</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>		
Net investment income .....	<u>(1,076,805)</u>	<u>(8,201,944)</u>
<b>SHAREHOLDER TRANSACTIONS:</b>		
Proceeds from shares sold .....	1,832,253	64,636,030
Cost of shares redeemed .....	<u>(12,284,462)</u>	<u>(41,197,802)</u>
Net increase (decrease) in net assets resulting from shareholder transactions .....	<u>(10,452,209)</u>	<u>23,438,228</u>
Total increase (decrease) in net assets .....	(7,083,559)	(1,729,626)
<b>NET ASSETS:</b>		
Beginning of period .....	<u>165,750,750</u>	<u>167,480,376</u>
End of period .....	<u>\$ 158,667,191</u>	<u>\$ 165,750,750</u>
Accumulated net investment income (loss) at end of period .....	<u>\$ 800,546</u>	<u>\$ 153,502</u>
<b>CHANGES IN SHARES OUTSTANDING:</b>		
Shares outstanding, beginning of period .....	13,903,334	12,403,334
Shares sold .....	150,000	4,800,000
Shares redeemed .....	<u>(1,000,000)</u>	<u>(3,300,000)</u>
Shares outstanding, end of period .....	<u>13,053,334</u>	<u>13,903,334</u>

<b>First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund (FFR)</b>		<b>First Trust Dow Jones Global Select Dividend Index Fund (FGD)</b>		<b>First Trust ISE Global Wind Energy Index Fund (FAN)</b>	
For the Six Months Ended 3/31/2016 (Unaudited)	For the Year Ended 9/30/2015	For the Six Months Ended 3/31/2016 (Unaudited)	For the Year Ended 9/30/2015	For the Six Months Ended 3/31/2016 (Unaudited)	For the Year Ended 9/30/2015
\$ 1,409,705	\$ 3,034,116	\$ 7,212,518	\$ 24,558,318	\$ 296,840	\$ 1,246,949
5,045,870	5,040,093	(16,704,171)	3,575,710	1,670,947	(1,291,619)
<u>1,083,034</u>	<u>(4,478,864)</u>	<u>31,832,987</u>	<u>(102,879,130)</u>	<u>3,396,165</u>	<u>(7,737,713)</u>
<u>7,538,609</u>	<u>3,595,345</u>	<u>22,341,334</u>	<u>(74,745,102)</u>	<u>5,363,952</u>	<u>(7,782,383)</u>
<u>(588,431)</u>	<u>(3,347,582)</u>	<u>(5,972,960)</u>	<u>(25,805,512)</u>	<u>(450,230)</u>	<u>(1,408,061)</u>
—	6,952,593	—	121,307,517	535,709	7,738,192
<u>(20,622,277)</u>	<u>(17,693,305)</u>	<u>(75,400,755)</u>	<u>(175,503,628)</u>	<u>—</u>	<u>(45,334,299)</u>
<u>(20,622,277)</u>	<u>(10,740,712)</u>	<u>(75,400,755)</u>	<u>(54,196,111)</u>	<u>535,709</u>	<u>(37,596,107)</u>
<u>(13,672,099)</u>	<u>(10,492,949)</u>	<u>(59,032,381)</u>	<u>(154,746,725)</u>	<u>5,449,431</u>	<u>(46,786,551)</u>
<u>98,394,251</u>	<u>108,887,200</u>	<u>407,444,993</u>	<u>562,191,718</u>	<u>39,958,935</u>	<u>86,745,486</u>
<u>\$ 84,722,152</u>	<u>\$ 98,394,251</u>	<u>\$ 348,412,612</u>	<u>\$ 407,444,993</u>	<u>\$ 45,408,366</u>	<u>\$ 39,958,935</u>
<u>\$ (829,295)</u>	<u>\$ (1,650,569)</u>	<u>\$ 1,537,727</u>	<u>\$ 298,169</u>	<u>\$ (130,793)</u>	<u>\$ 22,597</u>
2,400,002	2,650,002	18,850,002	21,100,002	3,850,002	7,500,002
—	150,000	—	4,750,000	50,000	650,000
<u>(500,000)</u>	<u>(400,000)</u>	<u>(3,450,000)</u>	<u>(7,000,000)</u>	<u>—</u>	<u>(4,300,000)</u>
<u>1,900,002</u>	<u>2,400,002</u>	<u>15,400,002</u>	<u>18,850,002</u>	<u>3,900,002</u>	<u>3,850,002</u>

**First Trust Exchange-Traded Fund II**

**Statements of Changes in Net Assets (Continued)**

	<b>First Trust ISE Global Engineering and Construction Index Fund (FLM)</b>	
	For the Six Months Ended 3/31/2016 (Unaudited)	For the Year Ended 9/30/2015
<b>OPERATIONS:</b>		
Net investment income (loss) .....	\$ 47,900	\$ 165,260
Net realized gain (loss) .....	171,934	(1,370,314)
Net change in unrealized appreciation (depreciation) .....	718,160	165,829
Net increase (decrease) in net assets resulting from operations .....	<u>937,994</u>	<u>(1,039,225)</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>		
Net investment income .....	<u>(29,040)</u>	<u>(139,581)</u>
<b>SHAREHOLDER TRANSACTIONS:</b>		
Proceeds from shares sold .....	—	4,507,454
Cost of shares redeemed .....	<u>(2,336,235)</u>	<u>(4,710,177)</u>
Net increase (decrease) in net assets resulting from shareholder transactions .....	<u>(2,336,235)</u>	<u>(202,723)</u>
Total increase (decrease) in net assets .....	<u>(1,427,281)</u>	<u>(1,381,529)</u>
<b>NET ASSETS:</b>		
Beginning of period .....	<u>15,459,853</u>	<u>16,841,382</u>
End of period .....	<u>\$ 14,032,572</u>	<u>\$ 15,459,853</u>
Accumulated net investment income (loss) at end of period .....	<u>\$ 41,104</u>	<u>\$ 22,244</u>
<b>CHANGES IN SHARES OUTSTANDING:</b>		
Shares outstanding, beginning of period .....	350,002	350,002
Shares sold .....	—	100,000
Shares redeemed .....	<u>(50,000)</u>	<u>(100,000)</u>
Shares outstanding, end of period .....	<u>300,002</u>	<u>350,002</u>



<b>First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund (GRID)</b>		<b>First Trust Indxx Global Natural Resources Income ETF (FTRI)</b>		<b>First Trust Indxx Global Agriculture ETF (FTAG)</b>	
For the Six Months Ended 3/31/2016 (Unaudited)	For the Year Ended 9/30/2015	For the Six Months Ended 3/31/2016 (Unaudited)	For the Year Ended 9/30/2015	For the Six Months Ended 3/31/2016 (Unaudited)	For the Year Ended 9/30/2015
\$ 29,105	\$ 133,366	\$ 92,409	\$ 249,309	\$ 14,931	\$ 107,983
264,981	463,799	(15,187,596)	(8,515,191)	(6,325,158)	(3,023,145)
615,274	(1,806,629)	14,254,759	(4,505,248)	5,074,537	(2,839,323)
909,360	(1,209,464)	(840,428)	(12,771,130)	(1,235,690)	(5,754,485)
(27,440)	(128,471)	(115,000)	(222,530)	(44,990)	(182,070)
—	1,784,568	868,326	9,152,420	639,986	999,338
(1,521,381)	(3,564,537)	(857,179)	(10,001,704)	(407,837)	(359,749)
(1,521,381)	(1,779,969)	11,147	(849,284)	232,149	639,589
(639,461)	(3,117,904)	(944,281)	(13,842,944)	(1,048,531)	(5,296,966)
11,033,624	14,151,528	12,642,683	26,485,627	5,379,703	10,676,669
<u>\$ 10,394,163</u>	<u>\$ 11,033,624</u>	<u>\$ 11,698,402</u>	<u>\$ 12,642,683</u>	<u>\$ 4,331,172</u>	<u>\$ 5,379,703</u>
<u>\$ 21,126</u>	<u>\$ 19,461</u>	<u>\$ (2,388)</u>	<u>\$ 20,203</u>	<u>\$ (45,664)</u>	<u>\$ (15,605)</u>
350,002	400,002	1,150,002	1,250,002	1,000,002	950,002
—	50,000	100,000	500,000	150,000	100,000
(50,000)	(100,000)	(100,000)	(600,000)	(100,000)	(50,000)
<u>300,002</u>	<u>350,002</u>	<u>1,150,002</u>	<u>1,150,002</u>	<u>1,050,002</u>	<u>1,000,002</u>

**First Trust Exchange-Traded Fund II**

**Statements of Changes in Net Assets (Continued)**

	<b>First Trust BICK Index Fund (BICK)</b>	
	For the Six Months Ended 3/31/2016 (Unaudited)	For the Year Ended 9/30/2015
<b>OPERATIONS:</b>		
Net investment income (loss) .....	\$ 40,291	\$ 154,476
Net realized gain (loss) .....	(475,654)	(1,085,425)
Net change in unrealized appreciation (depreciation) .....	1,001,868	(2,121,885)
Net increase (decrease) in net assets resulting from operations .....	<u>566,505</u>	<u>(3,052,834)</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>		
Net investment income .....	<u>(47,840)</u>	<u>(176,845)</u>
<b>SHAREHOLDER TRANSACTIONS:</b>		
Proceeds from shares sold .....	—	1,246,188
Cost of shares redeemed .....	<u>—</u>	<u>(8,094,394)</u>
Net increase (decrease) in net assets resulting from shareholder transactions .....	<u>—</u>	<u>(6,848,206)</u>
Total increase (decrease) in net assets .....	518,665	(10,077,885)
<b>NET ASSETS:</b>		
Beginning of period .....	<u>7,503,115</u>	<u>17,581,000</u>
End of period .....	<u>\$ 8,021,780</u>	<u>\$ 7,503,115</u>
Accumulated net investment income (loss) at end of period .....	<u>\$ (6,185)</u>	<u>\$ 1,364</u>
<b>CHANGES IN SHARES OUTSTANDING:</b>		
Shares outstanding, beginning of period .....	400,002	700,002
Shares sold .....	—	50,000
Shares redeemed .....	<u>—</u>	<u>(350,000)</u>
Shares outstanding, end of period .....	<u>400,002</u>	<u>400,002</u>

<b>First Trust Nasdaq Smartphone Index Fund (FONE)</b>		<b>First Trust NASDAQ Global Auto Index Fund (CARZ)</b>		<b>First Trust ISE Cloud Computing Index Fund (SKYY)</b>	
For the Six Months Ended 3/31/2016 (Unaudited)	For the Year Ended 9/30/2015	For the Six Months Ended 3/31/2016 (Unaudited)	For the Year Ended 9/30/2015	For the Six Months Ended 3/31/2016 (Unaudited)	For the Year Ended 9/30/2015
\$ 25,915	\$ 107,387	\$ 279,432	\$ 476,582	\$ 1,556,295	\$ 1,314,355
(45,101)	624,714	(1,073,921)	3,623,757	11,296,594	18,152,026
796,292	(1,209,385)	296,964	(8,625,254)	11,283,141	(13,775,470)
<u>777,106</u>	<u>(477,284)</u>	<u>(497,525)</u>	<u>(4,524,915)</u>	<u>24,136,030</u>	<u>5,690,911</u>
<u>(31,380)</u>	<u>(103,321)</u>	<u>(264,926)</u>	<u>(507,046)</u>	<u>(1,562,040)</u>	<u>(1,374,745)</u>
—	—	5,552,415	5,836,355	96,500,066	191,542,480
—	—	(8,103,875)	(33,494,043)	(62,717,474)	(67,319,015)
—	—	(2,551,460)	(27,657,688)	33,782,592	124,223,465
745,726	(580,605)	(3,313,911)	(32,689,649)	56,356,582	128,539,631
<u>10,478,586</u>	<u>11,059,191</u>	<u>31,791,125</u>	<u>64,480,774</u>	<u>470,290,649</u>	<u>341,751,018</u>
<u>\$ 11,224,312</u>	<u>\$ 10,478,586</u>	<u>\$ 28,477,214</u>	<u>\$ 31,791,125</u>	<u>\$ 526,647,231</u>	<u>\$ 470,290,649</u>
<u>\$ 4,519</u>	<u>\$ 9,984</u>	<u>\$ 100,297</u>	<u>\$ 85,791</u>	<u>\$ (5,745)</u>	<u>\$ —</u>
300,002	300,002	950,002	1,700,002	16,750,002	12,500,002
—	—	150,000	150,000	3,250,000	6,500,000
—	—	(250,000)	(900,000)	(2,200,000)	(2,250,000)
<u>300,002</u>	<u>300,002</u>	<u>850,002</u>	<u>950,002</u>	<u>17,800,002</u>	<u>16,750,002</u>

**First Trust Exchange-Traded Fund II**

**Statements of Changes in Net Assets (Continued)**

	<b>First Trust International IPO ETF (FPXI)</b>	
	For the Six Months Ended 3/31/2016 (Unaudited)	For the Period 11/4/2014 (a) through 9/30/2015
<b>OPERATIONS:</b>		
Net investment income (loss) .....	\$ 9,806	\$ 18,980
Net realized gain (loss) .....	(118,196)	(141,373)
Net change in unrealized appreciation (depreciation) .....	158,216	(146,860)
Net increase (decrease) in net assets resulting from operations .....	<u>49,826</u>	<u>(269,253)</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>		
Net investment income .....	<u>(4,515)</u>	<u>(19,216)</u>
<b>SHAREHOLDER TRANSACTIONS:</b>		
Proceeds from shares sold .....	—	3,000,557
Cost of shares redeemed .....	<u>—</u>	<u>(1,449,824)</u>
Net increase (decrease) in net assets resulting from shareholder transactions .....	<u>—</u>	<u>1,550,733</u>
Total increase (decrease) in net assets .....	45,311	1,262,264
<b>NET ASSETS:</b>		
Beginning of period .....	<u>1,262,264</u>	<u>—</u>
End of period .....	<u>\$ 1,307,575</u>	<u>\$ 1,262,264</u>
Accumulated net investment income (loss) at end of period .....	<u>\$ 5,291</u>	<u>\$ —</u>
<b>CHANGES IN SHARES OUTSTANDING:</b>		
Shares outstanding, beginning of period .....	50,002	—
Shares sold .....	—	100,002
Shares redeemed .....	<u>—</u>	<u>(50,000)</u>
Shares outstanding, end of period .....	<u>50,002</u>	<u>50,002</u>

(a) Inception date is November 4, 2014, which is consistent with the commencement of investment operations and is the date the initial creation units were established.

(b) Inception date is July 6, 2015, which is consistent with the commencement of investment operations and is the date the initial creation units were established.

**First Trust  
Nasdaq  
Cybersecurity ETF  
(CIBR)**

For the Six Months Ended 3/31/2016 (Unaudited)	For the Period 7/6/2015 (b) through 9/30/2015
\$ 1,185,649	\$ (39,697)
(5,201,218)	(788,581)
<u>1,489,913</u>	<u>(9,561,214)</u>
<u>(2,525,656)</u>	<u>(10,389,492)</u>
<u>(1,209,960)</u>	<u>—</u>
32,609,434	90,142,784
<u>(16,909,515)</u>	<u>—</u>
<u>15,699,919</u>	<u>90,142,784</u>
11,964,303	79,753,292
<u>79,753,292</u>	<u>—</u>
<u>\$ 91,717,595</u>	<u>\$ 79,753,292</u>
<u>\$ (24,311)</u>	<u>\$ —</u>
4,650,002	—
1,800,000	4,650,002
<u>(1,050,000)</u>	<u>—</u>
<u>5,400,002</u>	<u>4,650,002</u>

## First Trust Exchange-Traded Fund II

### Financial Highlights

For a share outstanding throughout each period

#### First Trust STOXX® European Select Dividend Index Fund (FDD)

	Six Months Ended	Year Ended September 30,				
	3/31/2016 (Unaudited)	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 11.92	\$ 13.50	\$ 12.94	\$ 11.89	\$ 11.63	\$ 13.09
<b>Income from investment operations:</b>						
Net investment income (loss)	0.13	0.55	0.58	0.46	0.64	0.67
Net realized and unrealized gain (loss)	0.19	(1.59)	0.57	1.06	0.23	(1.46)
Total from investment operations	0.32	(1.04)	1.15	1.52	0.87	(0.79)
<b>Distributions paid to shareholders from:</b>						
Net investment income	(0.08)	(0.54)	(0.59)	(0.47)	(0.61)	(0.67)
Net asset value, end of period	\$ 12.16	\$ 11.92	\$ 13.50	\$ 12.94	\$ 11.89	\$ 11.63
<b>TOTAL RETURN (a)</b>	2.71%	(7.90)%	8.68%	13.29%	7.73%	(6.70)%
<b>RATIOS/SUPPLEMENTAL DATA:</b>						
Net assets, end of period (in 000's)	\$ 158,667	\$ 165,751	\$ 167,480	\$ 58,292	\$ 16,088	\$ 8,762
<b>Ratios to average net assets:</b>						
Ratio of total expenses to average net assets	0.60% (b)	0.60%	0.64%	0.90%	1.67%	1.93%
Ratio of net expenses to average net assets	0.60% (b)	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	2.16% (b)	4.45%	4.90%	5.09%	5.98%	5.09%
Portfolio turnover rate (c)	32%	33%	32%	32%	31%	27%

#### First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund (FFR)

	Six Months Ended	Year Ended September 30,				
	3/31/2016 (Unaudited)	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 41.00	\$ 41.09	\$ 39.87	\$ 37.87	\$ 30.00	\$ 33.85
<b>Income from investment operations:</b>						
Net investment income (loss)	0.53	1.15	1.05	0.95	0.99	1.05
Net realized and unrealized gain (loss)	3.34	0.11	1.27	2.80	7.96	(3.64)
Total from investment operations	3.87	1.26	2.32	3.75	8.95	(2.59)
<b>Distributions paid to shareholders from:</b>						
Net investment income	(0.28)	(1.35)	(1.10)	(1.75)	(1.08)	(1.26)
Net asset value, end of period	\$ 44.59	\$ 41.00	\$ 41.09	\$ 39.87	\$ 37.87	\$ 30.00
<b>TOTAL RETURN (a)</b>	9.46%	2.97%	5.86%	10.02%	30.22%	(8.17)%
<b>RATIOS/SUPPLEMENTAL DATA:</b>						
Net assets, end of period (in 000's)	\$ 84,722	\$ 98,394	\$ 108,887	\$ 99,664	\$ 96,565	\$ 61,508
<b>Ratios to average net assets:</b>						
Ratio of total expenses to average net assets	0.71% (b)	0.71%	0.71%	0.68%	0.74%	0.86%
Ratio of net expenses to average net assets	0.60% (b)	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	2.99% (b)	2.76%	2.45%	2.42%	2.67%	2.29%
Portfolio turnover rate (c)	3%	10%	12%	13%	8%	11%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Annualized.

(c) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund II

### Financial Highlights (Continued)

For a share outstanding throughout each period

#### First Trust Dow Jones Global Select Dividend Index Fund (FGD)

	Six Months Ended 3/31/2016 (Unaudited)	Year Ended September 30,				
		2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 21.62	\$ 26.64	\$ 25.62	\$ 23.57	\$ 21.09	\$ 22.43
<b>Income from investment operations:</b>						
Net investment income (loss)	0.45	1.21	1.21	1.18	1.16	1.05
Net realized and unrealized gain (loss)	0.92	(4.97)	1.02	2.10	2.47	(1.31)
Total from investment operations	1.37	(3.76)	2.23	3.28	3.63	(0.26)
<b>Distributions paid to shareholders from:</b>						
Net investment income	(0.37)	(1.26)	(1.21)	(1.23)	(1.15)	(1.08)
Net asset value, end of period	\$ 22.62	\$ 21.62	\$ 26.64	\$ 25.62	\$ 23.57	\$ 21.09
<b>TOTAL RETURN (a)</b>	6.36%	(14.51)%	8.56%	14.39%	17.58%	(1.57)%
<b>RATIOS/SUPPLEMENTAL DATA:</b>						
Net assets, end of period (in 000's)	\$ 348,413	\$407,445	\$562,192	\$358,618	\$206,229	\$ 95,940
<b>Ratios to average net assets:</b>						
Ratio of total expenses to average net assets	0.58% (b)	0.60%	0.60%	0.61%	0.63%	0.74%
Ratio of net expenses to average net assets	0.58% (b)	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	3.92% (b)	4.71%	4.56%	5.19%	5.41%	5.21%
Portfolio turnover rate (c)	38%	34%	33%	20%	21%	22%

#### First Trust ISE Global Wind Energy Index Fund (FAN)

	Six Months Ended 3/31/2016 (Unaudited)	Year Ended September 30,				
		2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 10.38	\$ 11.57	\$ 10.43	\$ 6.73	\$ 8.13	\$ 10.28
<b>Income from investment operations:</b>						
Net investment income (loss)	0.08	0.31	0.14	0.08	0.09	0.06
Net realized and unrealized gain (loss)	1.30	(1.15)	1.14	3.71	(1.40)	(2.15)
Total from investment operations	1.38	(0.84)	1.28	3.79	(1.31)	(2.09)
<b>Distributions paid to shareholders from:</b>						
Net investment income	(0.12)	(0.35)	(0.14)	(0.09)	(0.09)	—
Return of capital	—	—	—	—	—	(0.06)
Total distributions	(0.12)	(0.35)	(0.14)	(0.09)	(0.09)	(0.06)
Net asset value, end of period	\$ 11.64	\$ 10.38	\$ 11.57	\$ 10.43	\$ 6.73	\$ 8.13
<b>TOTAL RETURN (a)</b>	13.28%	(7.37)%	12.17%	56.63%	(16.14)%	(20.47)%
<b>RATIOS/SUPPLEMENTAL DATA:</b>						
Net assets, end of period (in 000's)	\$ 45,408	\$ 39,959	\$ 86,745	\$ 64,142	\$ 20,862	\$ 35,347
<b>Ratios to average net assets:</b>						
Ratio of total expenses to average net assets	0.76% (b)	0.75%	0.70%	0.84%	0.67%	0.76%
Ratio of net expenses to average net assets	0.60% (b)	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	1.40% (b)	2.75%	1.23%	0.91%	1.12%	0.84%
Portfolio turnover rate (c)	13%	25%	24%	19%	57%	35%

- (a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.
- (b) Annualized.
- (c) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund II

### Financial Highlights (Continued)

For a share outstanding throughout each period

#### First Trust ISE Global Engineering and Construction Index Fund (FLM)

	Six Months Ended 3/31/2016 (Unaudited)	Year Ended September 30,				
		2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 44.17	\$ 48.12	\$ 47.92	\$ 39.09	\$ 33.80	\$ 39.56
<b>Income from investment operations:</b>						
Net investment income (loss)	0.17	0.60	0.62	0.85	0.62	0.67
Net realized and unrealized gain (loss)	2.53	(4.02)	0.42	8.83	5.38	(5.77)
Total from investment operations	2.70	(3.42)	1.04	9.68	6.00	(5.10)
<b>Distributions paid to shareholders from:</b>						
Net investment income	(0.10)	(0.53)	(0.84)	(0.85)	(0.71)	(0.66)
Net asset value, end of period	\$ 46.77	\$ 44.17	\$ 48.12	\$ 47.92	\$ 39.09	\$ 33.80
<b>TOTAL RETURN (a)</b>	6.12%	(7.19)%	2.06%	25.04%	17.93%	(13.30)%
<b>RATIOS/SUPPLEMENTAL DATA:</b>						
Net assets, end of period (in 000's)	\$ 14,033	\$ 15,460	\$ 16,841	\$ 16,773	\$ 17,591	\$ 30,419
<b>Ratios to average net assets:</b>						
Ratio of total expenses to average net assets	1.02% (b)	0.99%	0.87%	0.89%	0.71%	0.80%
Ratio of net expenses to average net assets	0.70% (b)	0.70%	0.70%	0.70%	0.70%	0.70%
Ratio of net investment income (loss) to average net assets	0.68% (b)	1.21%	1.30%	1.77%	1.66%	1.83%
Portfolio turnover rate (c)	13%	46%	41%	24%	22%	22%

#### First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund (GRID)

	Six Months Ended 3/31/2016 (Unaudited)	Year Ended September 30,				
		2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 31.52	\$ 35.38	\$ 33.83	\$ 28.95	\$ 24.25	\$ 30.33
<b>Income from investment operations:</b>						
Net investment income (loss)	0.09	0.38	0.51	0.48	0.26	0.25
Net realized and unrealized gain (loss)	3.12	(3.88)	1.61	4.82	4.76	(6.16)
Total from investment operations	3.21	(3.50)	2.12	5.30	5.02	(5.91)
<b>Distributions paid to shareholders from:</b>						
Net investment income	(0.08)	(0.36)	(0.57)	(0.42)	(0.32)	(0.17)
Net asset value, end of period	\$ 34.65	\$ 31.52	\$ 35.38	\$ 33.83	\$ 28.95	\$ 24.25
<b>TOTAL RETURN (a)</b>	10.19%	(9.97)%	6.19%	18.44%	20.82%	(19.63)%
<b>RATIOS/SUPPLEMENTAL DATA:</b>						
Net assets, end of period (in 000's)	\$ 10,394	\$ 11,034	\$ 14,152	\$ 11,841	\$ 13,026	\$ 18,187
<b>Ratios to average net assets:</b>						
Ratio of total expenses to average net assets	1.07% (b)	0.99%	0.98%	1.11%	0.79%	0.85%
Ratio of net expenses to average net assets	0.70% (b)	0.70%	0.70%	0.70%	0.70%	0.70%
Ratio of net investment income (loss) to average net assets	0.54% (b)	1.02%	1.45%	1.38%	0.78%	0.71%
Portfolio turnover rate (c)	23%	18%	35%	44%	46%	28%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Annualized.

(c) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.



## First Trust Exchange-Traded Fund II

### Financial Highlights (Continued)

For a share outstanding throughout each period

#### First Trust Indxx Global Natural Resources Income ETF (FTRI)

	Six Months Ended	Year Ended September 30,				
	3/31/2016 (Unaudited)	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 10.99	\$ 21.19	\$ 22.16	\$ 28.57	\$ 26.31	\$ 33.54
<b>Income from investment operations:</b>						
Net investment income (loss)	0.08	0.23	0.41	0.61	0.70	1.23
Net realized and unrealized gain (loss)	(0.80)	(10.23)	(0.92)	(6.37)	2.95	(7.88)
Total from investment operations	(0.72)	(10.00)	(0.51)	(5.76)	3.65	(6.65)
<b>Distributions paid to shareholders from:</b>						
Net investment income	(0.10)	(0.20)	(0.41)	(0.65)	(1.39)	(0.58)
Return of capital	—	—	(0.05)	—	—	—
Total distributions	(0.10)	(0.20)	(0.46)	(0.65)	(1.39)	(0.58)
Net asset value, end of period	\$ 10.17	\$ 10.99	\$ 21.19	\$ 22.16	\$ 28.57	\$ 26.31
<b>TOTAL RETURN (a)</b>	(6.51)%	(47.50)%	(2.38)%	(20.27)%	13.82%	(20.50)%
<b>RATIOS/SUPPLEMENTAL DATA:</b>						
Net assets, end of period (in 000's)	\$ 11,698	\$ 12,643	\$ 26,486	\$ 33,246	\$ 44,281	\$ 55,258
<b>Ratios to average net assets:</b>						
Ratio of total expenses to average net assets	0.70% (b)	0.70%	0.71% (c)	0.70%	0.70%	0.70%
Ratio of net expenses to average net assets	0.70% (b)	0.70%	0.71% (c)	0.70%	0.70%	0.70%
Ratio of net investment income (loss) to average net assets	1.52% (b)	1.27%	1.74%	2.34%	1.79%	1.85%
Portfolio turnover rate (e)	93%	40%	28%	46%	46%	41%

#### First Trust Indxx Global Agriculture ETF (FTAG)

	Six Months Ended	Year Ended September 30,				
	3/31/2016 (Unaudited)	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 5.38	\$ 11.24	\$ 12.87	\$ 14.32	\$ 19.15	\$ 29.29
<b>Income from investment operations:</b>						
Net investment income (loss)	0.01	0.12	0.09	0.05	0.07	0.19
Net realized and unrealized gain (loss)	(1.23)	(5.79)	(1.43)	(1.47)	(4.62)	(10.27)
Total from investment operations	(1.22)	(5.67)	(1.34)	(1.42)	(4.55)	(10.08)
<b>Distributions paid to shareholders from:</b>						
Net investment income	(0.04)	(0.19)	(0.29)	(0.03)	(0.28)	(0.06)
Net asset value, end of period	\$ 4.12	\$ 5.38	\$ 11.24	\$ 12.87	\$ 14.32	\$ 19.15
<b>TOTAL RETURN (a)</b>	(22.69)%	(51.20)%	(10.64)%	(9.84)%	(24.08)%	(34.49)%
<b>RATIOS/SUPPLEMENTAL DATA:</b>						
Net assets, end of period (in 000's)	\$ 4,331	\$ 5,380	\$ 10,677	\$ 11,586	\$ 8,589	\$ 7,660
<b>Ratios to average net assets:</b>						
Ratio of total expenses to average net assets	0.71% (b) (d)	0.70%	0.72% (c)	0.70%	0.70%	0.70%
Ratio of net expenses to average net assets	0.71% (b) (d)	0.70%	0.72% (c)	0.70%	0.70%	0.70%
Ratio of net investment income (loss) to average net assets	0.64% (b)	1.17%	0.46%	0.38%	0.50%	0.44%
Portfolio turnover rate (e)	120%	40%	43%	46%	64%	41%

- (a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year.
- (b) Annualized.
- (c) Includes excise tax. If this excise tax expense was not included, the expense ratio would have been 0.70%.
- (d) Includes foreign capital gains tax. If this tax expense was not included, the expense ratio would have been 0.70%.
- (e) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund II

### Financial Highlights (Continued)

For a share outstanding throughout each period

#### First Trust BICK Index Fund (BICK)

	Six Months Ended 3/31/2016 (Unaudited)	Year Ended September 30,				
		2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 18.76	\$ 25.12	\$ 23.65	\$ 23.91	\$ 22.21	\$ 31.16
<b>Income from investment operations:</b>						
Net investment income (loss)	0.10	0.32	0.35	0.41	0.35	0.72
Net realized and unrealized gain (loss)	1.31	(6.34)	1.53	(0.26)	1.80	(8.98)
Total from investment operations	1.41	(6.02)	1.88	0.15	2.15	(8.26)
<b>Distributions paid to shareholders from:</b>						
Net investment income	(0.12)	(0.34)	(0.41)	(0.41)	(0.43)	(0.69)
Return of capital	—	—	—	—	(0.02)	—
Total distributions	(0.12)	(0.34)	(0.41)	(0.41)	(0.45)	(0.69)
Net asset value, end of period	\$ 20.05	\$ 18.76	\$ 25.12	\$ 23.65	\$ 23.91	\$ 22.21
<b>TOTAL RETURN (a)</b>	7.55%	(24.15)%	7.92%	0.69%	9.78%	(27.18)%
<b>RATIOS/SUPPLEMENTAL DATA:</b>						
Net assets, end of period (in 000's)	\$ 8,022	\$ 7,503	\$ 17,581	\$ 18,922	\$ 45,438	\$ 41,089
<b>Ratios to average net assets:</b>						
Ratio of total expenses to average net assets	0.64% (b)	0.64%	0.64%	0.64%	0.64%	0.64%
Ratio of net expenses to average net assets	0.64% (b)	0.64%	0.64%	0.64%	0.64%	0.64%
Ratio of net investment income (loss) to average net assets	1.06% (b)	1.17%	1.35%	1.39%	1.46%	1.11%
Portfolio turnover rate (c)	29%	70%	126%	56%	55%	96%

#### First Trust Nasdaq Smartphone Index Fund (FONE)

	Six Months Ended 3/31/2016 (Unaudited)	Year Ended September 30,				For the Period 2/17/2011 (d) through 9/30/2011
		2015	2014	2013	2012	
Net asset value, beginning of period	\$ 34.93	\$ 36.86	\$ 32.10	\$ 23.11	\$ 22.51	\$ 30.11
<b>Income from investment operations:</b>						
Net investment income (loss)	0.09	0.36	0.43	0.35	0.23	0.20
Net realized and unrealized gain (loss)	2.49	(1.95)	4.75	8.98	0.68	(7.70)
Total from investment operations	2.58	(1.59)	5.18	9.33	0.91	(7.50)
<b>Distributions paid to shareholders from:</b>						
Net investment income	(0.10)	(0.34)	(0.42)	(0.34)	(0.31)	(0.10)
Net asset value, end of period	\$ 37.41	\$ 34.93	\$ 36.86	\$ 32.10	\$ 23.11	\$ 22.51
<b>TOTAL RETURN (a)</b>	7.41%	(4.35)%	16.16%	40.61%	4.03%	(24.97)%
<b>RATIOS/SUPPLEMENTAL DATA:</b>						
Net assets, end of period (in 000's)	\$ 11,224	\$ 10,479	\$ 11,059	\$ 9,629	\$ 12,712	\$ 13,505
<b>Ratios to average net assets:</b>						
Ratio of total expenses to average net assets	0.70% (b)	0.70%	0.70%	0.70%	0.70%	0.70% (b)
Ratio of net expenses to average net assets	0.70% (b)	0.70%	0.70%	0.70%	0.70%	0.70% (b)
Ratio of net investment income (loss) to average net assets	0.48% (b)	0.93%	1.22%	1.10%	0.89%	1.30% (b)
Portfolio turnover rate (c)	17%	28%	32%	23%	35%	29%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Annualized.

(c) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

(d) Inception date is consistent with the commencement of investment operations and is the date the initial creation units were established.

## First Trust Exchange-Traded Fund II

### Financial Highlights (Continued)

For a share outstanding throughout each period

#### First Trust NASDAQ Global Auto Index Fund (CARZ)

	Six Months Ended 3/31/2016 (Unaudited)	Year Ended September 30,				For the Period 5/9/2011 (a) through 9/30/2011
		2015	2014	2013	2012	
Net asset value, beginning of period	\$ 33.46	\$ 37.93	\$ 38.75	\$ 24.52	\$ 22.51	\$ 29.88
<b>Income from investment operations:</b>						
Net investment income (loss)	0.28	0.64	0.51	0.29	0.22	0.08
Net realized and unrealized gain (loss)	0.02	(4.50)	(0.84)	14.23	1.97	(7.40)
Total from investment operations	0.30	(3.86)	(0.33)	14.52	2.19	(7.32)
<b>Distributions paid to shareholders from:</b>						
Net investment income	(0.26)	(0.61)	(0.49)	(0.29)	(0.18)	(0.05)
Net asset value, end of period	\$ 33.50	\$ 33.46	\$ 37.93	\$ 38.75	\$ 24.52	\$ 22.51
<b>TOTAL RETURN (b)</b>	0.84%	(10.38)%	(0.92)%	59.44%	9.77%	(24.55)%
<b>RATIOS/SUPPLEMENTAL DATA:</b>						
Net assets, end of period (in 000's)	\$ 28,477	\$ 31,791	\$ 64,481	\$ 46,504	\$ 4,904	\$ 3,376
<b>Ratios to average net assets:</b>						
Ratio of total expenses to average net assets	0.70% (c)	0.70%	0.70%	0.70%	0.70%	0.70% (c)
Ratio of net expenses to average net assets	0.70% (c)	0.70%	0.70%	0.70%	0.70%	0.70% (c)
Ratio of net investment income (loss) to average net assets	1.66% (c)	1.34%	1.35%	1.20%	1.04%	0.70% (c)
Portfolio turnover rate (d)	9%	18%	20%	33%	17%	16%

#### First Trust ISE Cloud Computing Index Fund (SKYY)

	Six Months Ended 3/31/2016 (Unaudited)	Year Ended September 30,				For the Period 7/5/2011 (a) through 9/30/2011
		2015	2014	2013	2012	
Net asset value, beginning of period	\$ 28.08	\$ 27.34	\$ 24.60	\$ 19.87	\$ 15.93	\$ 20.16
<b>Income from investment operations:</b>						
Net investment income (loss)	0.09	0.09	0.02	0.01	(0.01)	(0.01)
Net realized and unrealized gain (loss)	1.51	0.74	2.74	4.72	3.96	(4.22)
Total from investment operations	1.60	0.83	2.76	4.73	3.95	(4.23)
<b>Distributions paid to shareholders from:</b>						
Net investment income	(0.09)	(0.09)	(0.02)	(0.00) (e)	—	—
Net realized gain	—	—	—	—	(0.01)	—
Total distributions	(0.09)	(0.09)	(0.02)	(0.00) (e)	(0.01)	—
Net asset value, end of period	\$ 29.59	\$ 28.08	\$ 27.34	\$ 24.60	\$ 19.87	\$ 15.93
<b>TOTAL RETURN (b)</b>	5.68%	3.04%	11.20%	23.82%	24.83%	(20.98)%
<b>RATIOS/SUPPLEMENTAL DATA:</b>						
Net assets, end of period (in 000's)	\$ 526,647	\$470,291	\$341,751	\$122,976	\$ 76,488	\$ 51,758
<b>Ratios to average net assets:</b>						
Ratio of total expenses to average net assets	0.60% (c)	0.60%	0.60%	0.60%	0.60%	0.60% (c)
Ratio of net expenses to average net assets	0.60% (c)	0.60%	0.60%	0.60%	0.60%	0.60% (c)
Ratio of net investment income (loss) to average net assets	0.61% (c)	0.31%	0.10%	0.05%	(0.14)%	(0.31)% (c)
Portfolio turnover rate (d)	15%	25%	12%	22%	28%	1%

- (a) Inception date is consistent with the commencement of investment operations and is the date the initial creation units were established.
- (b) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year.
- (c) Annualized.
- (d) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.
- (e) Amount represents less than \$0.01 per share.

## First Trust Exchange-Traded Fund II

### Financial Highlights (Continued)

For a share outstanding throughout each period

#### First Trust International IPO ETF (FPXI)

	Six Months Ended 3/31/2016 (Unaudited)	For the Period 11/4/2014 (a) through 9/30/2015
Net asset value, beginning of period	\$ 25.24	\$ 30.00
<b>Income from investment operations:</b>		
Net investment income (loss)	0.20	0.37
Net realized and unrealized gain (loss)	0.80	(4.76)
Total from investment operations	1.00	(4.39)
<b>Distributions paid to shareholders from:</b>		
Net investment income	(0.09)	(0.37)
Net asset value, end of period	\$ 26.15	\$ 25.24
<b>TOTAL RETURN (b)</b>	3.96%	(14.74)%
<b>RATIOS/SUPPLEMENTAL DATA:</b>		
Net assets, end of period (in 000's)	\$ 1,308	\$ 1,262
<b>Ratios to average net assets:</b>		
Ratio of total expenses to average net assets	0.71% (c) (d)	0.70% (c)
Ratio of net expenses to average net assets	0.71% (c) (d)	0.70% (c)
Ratio of net investment income (loss) to average net assets	1.53% (c)	1.01% (c)
Portfolio turnover rate (e)	47%	98%

#### First Trust Nasdaq Cybersecurity ETF (CIBR)

	Six Months Ended 3/31/2016 (Unaudited)	For the Period 7/6/2015 (a) through 9/30/2015
Net asset value, beginning of period	\$ 17.15	\$ 20.00
<b>Income from investment operations:</b>		
Net investment income (loss)	0.21	(0.01)
Net realized and unrealized gain (loss)	(0.17)	(2.84)
Total from investment operations	0.04	(2.85)
<b>Distributions paid to shareholders from:</b>		
Net investment income	(0.21)	—
Net asset value, end of period	\$ 16.98	\$ 17.15
<b>TOTAL RETURN (b)</b>	0.23%	(14.25)%
<b>RATIOS/SUPPLEMENTAL DATA:</b>		
Net assets, end of period (in 000's)	\$ 91,718	\$ 79,753
<b>Ratios to average net assets:</b>		
Ratio of total expenses to average net assets	0.60% (c)	0.60% (c)
Ratio of net expenses to average net assets	0.60% (c)	0.60% (c)
Ratio of net investment income (loss) to average net assets	2.51% (c)	(0.30)% (c)
Portfolio turnover rate (e)	29%	7%

- (a) Inception date is consistent with the commencement of investment operations and is the date the initial creation units were established.
- (b) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year.
- (c) Annualized.
- (d) Includes excise tax. If this excise tax expense was not included, the expense ratio would have been 0.70%.
- (e) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

**First Trust Exchange-Traded Fund II**  
**March 31, 2016 (Unaudited)**

**1. Organization**

First Trust Exchange-Traded Fund II (the “Trust”) is an open-end management investment company organized as a Massachusetts business trust on July 6, 2006, and is registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended (the “1940 Act”).

The Trust currently consists of fourteen funds as follows, including the exchange on which they are listed and traded:

First Trust STOXX® European Select Dividend Index Fund – (NYSE Arca, Inc. (“NYSE Arca”) ticker “FDD”)  
 First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund – (NYSE Arca ticker “FFR”)  
 First Trust Dow Jones Global Select Dividend Index Fund – (NYSE Arca ticker “FGD”)  
 First Trust ISE Global Wind Energy Index Fund – (NYSE Arca ticker “FAN”)  
 First Trust ISE Global Engineering and Construction Index Fund – (NYSE Arca ticker “FLM”)  
 First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund –  
 (The Nasdaq Stock Market LLC (“Nasdaq”) ticker “GRID”)  
 First Trust Indxx Global Natural Resources Income ETF – (Nasdaq ticker “FTRI”)<sup>1</sup>  
 First Trust Indxx Global Agriculture ETF – (Nasdaq ticker “FTAG”)<sup>1</sup>  
 First Trust BICK Index Fund – (Nasdaq ticker “BICK”)  
 First Trust Nasdaq Smartphone Index Fund – (Nasdaq ticker “FONE”)<sup>2</sup>  
 First Trust NASDAQ Global Auto Index Fund – (Nasdaq ticker “CARZ”)  
 First Trust ISE Cloud Computing Index Fund – (Nasdaq ticker “SKYY”)  
 First Trust International IPO ETF – (Nasdaq ticker “FPXI”)  
 First Trust Nasdaq Cybersecurity ETF – (Nasdaq ticker “CIBR”)<sup>2</sup>

<sup>1</sup> Effective on the close of business December 18, 2015, First Trust ISE Global Copper Index Fund (Nasdaq ticker “CU”) and First Trust ISE Global Platinum Index Fund (Nasdaq ticker “PLTM”) changed their names and ticker symbols to First Trust Indxx Global Natural Resources Income ETF (Nasdaq ticker “FTRI”) and First Trust Indxx Global Agriculture ETF (Nasdaq ticker “FTAG”), respectively.

<sup>2</sup> Effective on the close of business December 18, 2015, First Trust NASDAQ CEA Smartphone Index Fund changed its name to First Trust Nasdaq Smartphone Index Fund, and First Trust NASDAQ CEA Cybersecurity ETF changed its name to First Trust Nasdaq Cybersecurity ETF. The Funds’ ticker symbols were not changed.

Each fund represents a separate series of shares of beneficial interest in the Trust (each a “Fund” and collectively, the “Funds”). Unlike conventional mutual funds, each Fund issues and redeems shares on a continuous basis, at net asset value (“NAV”), only in large specified blocks consisting of 50,000 shares called a “Creation Unit”. Creation Units are issued and redeemed principally in-kind for securities included in a Fund’s relevant index. Except when aggregated in Creation Units, each Fund’s shares are not redeemable securities. The investment objective of each Fund is to seek investment results that correspond generally to the price and yield (before the Fund’s fees and expenses) of the following indices:

<b>Fund</b>	<b>Index</b>
First Trust STOXX® European Select Dividend Index Fund	STOXX® Europe Select Dividend 30 Index
First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund	FTSE EPRA/NAREIT Developed Index
First Trust Dow Jones Global Select Dividend Index Fund	Dow Jones Global Select Dividend Index <sup>SM</sup>
First Trust ISE Global Wind Energy Index Fund	ISE Global Wind Energy <sup>TM</sup> Index
First Trust ISE Global Engineering and Construction Index Fund	ISE Global Engineering and Construction <sup>TM</sup> Index
First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund	NASDAQ OMX® Clean Edge® Smart Grid Infrastructure Index <sup>SM</sup>
First Trust Indxx Global Natural Resources Income ETF	Indxx Global Natural Resources Income Index <sup>3</sup>
First Trust Indxx Global Agriculture ETF	Indxx Global Agriculture Index <sup>3</sup>
First Trust BICK Index Fund	ISE BICK <sup>TM</sup> Index
First Trust Nasdaq Smartphone Index Fund	Nasdaq CTA Smartphone Index <sup>SM 4</sup>
First Trust NASDAQ Global Auto Index Fund	NASDAQ OMX Global Auto Index <sup>SM</sup>
First Trust ISE Cloud Computer Index Fund	ISE Cloud Computing <sup>TM</sup> Index
First Trust International IPO ETF	IPOX International Index
First Trust Nasdaq Cybersecurity ETF	Nasdaq CTA Cybersecurity Index <sup>SM 4</sup>

<sup>3</sup> Effective on the close of business December 18, 2015, First Trust Indxx Global Natural Resources Income ETF’s underlying index was changed from ISE Global Copper<sup>TM</sup> Index to Indxx Global Natural Resources Income Index, and First Trust Indxx Global Agriculture ETF’s underlying index was changed from ISE Global Platinum<sup>TM</sup> Index to Indxx Global Agriculture Index.

<sup>4</sup> Effective on the close of business December 18, 2015, First Trust Nasdaq Smartphone Index Fund’s underlying index was changed from NASDAQ OMX CEA Smartphone Index<sup>SM</sup> to Nasdaq CTA Smartphone Index<sup>SM</sup>, and First Trust Nasdaq Cybersecurity ETF’s underlying index was changed from Nasdaq CEA Cybersecurity Index<sup>SM</sup> to Nasdaq CTA Cybersecurity Index<sup>SM</sup>.

**First Trust Exchange-Traded Fund II**  
**March 31, 2016 (Unaudited)**

**2. Significant Accounting Policies**

The Funds, each of which is an investment company within the scope of Financial Accounting Standards Board (“FASB”) Accounting Standards Update 2013-08, follow accounting and reporting guidance under FASB Accounting Standards Codification Topic 946, “Financial Services-Investment Companies.” The following is a summary of significant accounting policies consistently followed by the Funds in the preparation of the financial statements. The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

**A. Portfolio Valuation**

Each Fund’s NAV is determined daily as of the close of regular trading on the New York Stock Exchange (“NYSE”), normally 4:00 p.m. Eastern time, on each day the NYSE is open for trading. If the NYSE closes early on a valuation day, the NAV is determined as of that time. Foreign securities are priced using data reflecting the earlier closing of the principal markets for those securities. Each Fund’s NAV is calculated by dividing the value of all assets of each Fund (including accrued interest and dividends), less all liabilities (including accrued expenses and dividends declared but unpaid), by the total number of shares outstanding.

Each Fund’s investments are valued daily at market value or, in the absence of market value with respect to any portfolio securities, at fair value. Market value prices represent last sale or official closing prices from a national or foreign exchange (i.e., a regulated market) and are primarily obtained from third-party pricing services. Fair value prices represent any prices not considered market value prices and are either obtained from a third-party pricing service or are determined by the Pricing Committee of the Funds’ investment advisor, First Trust Advisors L.P. (“First Trust” or the “Advisor”), in accordance with valuation procedures adopted by the Trust’s Board of Trustees, and in accordance with provisions of the 1940 Act. Investments valued by the Advisor’s Pricing Committee, if any, are footnoted as such in the footnotes to the Portfolio of Investments. Each Fund’s investments are valued as follows:

Common stocks and other equity securities listed on any national or foreign exchange (excluding Nasdaq and the London Stock Exchange Alternative Investment Market (“AIM”)) are valued at the last sale price on the exchange on which they are principally traded or, for Nasdaq and AIM securities, the official closing price. Securities traded on more than one securities exchange are valued at the last sale price or official closing price, as applicable, at the close of the securities exchange representing the principal market for such securities.

Shares of open-end funds are valued at fair value which is based on NAV per share.

Securities traded in an over-the-counter market are fair valued at the mean of their most recent bid and asked price, if available, and otherwise at their closing bid price.

Overnight repurchase agreements are valued at amortized cost when it represents the best estimate of fair value.

Certain securities may not be able to be priced by pre-established pricing methods. Such securities may be valued by the Trust’s Board of Trustees or its delegate, the Advisor’s Pricing Committee, at fair value. These securities generally include, but are not limited to, restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; a security whose market or fair value price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of a Fund’s NAV or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, does not reflect the security’s fair value. As a general principle, the current fair value of a security would appear to be the amount which the owner might reasonably expect to receive for the security upon its current sale. When fair value prices are used, generally they will differ from market quotations or official closing prices on the applicable exchanges. A variety of factors may be considered in determining the fair value of such securities, including, but not limited to, the following:

- 1) the type of security;
- 2) the size of the holding;
- 3) the initial cost of the security;
- 4) transactions in comparable securities;
- 5) price quotes from dealers and/or pricing services;
- 6) relationships among various securities;
- 7) information obtained by contacting the issuer, analysts, or the appropriate stock exchange;
- 8) an analysis of the issuer’s financial statements; and
- 9) the existence of merger proposals or tender offers that might affect the value of the security.

If the securities in question are foreign securities, the following additional information may be considered:

- 1) the value of similar foreign securities traded on other foreign markets;
- 2) ADR trading of similar securities;
- 3) closed-end fund trading of similar securities;

**First Trust Exchange-Traded Fund II**  
**March 31, 2016 (Unaudited)**

- 4) foreign currency exchange activity;
- 5) the trading prices of financial products that are tied to baskets of foreign securities;
- 6) factors relating to the event that precipitated the pricing problem;
- 7) whether the event is likely to recur; and
- 8) whether the effects of the event are isolated or whether they affect entire markets, countries or regions.

In addition, differences between the prices used to calculate a Fund's NAV and the prices used by such Fund's corresponding index could result in a difference between a Fund's performance and the performance of its underlying index.

Because foreign markets may be open on different days than the days during which investors may transact in the shares of a Fund, the value of the Fund's securities may change on the days when investors are not able to transact in the shares of the Fund. The value of securities denominated in foreign currencies is converted into U.S. dollars using exchange rates determined daily as of the close of regular trading on the NYSE. Any use of a different rate from the rates used by a relevant index may adversely affect the Fund's ability to track the index.

The Funds are subject to fair value accounting standards that define fair value, establish the framework for measuring fair value and provide a three-level hierarchy for fair valuation based upon the inputs to the valuation as of the measurement date. The three levels of the fair value hierarchy are as follows:

- Level 1 — Level 1 inputs are quoted prices in active markets for identical investments. An active market is a market in which transactions for the investment occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 — Level 2 inputs are observable inputs, either directly or indirectly, and include the following:
  - Quoted prices for similar investments in active markets.
  - Quoted prices for identical or similar investments in markets that are non-active. A non-active market is a market where there are few transactions for the investment, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
  - Inputs other than quoted prices that are observable for the investment (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 — Level 3 inputs are unobservable inputs. Unobservable inputs may reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the investment.

The inputs or methodologies used for valuing investments are not necessarily an indication of the risk associated with investing in those investments. A summary of the inputs used to value each Fund's investments as of March 31, 2016, is included with each Fund's Portfolio of Investments.

***B. Securities Transactions and Investment Income***

Securities transactions are recorded as of the trade date. Realized gains and losses from securities transactions are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date. Interest income, if any, is recorded on the accrual basis.

Distributions received from a Fund's investments in real estate investment trusts ("REITs") may be comprised of return of capital, capital gains and income. The actual character of the amounts received during the year is not known until after the REITs' fiscal year end. A Fund records the character of distributions received from the REITs during the year based on estimates available. The characterization of distributions received by a Fund may be subsequently revised based on information received from the REITs after their tax reporting periods conclude.

***C. Offsetting on the Statements of Assets and Liabilities***

Offsetting Assets and Liabilities require entities to disclose both gross and net information about instruments and transactions eligible for offset on the Statements of Assets and Liabilities, and disclose instruments and transactions subject to master netting or similar agreements. These disclosure requirements are intended to help investors and other financial statement users better assess the effect or potential effect of offsetting arrangements on a fund's financial position. The transactions subject to offsetting disclosures are derivative instruments, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions.

This disclosure, if applicable, is included within each Fund's Portfolio of Investments under the heading "Offsetting Assets and Liabilities." For financial reporting purposes, the Funds do not offset financial assets and financial liabilities that are subject to master netting arrangements ("MNAs") or similar agreements on the Statements of Assets and Liabilities. MNAs provide the right, in the event of default (including bankruptcy and insolvency), for the non-defaulting counterparty to liquidate the collateral and calculate the net exposure to the defaulting party or request additional collateral.

**First Trust Exchange-Traded Fund II  
March 31, 2016 (Unaudited)*****D. Foreign Currency***

The books and records of the Funds are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period. Purchases and sales of investments and items of income and expense are translated on the respective dates of such transactions. Unrealized gains and losses on assets and liabilities, other than investments in securities, which result from changes in foreign currency exchange rates have been included in “Net change in unrealized appreciation (depreciation) on foreign currency translation” on the Statements of Operations. Unrealized gains and losses on investments in securities which result from changes in foreign exchange rates are included with fluctuations arising from changes in market price and are shown in “Net change in unrealized appreciation (depreciation) on investments” on the Statements of Operations. Net realized foreign currency gains and losses include the effect of changes in exchange rates between trade date and settlement date on investment security transactions, foreign currency transactions and interest and dividends received is included in “Net realized gain (loss) on foreign currency transactions” on the Statements of Operations. The portion of foreign currency gains and losses related to fluctuations in exchange rates between the initial purchase settlement date and subsequent sale trade date is included in “Net realized gain (loss) on investments” on the Statements of Operations.

***E. Securities Lending***

The Funds may lend securities representing up to 33 1/3% of the value of their total assets to broker-dealers, banks and other institutions to generate additional income. When a Fund loans its portfolio securities, it will receive, at the inception of each loan, collateral equal to at least 102% (for domestic securities) or 105% (for international securities) of the market value of the loaned securities. The collateral amount is valued at the beginning of each business day and is compared to the market value of the loaned securities from the prior business day to determine if additional collateral is required. If additional collateral is required, a request is sent to the borrower. Securities lending involves the risk that the Fund may lose money because the borrower of the Fund’s loaned securities fails to return the securities in a timely manner or at all. The Fund could also lose money in the event of (i) a decline in the value of the collateral provided for the loaned securities, (ii) a decline in the value of any investments made with cash collateral or (iii) an increase in the value of the loaned securities if the borrower does not increase the collateral accordingly and the borrower fails to return the securities. These events could also trigger adverse tax consequences for the Funds.

Under the Funds’ Securities Lending Agency Agreement, the securities lending agent will generally bear the risk that a borrower may default on its obligation to return loaned securities. Brown Brothers Harriman & Co. (“BBH”) acts as the Funds’ securities lending agent and is responsible for executing the lending of the portfolio securities to creditworthy borrowers. The Funds, however, will be responsible for the risks associated with the investment of cash collateral. A Fund may lose money on its investment of cash collateral, which may affect its ability to repay the collateral to the borrower without the use of other Fund assets. Each Fund that engages in securities lending receives compensation (net of any rebate and securities lending agent fees) for lending its securities. Compensation can be in the form of fees received from the securities lending agent or dividends or interest earned from the investment of cash collateral. The dividend and interest earned on the securities loaned is accounted for in the same manner as other dividend and interest income. At March 31, 2016, only FLM, GRID, FONE and CARZ have securities in the securities lending program.

In the event of a default by a borrower with respect to any loan, BBH will exercise any and all remedies provided under the applicable borrower agreement to make the Funds whole. These remedies include purchasing replacement securities by applying the collateral held from the defaulting broker against the purchase cost of the replacement securities. If, despite such efforts by BBH to exercise these remedies, a Fund sustains losses as a result of a borrower’s default, BBH will indemnify the Fund by purchasing replacement securities at its own expense, or paying the Fund an amount equal to the market value of the replacement securities, subject to certain limitations which are set forth in detail in the Securities Lending Agency Agreement between the Trust on behalf of the Funds and BBH.

***F. Repurchase Agreements***

Repurchase agreements involve the purchase of securities subject to the seller’s agreement to repurchase the securities at a mutually agreed upon date and price, under the terms of a Master Repurchase Agreement (“MRA”). During the term of a repurchase agreement, the value of the underlying securities held as collateral on behalf of a Fund, including accrued interest, is required to exceed the value of the repurchase agreement, including accrued interest. The underlying securities for all repurchase agreements are held at the Funds’ custodian or designated sub-custodians under tri-party repurchase agreements.

MRAs govern transactions between a Fund and select counterparties. The MRAs contain provisions for, among other things, initiation, income payments, events of default, and maintenance of collateral for repurchase agreements.

Repurchase agreements received for lending securities are collateralized by U.S. Treasury Notes. The U.S. Treasury Notes are held in a joint custody account at BBH on behalf of the Funds participating in the securities lending program. In the event the counterparty defaults on the repurchase agreement, the U.S. Treasury Notes can either be maintained as part of a Fund’s portfolio or sold for cash. A Fund could suffer a loss to the extent that the proceeds from the sale of the underlying collateral held by the Fund is less than the repurchase price and the Fund’s costs associated with the delay and enforcement of the MRA.



**First Trust Exchange-Traded Fund II**  
**March 31, 2016 (Unaudited)**

While the Funds may invest in repurchase agreements, any repurchase agreements held by the Funds during the six months ended March 31, 2016, were received as collateral for lending securities.

**G. Dividends and Distributions to Shareholders**

Dividends from net investment income of each Fund, if any, are declared and paid quarterly or as the Board of Trustees may determine from time to time. Distributions of net realized gains earned by each Fund, if any, are distributed at least annually.

Distributions from income and capital gains are determined in accordance with income tax regulations, which may differ from U.S. GAAP. Certain capital accounts in the financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These permanent differences are primarily due to the varying treatment of income and gain/loss on portfolio securities held by the Funds and have no impact on net assets or NAV per share. Temporary differences, which arise from recognizing certain items of income, expense and gain/loss in different periods for financial statement and tax purposes, will reverse at some time in the future.

The tax character of distributions paid by each Fund during the fiscal year ended September 30, 2015 was as follows:

	Distributions paid from Ordinary Income	Distributions paid from Capital Gains	Distributions paid from Return of Capital
First Trust STOXX® European Select Dividend Index Fund	\$ 8,201,944	\$ —	\$ —
First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund	3,347,582	—	—
First Trust Dow Jones Global Select Dividend Index Fund	25,805,512	—	—
First Trust ISE Global Wind Energy Index Fund	1,408,061	—	—
First Trust ISE Global Engineering and Construction Index Fund	139,581	—	—
First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund	128,471	—	—
First Trust Indxx Global Natural Resources Income ETF	222,530	—	—
First Trust Indxx Global Agriculture ETF	182,070	—	—
First Trust BICK Index Fund	176,845	—	—
First Trust Nasdaq Smartphone Index Fund	103,321	—	—
First Trust NASDAQ Global Auto Index Fund	507,046	—	—
First Trust ISE Cloud Computing Index Fund	1,374,745	—	—
First Trust International IPO ETF	19,216	—	—
First Trust Nasdaq Cybersecurity ETF	—	—	—

As of September 30, 2015, the components of distributable earnings on a tax basis for each Fund were as follows:

	Accumulated Undistributed Ordinary Income	Net Capital and Other Gain (Loss)	Unrealized Appreciation (Depreciation)
First Trust STOXX® European Select Dividend Index Fund	\$ 153,502	\$(19,931,167)	\$(21,127,150)
First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund	(582,688)	(2,031,279)	8,927,453
First Trust Dow Jones Global Select Dividend Index Fund	298,169	(31,124,922)	(79,918,945)
First Trust ISE Global Wind Energy Index Fund	22,597	(63,104,211)	(8,047,792)
First Trust ISE Global Engineering and Construction Index Fund	22,244	(6,149,737)	(1,232,333)
First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund	19,461	(3,902,668)	(732,189)
First Trust Indxx Global Natural Resources Income ETF	20,203	(45,474,964)	(15,976,064)
First Trust Indxx Global Agriculture ETF	(4,542)	(11,553,323)	(7,026,042)
First Trust BICK Index Fund	2,844	(11,744,368)	(2,465,659)
First Trust Nasdaq Smartphone Index Fund	9,984	(1,025,338)	645,364
First Trust NASDAQ Global Auto Index Fund	86,020	(759,774)	(5,534,737)
First Trust ISE Cloud Computing Index Fund	—	(2,091,095)	6,328,531
First Trust International IPO ETF	—	(144,793)	(146,860)
First Trust Nasdaq Cybersecurity ETF	—	(17,704)	(10,356,350)

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**H. Income Taxes**

Each Fund intends to qualify or to continue to qualify as a regulated investment company by complying with the requirements under Subchapter M of the Internal Revenue Code of 1986, as amended, which includes distributing substantially all of its net investment income and net realized gains to shareholders. Accordingly, no provision has been made for federal and state income taxes. However, due to the timing and amount of distributions, each Fund may be subject to an excise tax of 4% of the amount by which approximately 98% of the Fund's taxable income exceeds the distributions from such taxable income for the calendar year.

The Funds are subject to accounting standards that establish a minimum threshold for recognizing, and a system for measuring, the benefits of a tax position taken or expected to be taken in a tax return. Taxable years ending 2012, 2013, 2014 and 2015 remain open to federal and state audit. As of March 31, 2016, management has evaluated the application of these standards to the Funds, and has determined that no provision for income tax is required in the Funds' financial statements for uncertain tax positions.

Under the Regulated Investment Company Modernization Act of 2010 (the "Act"), net capital losses arising in taxable years after December 22, 2010, may be carried forward indefinitely, and their character is retained as short-term and/or long-term losses. Previously, net capital losses were carried forward for up to eight years and treated as short-term losses. As a transition rule, the Act requires that post-enactment net capital losses be used before pre-enactment net capital losses. At September 30, 2015, the Funds had pre-enactment and post-enactment net capital losses for federal income tax purposes as shown in the following table. To the extent that these loss carryforwards are used to offset future capital gains, it is probable that the capital gains so offset will not be distributed to Fund shareholders. The Funds are subject to certain limitations, under U.S. tax rules, on the use of capital loss carryforwards and net unrealized built-in losses. These limitations apply when there has been a 50% change in ownership.

	Capital Loss Available through 9/30/2016	Capital Loss Available through 9/30/2017	Capital Loss Available through 9/30/2018	Capital Loss Available through 9/30/2019	Post Enactment – No Expiration	Total Capital Loss Available
First Trust STOXX® European Select Dividend Index Fund	\$ —	\$ 5,960,236	\$ 4,853,444	\$ 161,155	\$ 8,956,332	\$19,931,167
First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund	—	68,465	744,825	1,838	1,216,151	2,031,279
First Trust Dow Jones Global Select Dividend Index Fund	131,352	208,741	1,274,694	323,583	29,186,552	31,124,922
First Trust ISE Global Wind Energy Index Fund	174,186	30,175	8,357,650	9,549,964	44,992,236	63,104,211
First Trust ISE Global Engineering and Construction Index Fund	—	1,914	—	615,538	5,532,285	6,149,737
First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund	—	—	928,889	—	2,973,779	3,902,668
First Trust Indxx Global Natural Resources Income ETF	—	—	74,393	—	45,400,571	45,474,964
First Trust Indxx Global Agriculture ETF	—	—	344,523	—	11,208,800	11,553,323
First Trust BICK Index Fund	—	—	—	—	11,744,368	11,744,368
First Trust Nasdaq Smartphone Index Fund	—	—	—	—	1,025,338	1,025,338
First Trust NASDAQ Global Auto Index Fund	—	—	—	—	759,774	759,774
First Trust ISE Cloud Computing Index Fund	—	—	—	—	2,091,095	2,091,095
First Trust International IPO ETF	—	—	—	—	144,793	144,793
First Trust Nasdaq Cybersecurity ETF	—	—	—	—	17,704	17,704

During the taxable year ended September 30, 2015, the following Fund utilized capital loss carryforwards in the following amount:

	Capital Loss Carryforward Utilized
First Trust Nasdaq Smartphone Index Fund	\$ 619,202

Certain losses realized during the current fiscal year may be deferred and treated as occurring on the first day of the following fiscal year for federal income tax purposes. For the fiscal year ended September 30, 2015, the following Funds listed below incurred and elected to defer net ordinary and capital losses as follows:

	Qualified Late Year Losses	
	Ordinary Losses	Capital Losses
First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund	\$ 582,688	\$ —
First Trust Indxx Global Agriculture ETF	4,542	—

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**I. Expenses**

Expenses that are directly related to one of the Funds are charged directly to the respective Fund, except for First Trust Indxx Global Natural Resources Income ETF, First Trust Indxx Global Agriculture ETF, First Trust BICK Index Fund, First Trust Nasdaq Smartphone Index Fund, First Trust NASDAQ Global Auto Index Fund, First Trust ISE Cloud Computing Index Fund, First Trust International IPO ETF and First Trust Nasdaq Cybersecurity ETF (the “Unitary Fee Funds”), for which expenses other than excluded expenses (discussed in Note 3) are paid by the Advisor. General expenses of the Trust are allocated to all the Funds based upon the net assets of each Fund.

First Trust has entered into licensing agreements with each of the following “Licensors” for the respective Funds:

<b>Fund</b>	<b>Licensor</b>
First Trust STOXX® European Select Dividend Index Fund	STOXX Limited
First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund	FTSE International Limited
First Trust Dow Jones Global Select Dividend Index Fund	Dow Jones & Company, Inc.
First Trust ISE Global Wind Energy Index Fund	International Securities Exchange, LLC
First Trust ISE Global Engineering and Construction Index Fund	International Securities Exchange, LLC
First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund	Nasdaq, Inc.
First Trust Indxx Global Natural Resources Income ETF	Indxx, LLC <sup>1</sup>
First Trust Indxx Global Agriculture ETF	Indxx, LLC <sup>1</sup>
First Trust BICK Index Fund	International Securities Exchange, LLC
First Trust Nasdaq Smartphone Index Fund	Nasdaq, Inc.
First Trust NASDAQ Global Auto Index Fund	Nasdaq, Inc.
First Trust ISE Cloud Computing Index Fund	International Securities Exchange, LLC
First Trust International IPO ETF	IPOX® Schuster, LLC
First Trust Nasdaq Cybersecurity ETF	Nasdaq, Inc.

<sup>1</sup> Effective on the close of business December 18, 2015, First Trust Indxx Global Natural Resources Income ETF and First Trust Indxx Global Agriculture ETF’s licensor was changed from International Securities Exchange, LLC to Indxx, LLC.

The respective license agreements allow for the use of each Fund’s respective index and of certain trademarks and trade names of the respective Licensors. The Funds are sub-licensees to the applicable license agreements. The Funds, except for the Unitary Fee Funds, are required to pay licensing fees, which are shown on the Statements of Operations. The licensing fees for the Unitary Fee Funds are paid by First Trust from the unitary investment advisory fees it receives from each of these Funds.

**3. Investment Advisory Fee, Affiliated Transactions and Other Fee Arrangements**

First Trust, the investment advisor to the Funds, is a limited partnership with one limited partner, Grace Partners of DuPage L.P., and one general partner, The Charger Corporation. The Charger Corporation is an Illinois corporation controlled by James A. Bowen, Chief Executive Officer of First Trust. First Trust is responsible for the selection and ongoing monitoring of the securities in each Fund’s portfolio, managing the Funds’ business affairs and providing certain administrative services necessary for the management of the Funds.

For the following Unitary Fee Funds, First Trust is paid an annual unitary management fee at the specified rate of such Fund’s average daily net assets and is responsible for the expenses of such Fund including the cost of transfer agency, custody, fund administration, legal, audit and other services, and excluding distribution and service fees pursuant to a Rule 12b-1 plan, if any, brokerage expense, acquired fund fees and expenses, taxes, interest, and extraordinary expenses.

	<u>% of Daily Net Assets</u>
First Trust Indxx Global Natural Resources Income ETF	0.70%
First Trust Indxx Global Agriculture ETF	0.70%
First Trust BICK Index Fund	0.64%
First Trust Nasdaq Smartphone Index Fund	0.70%
First Trust NASDAQ Global Auto Index Fund	0.70%
First Trust ISE Cloud Computing Index Fund	0.60%
First Trust International IPO ETF	0.70%
First Trust Nasdaq Cybersecurity ETF	0.60%

For the First Trust STOXX® European Select Dividend Index Fund, First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund, First Trust Dow Jones Global Select Dividend Index Fund, First Trust ISE Global Wind Energy Index Fund, First Trust ISE Global Engineering and Construction Index Fund and First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index

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Fund (such Funds, the “Expense Cap Funds”), First Trust is paid an annual management fee of 0.40% of such Fund’s average daily net assets. For the Expense Cap Funds, the Trust and First Trust have entered into an Expense Reimbursement, Fee Waiver and Recovery Agreement (“Recovery Agreement”) in which First Trust has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of each such Fund (excluding interest expense, brokerage commissions and other trading expenses, acquired fund fees and expenses, taxes and extraordinary expenses) exceed the following amount as a percentage of average daily net assets per year (the “Expense Cap”) at least through January 31, 2017.

	<u>Expense Cap</u>
First Trust STOXX® European Select Dividend Index Fund	0.60%
First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund	0.60%
First Trust Dow Jones Global Select Dividend Index Fund	0.60%
First Trust ISE Global Wind Energy Index Fund	0.60%
First Trust ISE Global Engineering and Construction Index Fund	0.70%
First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund	0.70%

Expenses reimbursed and fees waived by First Trust under the Recovery Agreement are subject to recovery by First Trust for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by a Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by First Trust. These amounts are included in “Expenses previously waived or reimbursed” on the Statements of Operations.

The advisory fee waivers and expense reimbursements for the six months ended March 31, 2016 and the fees waived or expenses borne by First Trust subject to recovery from the applicable Fund for the periods indicated were as follows:

	Advisory Fee Waivers	Expense Reim- bursements	<u>Fees Waived or Expenses Borne by First Trust Subject to Recovery</u>				
			Year Ended 9/30/2013	Year Ended 9/30/2014	Year Ended 9/30/2015	Six Months Ended 3/31/2016	Total
First Trust STOXX® European Select Dividend Index Fund	\$ —	\$ —	\$ 43,385	\$ 42,359	\$ 1,870	\$ —	\$ 87,614
First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund	51,816	—	26,347	118,485	116,409	51,816	313,057
First Trust ISE Global Wind Energy Index Fund	33,920	—	28,804	94,990	68,044	33,920	225,758
First Trust ISE Global Engineering and Construction Index Fund	22,230	—	6,187	37,787	39,845	22,230	106,049
First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund	19,732	—	21,607	37,559	37,478	19,732	116,376

During the six months ended March 31, 2016, First Trust recovered fees that were previously waived from First Trust STOXX® European Select Dividend Index Fund of \$14,827.

The Trust has multiple service agreements with The Bank of New York Mellon (“BNYM”). Under the service agreements, BNYM performs custodial, fund accounting, certain administrative services, and transfer agency services for each Fund. As custodian, BNYM is responsible for custody of each Fund’s assets. As fund accountant and administrator, BNYM is responsible for maintaining the books and records of each Fund’s securities and cash. As transfer agent, BNYM is responsible for maintaining shareholder records for each Fund. BNYM is a subsidiary of The Bank of New York Mellon Corporation, a financial holding company.

At a meeting held on December 7, 2015, the Board of Trustees accepted Mr. Mark Bradley’s resignation from his position as the President and Chief Executive Officer of the Trust, effective December 31, 2015. At the same meeting, the Board of Trustees elected Mr. James Dykas, formerly Chief Financial Officer and Treasurer of the Trust, to serve as the President and Chief Executive Officer and Mr. Donald Swade, formerly an Assistant Treasurer of the Trust, to serve as the Treasurer, Chief Financial Officer and Chief Accounting Officer of the Trust.

Each Trustee who is not an officer or employee of First Trust, any sub-advisor or any of their affiliates (“Independent Trustees”) is paid a fixed annual retainer that is allocated equally among each fund in the First Trust Fund Complex. Prior to January 1, 2016, the fixed annual retainer was allocated pro rata based on each fund’s net assets. Each Independent Trustee is also paid an annual per fund fee that varies based on whether the fund is a closed-end or other actively managed fund or is an index fund.

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Additionally, the Lead Independent Trustee and the Chairmen of the Audit Committee, Nominating and Governance Committee and Valuation Committee are paid annual fees to serve in such capacities, with such compensation allocated pro rata among each fund in the First Trust Fund Complex based on net assets. Trustees are reimbursed for travel and out-of-pocket expenses in connection with all meetings. The Lead Independent Trustee and Committee Chairmen rotate every three years. The officers and “Interested” Trustee receive no compensation from the Trust for acting in such capacities.

**4. Purchases and Sales of Securities**

For the six months ended March 31, 2016, the cost of purchases and proceeds from sales of investments for each Fund, excluding short-term investments and in-kind transactions, were as follows:

	Purchases	Sales
First Trust STOXX® European Select Dividend Index Fund	\$ 50,982,420	\$ 51,119,091
First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund	3,751,597	3,169,625
First Trust Dow Jones Global Select Dividend Index Fund	139,218,055	139,810,966
First Trust ISE Global Wind Energy Index Fund	5,563,230	5,777,152
First Trust ISE Global Engineering and Construction Index Fund	1,837,799	1,827,497
First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund	2,452,778	2,412,625
First Trust Indxx Global Natural Resources Income ETF	11,224,036	11,126,972
First Trust Indxx Global Agriculture ETF	5,999,354	5,699,616
First Trust BICK Index Fund	2,189,869	2,209,332
First Trust Nasdaq Smartphone Index Fund	1,871,742	1,929,634
First Trust NASDAQ Global Auto Index Fund	2,989,562	3,225,686
First Trust ISE Cloud Computing Index Fund	84,550,679	77,715,967
First Trust International IPO ETF	606,103	608,445
First Trust Nasdaq Cybersecurity ETF	28,651,580	27,057,707

For the six months ended March 31, 2016, the cost of in-kind purchases and proceeds from in-kind sales for each Fund were as follows:

	Purchases	Sales
First Trust STOXX® European Select Dividend Index Fund	\$ 1,824,125	\$ 12,225,319
First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund	—	20,647,631
First Trust Dow Jones Global Select Dividend Index Fund	—	75,122,304
First Trust ISE Global Wind Energy Index Fund	534,331	—
First Trust ISE Global Engineering and Construction Index Fund	—	2,242,220
First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund	—	1,516,315
First Trust Indxx Global Natural Resources Income ETF	850,585	840,735
First Trust Indxx Global Agriculture ETF	622,605	384,137
First Trust BICK Index Fund	—	—
First Trust Nasdaq Smartphone Index Fund	—	—
First Trust NASDAQ Global Auto Index Fund	4,966,559	7,314,193
First Trust ISE Cloud Computing Index Fund	95,434,322	62,028,809
First Trust International IPO ETF	—	—
First Trust Nasdaq Cybersecurity ETF	31,079,714	16,965,984

**5. Creations, Redemptions and Transaction Fees**

Shares are created and redeemed by each Fund only in Creation Unit size aggregations of 50,000 shares in transactions with broker-dealers or large institutional investors that have entered into a participation agreement (an “Authorized Participant”). In order to purchase Creation Units of a Fund, an Authorized Participant must deposit (i) a designated portfolio of equity securities determined by First Trust (the “Deposit Securities”) and generally make or receive a cash payment referred to as the “Cash Component,” which is an amount equal to the difference between the NAV of the Fund Shares (per Creation Unit Aggregation) and the market value of the Deposit Securities, and/or (ii) cash in lieu of all or a portion of the Deposit Securities. If the Cash Component is a positive number (i.e., the NAV per Creation Unit Aggregation exceeds the Deposit Amount), the Authorized Participant will deliver the Cash Component. If the Cash Component is a negative number (i.e., the NAV per Creation Unit Aggregation is less than the Deposit Amount), the Authorized Participant will receive the Cash Component. Authorized Participants purchasing Creation Units must pay to BNYM, as transfer agent, a creation fee (the “Creation Transaction Fee”) regardless of the number of Creation Units purchased in the transaction. The Creation Transaction Fee may vary and is based on the composition of the securities included in each Fund’s portfolio and the countries in which the transactions are settled. The Creation Transaction Fee may increase or decrease as each Fund’s portfolio is adjusted to conform to changes in the composition of its corresponding index. The price for each Creation Unit

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will equal the daily NAV per share times the number of shares in a Creation Unit plus the fees described above and, if applicable, any operational processing and brokerage costs, transfer fees or stamp taxes. When a Fund permits an Authorized Participant to substitute cash or a different security in lieu of depositing one or more of the requisite Deposit Securities, the Authorized Participant may also be assessed an amount to cover the cost of purchasing the Deposit Securities and/or disposing of the substituted securities, including operational processing and brokerage costs, transfer fees, stamp taxes, and part or all of the spread between the expected bid and offer side of the market related to such Deposit Securities and/or substitute securities.

Authorized Participants redeeming Creation Units must pay to BNYM, as transfer agent, a redemption transaction fee (the “Redemption Transaction Fee”), regardless of the number of Creation Units redeemed in the transaction. The Redemption Transaction Fee may vary and is based on the composition of the securities included in each Fund’s portfolio and the countries in which the transactions are settled. The Redemption Transaction Fee may increase or decrease as each Fund’s portfolio is adjusted to conform to changes in the composition of its corresponding index. Each Fund reserves the right to effect redemptions in cash. An Authorized Participant may request a cash redemption in lieu of securities; however, each Fund may, in its discretion, reject any such request.

The standard Creation Transaction Fees and the Redemption Transaction Fees are as follows:

	Creation Transaction Fees	Redemption Transaction Fees
First Trust STOXX® European Select Dividend Index Fund	\$ 500	\$ 500
First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund	4,000	4,000
First Trust Dow Jones Global Select Dividend Index Fund	1,000	1,000
First Trust ISE Global Wind Energy Index Fund	1,000	1,000
First Trust ISE Global Engineering and Construction Index Fund	1,000	1,000
First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund	500	500
First Trust Indxx Global Natural Resources Income ETF	500	500
First Trust Indxx Global Agriculture ETF	500	500
First Trust BICK Index Fund	2,500	2,500
First Trust Nasdaq Smartphone Index Fund	1,000	1,000
First Trust NASDAQ Global Auto Index Fund	1,000	1,000
First Trust ISE Cloud Computing Index Fund	500	500
First Trust International IPO ETF	500	500
First Trust Nasdaq Cybersecurity ETF	500	500

**6. Distribution Plan**

The Board of Trustees adopted a Distribution and Service Plan pursuant to Rule 12b-1 under the 1940 Act. In accordance with the Rule 12b-1 plan, the Funds are authorized to pay an amount up to 0.25% of their average daily net assets each year to reimburse First Trust Portfolios L.P. (“FTP”), the distributor of the Funds, for amounts expended to finance activities primarily intended to result in the sale of Creation Units or the provision of investor services. FTP may also use this amount to compensate securities dealers or other persons that are Authorized Participants for providing distribution assistance, including broker-dealer and shareholder support and educational and promotional services.

No 12b-1 fees are currently paid by the Funds, and pursuant to a contractual arrangement, the Funds will not pay 12b-1 fees any time before January 31, 2017 (except for First Trust Nasdaq Cybersecurity ETF which will not pay 12b-1 fees any time before July 2, 2017).

**7. Indemnification**

The Trust, on behalf of the Funds, has a variety of indemnification obligations under contracts with its service providers. The Trust’s maximum exposure under these arrangements is unknown. However, the Trust has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

**8. Subsequent Events**

Management has evaluated the impact of all subsequent events on the Funds through the date the financial statements were issued, and has determined there was the following subsequent event:

On May 2, 2016, the First Trust Indxx Global Agriculture ETF (the “Fund”) completed a one-for-five reverse share split, whereby each share of the Fund outstanding as of the close of business on April 29, 2016 automatically converted to one-fifth share as of the opening of business on May 2, 2016. In addition, at the opening of business on May 2, 2016, the Fund’s shares no longer trade under the CUSIP number 33734X820 and instead trade under the new CUSIP number 33734X812.

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**Proxy Voting Policies and Procedures**

A description of the policies and procedures that the Trust uses to determine how to vote proxies and information on how each Fund voted proxies relating to its portfolio securities during the most recent 12-month period ended June 30 is available (1) without charge, upon request, by calling (800) 988-5891; (2) on the Funds' website located at <http://www.ftportfolios.com>; and (3) on the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

**Portfolio Holdings**

The Trust files its complete schedule of each Fund's portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Trust's Form N-Qs are available (1) by calling (800) 988-5891; (2) on the Funds' website located at <http://www.ftportfolios.com>; (3) on the SEC's website at <http://www.sec.gov>; and (4) for review and copying at the SEC's Public Reference Room ("PRR") in Washington, DC. Information regarding the operation of the PRR may be obtained by calling (800) SEC-0330.

**RISK CONSIDERATIONS**

**Risks are inherent in all investing. You should consider each Fund's investment objective, risks, charges and expenses carefully before investing. You can download each Fund's prospectus at <http://www.ftportfolios.com> or contact First Trust Portfolios L.P. at (800) 621-1675 to request a prospectus, which contains this and other information about each Fund. For additional information about the risks associated with investing in the Funds, please see the Funds' statement of additional information, as well as other regulatory filings. Read these documents carefully before you invest. First Trust Portfolios L.P. is the distributor of the First Trust Exchange-Traded Fund II.**

The following summarizes some of the risks that should be considered for the Funds.

Each Fund's shares will change in value, and you could lose money by investing in a Fund. An investment in a Fund involves risks similar to those of investing in any fund of equity securities traded on an exchange. Investors buying or selling Fund shares on an exchange may incur brokerage commissions. In addition, investors who sell Fund shares may receive less than the shares' net asset value. Unlike shares of open-end funds, investors are generally not able to purchase shares directly from a Fund and individual shares are not redeemable. However, specified large blocks of shares called creation units can be purchased from, or redeemed to, the Fund.

**Agriculture Companies Risk.** Companies involved in the agriculture business and farming-related activities may be affected by certain legislative or regulatory developments related to food safety, the environment, taxes and other governmental policies. Companies involved in the agriculture business and farming-related activities may face the risk of liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control devices. An increased competitive landscape, caused by increased availability of food and other agricultural commodities, economic recession or labor difficulties, may lead to a decrease in demand for the products and services provided by companies involved in agriculture and farming-related activities.

**Asia Risk.** The First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund invests in securities issued by companies operating in Asia and is therefore subject to certain risks associated specifically with Asia. For example, some of the currencies of these countries have experienced devaluations relative to the U.S. dollar, and adjustments have been made periodically in certain of such currencies. Certain countries, such as Indonesia, face serious exchange constraints. Jurisdictional disputes also exist, for example, between South Korea and North Korea. The Tokyo stock market, as measured by the Tokyo Stock Price Index, has been volatile. Declines in the Tokyo stock market have made the country's banks and financial institutions vulnerable. Furthermore, the natural disasters that have impacted Japan and the ongoing recovery efforts have had a negative effect on Japan's economy, and may continue to do so.

**Australia Risk.** The Fund invests in securities issued by companies that are domiciled or operating in Australia. Investing in securities of Australian companies may involve additional risks. The Australian economy is heavily dependent on the Asian, European and U.S. markets. Reduced spending by any of these economies on Australian products may adversely affect the Australian market. Additionally, Australia is located in a geographic region that has historically been prone to natural disasters. The occurrence of a natural disaster in the region could negatively impact the Australian economy and affect the value of the securities held by the Fund.

**Authorized Participant Concentration Risk.** Only an authorized participant (as defined in the "Frequent Purchases and Redemptions" Section) may engage in creation or redemption transactions directly with each Fund. Each Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to each Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to each Fund's net asset value and possibly face delisting.

**Brazil Risk.** The First Trust BICK Index Fund invests in common stock and depositary receipts of companies that are domiciled in Brazil. If a holder of depositary receipts exchanges its interest in the depositary receipts for the underlying shares, it may risk losing the ability to remit foreign currency abroad and certain Brazilian tax advantages. Brazil has experienced substantial economic

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instability resulting from, among other things, periods of very high inflation, persistent structural public sector deficits and significant devaluations of its currency leading also to a high degree of price volatility in both the Brazilian equity and foreign currency markets. Brazilian companies may also be adversely affected by high interest and unemployment rates, and are particularly sensitive to fluctuations in commodity prices.

**Canada Risk.** The First Trust Indxx Global Natural Resources Income ETF invests in the securities of companies that are domiciled in Canada. The Fund is particularly sensitive to political, economic and social conditions in that country. Canada is a major producer of metals and energy-related products. The Canadian economy is very dependent on the demand for, and supply and price of, natural resources, and the Canadian market is relatively concentrated in issuers involved in the production and distribution of natural resources. Any adverse events that affect Canada's major industries may have a negative impact on the overall Canadian economy and the Shares of the Fund.

**China Risk.** The First Trust BICK Index Fund and the First Trust International IPO ETF invest in H shares, depositary receipts and U.S.-listed common stock of companies that are domiciled in China, including Hong Kong. Some Chinese companies are listed on both the Hong Kong Stock Exchange with H shares and the Shanghai Stock Exchange with A shares. Price differentials between H shares and A shares of the same company may be significant. Also, price fluctuations of A shares are limited to either 5% or 10% per trading day, while no such limitations exist for H shares. Investing in securities of companies in China involves additional risks, including, but not limited to: the economy of China differs, often unfavorably, from the U.S. economy in such respects as structure, general development, government involvement, wealth distribution, rate of inflation, growth rate, allocation of resources and capital reinvestment, among others; the central government has historically exercised substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership; and actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China. Furthermore, China's economy is dependent on the economies of other Asian countries and can be significantly affected by currency fluctuations and increasing competition from Asia's other low-cost emerging economies.

**Cloud Computing Companies Risk.** The First Trust ISE Cloud Computing Index Fund invests in securities of companies engaged in the cloud computing industry, including companies that provide remote computation, software, data access and storage services. The risks related to investing in such companies include disruption in service caused by hardware or software failure, interruptions or delays in service by third-party data center hosting facilities and maintenance providers, security breaches involving certain private, sensitive, proprietary and confidential information managed and transmitted by cloud computing companies, and privacy concerns and laws, evolving Internet regulation and other foreign or domestic regulations that may limit or otherwise affect the operations of such companies. Also, the business models employed by the companies in the cloud computing industry may not prove to be successful.

**Concentration Risk.** Each Fund will be concentrated in the securities of a given industry if the Fund's corresponding index is concentrated in such individual industry. A concentration makes a Fund more susceptible to any single occurrence affecting the industry and may subject a Fund to greater market risk than less controlled funds.

**Consumer Discretionary Companies Risk.** The First Trust NASDAQ Global Auto Index Fund invests in consumer discretionary companies, which manufacture products and provide discretionary services directly to the consumer, and the success of these companies is tied closely to the performance of the overall domestic and international economy, interest rates, competition and consumer confidence. Success depends heavily on disposable household income and consumer spending. Changes in demographics and consumer tastes can also affect the demand for, and success of, consumer discretionary products in the marketplace. Furthermore, the automotive industry can be highly cyclical, and companies in the industry may suffer periodic operating losses. The industry can be significantly affected by labor relations and fluctuating component prices. While most of the major automotive manufacturers are large, financially strong companies, certain others may be non-diversified in both product line and customer base and may be more vulnerable to certain events that may negatively impact the automotive industry.

**Currency Risk.** Because each Fund may hold investments that are denominated in non-U.S. currencies, or in securities that provide exposure to such currencies, currency exchange rates or interest rates denominated in such currencies. Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of a Fund's investment and the value of Fund shares. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in a Fund may change quickly and without warning, and you may lose money.

**Cybersecurity Companies Risk.** Cybersecurity companies are companies that provide products and services intended to protect the integrity of data and network operations for private and public networks, computers and mobile devices. Like other types of technology and industrial companies, cybersecurity companies are generally subject to the risks of 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 frequent new product introductions. These companies may also be smaller and less experienced companies, with limited product lines, markets, qualified personnel or financial resources.

**Depository Receipts Risk.** Certain Funds may hold securities of certain non-U.S. companies in the form of depository receipts. Depository receipts may be less liquid than the underlying shares in their primary trading market. Any distributions paid to the holders



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of depositary receipts are usually subject to a fee charged by the depositary. Holders of depositary receipts may have limited voting rights, and investment restrictions in certain countries may adversely impact the value of depositary receipts because such restrictions may limit the ability to convert equity shares into depositary receipts and vice versa. Such restrictions may cause the equity shares of the underlying issuer to trade at a discount or premium to the market price of the depositary receipts.

**Emerging Markets Risk.** An investment in emerging market companies involves certain further risks not associated with investing in developed market countries because emerging market countries are often in the initial stages of their industrialization cycles and have low per capita income. These increased risks include the possibility of investment and trading limitations, greater liquidity concerns, higher price volatility, greater delays and possibility of disruptions in settlement transactions, greater political uncertainties and greater dependence on international trade or development assistance. In addition, emerging market countries may be subject to overburdened infrastructures and environmental problems.

**Energy Companies Risk.** Energy companies include integrated oil companies that are involved in the exploration, production and refining process, gas distributors and pipeline related companies and other energy companies involved with mining, producing and delivering energy related services and drilling. General problems of energy companies include volatile fluctuations in price and supply of energy fuels, international politics, terrorist attacks, reduced demand, the success of exploration projects, clean up and litigation costs relating to oil spills and environmental damage, and tax and other regulatory policies of various governments. Natural disasters, such as hurricanes in the Gulf of Mexico, also impact the petroleum industry. Oil production and refining companies are subject to extensive federal, state and local environmental laws and regulations regarding air emissions and the disposal of hazardous materials. In addition, oil prices are generally subject to extreme volatility.

**Engineering and Construction Companies Risk.** The First Trust ISE Global Engineering and Construction Index Fund invests in the securities of engineering and construction companies. General risks of these companies include the general state of the economy, intense competition, consolidation, domestic and international politics, excess capacity and consumer demand and spending trends. In addition, they may also be significantly affected by overall capital spending levels, economic cycles, technical obsolescence, delays in modernization, labor relations, government regulations and e-commerce initiatives.

**Equity Securities Risk.** Because the Fund invests in equity securities, the value of the Fund's 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**Europe Risk.** The First Trust STOXX® European Select Dividend Index Fund invests in securities issued by companies operating in Europe. Investments in a single region, even though representing a number of different countries within the region, may be affected by common economic forces and other factors. The Fund is subject to greater risks of adverse events which occur in the European region and may experience greater volatility than a fund that is more broadly diversified geographically. Political or economic disruptions in European countries, even in countries in which the Fund is not invested, may adversely affect security values and thus the Fund's holdings. 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 by directing independent interest rates for their currencies. 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.

**Financial Companies Risk.** The First Trust BICK Index Fund, the First Trust STOXX® European Select Dividend Index Fund, First Trust International IPO ETF and the First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Fund invest in the securities of companies in the financials sector. Financial companies are especially subject to the adverse effects of economic recession, volatile interest rates, government regulation, decreases in the availability of capital, volatile interest rates, portfolio concentrations in geographic markets and in commercial and residential real estate loans, and competition from new entrants in their fields of business.

**Germany Risk.** To the extent the Fund invests in securities of German companies, it will be subject to certain risks, including, but not limited to: significant demographic challenges to sustained long-term growth; low fertility rates and declining net immigration putting pressure on the country's social welfare system; and the costly and time-consuming modernization and integration of the eastern German economy. Additionally, the European sovereign-debt crisis has resulted in a weakened Euro and has put into question the future financial prospects of Germany and the surrounding region.

**Global Natural Resources Risk.** Global natural resources risk is the risk that the Fund will be sensitive to, and its performance will be affected by, the overall condition of the natural resources sector. The natural resources sector can be significantly affected by events relating to U.S. and foreign political and economic developments and environmental and other government regulations, as well as additional factors including, but not limited to: commodity price volatility, technological developments and natural or man-made disasters. Declines in the demand for, or prices of, natural resources generally would be expected to contribute to declines in the value of the Fund's portfolio securities. Such declines may occur quickly and without warning and may negatively impact the value of the Fund.

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**Hong Kong Investment Risk.** The First Trust International IPO ETF is subject to certain risks associated with Hong Kong, including Hong Kong's political and economic environment and the volatility of and the concentration of real estate companies listed on the Hong Kong Stock Exchange. Because of Hong Kong's reversion to China, any increase in uncertainty as to the economic and political status of Hong Kong, or a deterioration of the relationship between China and the United States, could have negative implications on stocks listed on the Hong Kong Stock Exchange. Securities prices on the Hong Kong Stock Exchange can be highly volatile and are sensitive to developments in Hong Kong and China, as well as other world markets.

**Index Correlation Risk.** You should anticipate that the value of each Fund's shares will decline, more or less, in correlation with any decline in the value of that Fund's corresponding index.

**India Risk.** The First Trust BICK Index Fund invests in depositary receipts of companies that are domiciled in India. Investment restrictions in India may limit the ability to convert equity shares into depositary receipts and vice versa. These restrictions may cause equity shares of the underlying issuer to trade at a premium or discount to the market price of the depositary receipt. Investing in securities of Indian companies involves additional risks, including, but not limited to: greater price volatility; substantially less liquidity and significantly smaller market capitalization of securities markets; more substantial governmental involvement in the economy; higher rates of inflation; and greater political, economic and social uncertainty. Government controls have been reduced on imports and foreign investment, and privatization of domestic output has proceeded slowly. The rapid economic growth of the last few years has put heavy stress on India's infrastructural facilities. Furthermore, although the Indian government is well aware of the need for reform and is pushing ahead in this area, businesses still have to deal with an inefficient and sometimes slow-moving bureaucracy.

**Industrials Companies Risk.** The First Trust ISE Global Engineering and Construction Index Fund, First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund, First Trust ISE Global Wind Energy Index Fund and First Trust STOXX® European Select Dividend Index Fund invest in the securities of companies in the industrials sector. Many companies in this sector convert unfinished goods into finished durables used to manufacture other goods or provide services. Some industries included in this sector are electrical equipment and components, industrial products, manufactured housing and telecommunications equipment. General risks of these companies include the general state of the economy, intense competition, consolidation, domestic and international politics, excess capacity and consumer demand and spending trends. In addition, they may also be significantly affected by overall capital spending levels, economic cycles, technical obsolescence, delays in modernization, labor relations, government regulations and e-commerce initiatives. Industrials companies convert unfinished goods into finished durables used to manufacture other goods or provide services. Some industrials companies are involved in electrical equipment and components, industrial products, manufactured housing and telecommunications equipment. General risks of industrials companies include the general state of the economy, intense competition, consolidation, domestic and international politics, excess capacity and consumer demand and spending trends. In addition, they may also be significantly affected by overall capital spending levels, economic cycles, technical obsolescence, delays in modernization, labor relations, government regulations and e-commerce initiatives.

**Information Technology Companies Risk.** The First Trust ISE Cloud Computing Index Fund and First Trust Nasdaq Smartphone Index Fund invest in the securities of technology companies. Technology companies are generally subject to the risks of 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 frequent new product introductions. Technology companies may be smaller and less experienced companies, with limited product lines, markets or financial resources and fewer experienced management or marketing personnel. Technology company stocks, particularly those involved with the Internet, have experienced extreme price and volume fluctuations that often have been unrelated to their operating performance. Furthermore, the First Trust ISE Cloud Computing Index Fund invests in the securities of Internet companies. Internet companies are subject to rapid changes in technology, worldwide competition, rapid obsolescence of products and services, loss of patent protections, cyclical market patterns, evolving industry standards, frequent new product introductions and the considerable risk of owning small capitalization companies that have recently begun operations.

**Intellectual Property Risk.** Each Fund relies on a license and related sublicense that permits it to use its corresponding index and associated trade names, trademarks and service marks in connection with the name and investment strategies of the Fund. Such license and related sublicense may be terminated by the index provider and, as a result, a Fund may lose its ability to use such intellectual property. There is also no guarantee that an index provider has all rights to lease intellectual property on behalf of a Fund. Accordingly, in the event the license is terminated or the index provider does not have rights to license such intellectual property, it may have a significant impact on the operation of the affected Fund.

**Interest Rate Risk.** The First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund is also subject to interest rate risk. Increases in interest rates typically lower the present value of a REIT's future earnings stream, and may make financing property purchases and improvements more costly. Because the market price of REIT stocks may change based upon investors' collective perceptions of future earnings, the value of the Fund will generally decline when investors anticipate or experience rising interest rates.

**International Closed Market Trading Risk.** Because securities held by the Fund trade on non-U.S. exchanges that are closed when the Fund's primary listing exchange is open, there are likely to be deviations between the current price of an underlying security and the last quoted price for the underlying security (i.e., the Fund's quote from the closed foreign market), resulting in premiums or

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discounts to the Fund's net asset value that may be greater than those experienced by other exchange-traded funds. However, because shares can be created and redeemed in Creation Units at the Fund's net asset value, it is not expected that large discounts or premiums to the net asset value of the Fund will be sustained over the long term (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset values).

**IPO Risk.** The First Trust International IPO ETF invests in securities of companies that have recently conducted an initial public offering and are often subject to extreme price volatility and speculative trading. These stocks may have exhibited above-average price appreciation in connection with the initial public offering prior to inclusion in the index tracked by the Fund. The price of stocks included in that index may not continue to appreciate and the performance of these stocks may not replicate the performance exhibited in the past.

**Japan Risk.** The First Trust ISE Global Engineering and Construction Index Fund and First Trust NASDAQ Global Auto Index Fund invest in the stock of companies operating in Japan. Because Japan's economy and equity market share a strong correlation with the U.S. markets, the Japanese economy may be affected by economic problems in the U.S. Japan also has a growing economic relationship with China and other Southeast Asian countries, and thus Japan's economy may also be affected by economic, political or social instability in those countries. Despite a strengthening in the economic relationship between Japan and China, the countries' political relationship has at times been strained in recent years. Should political tension increase, it could adversely affect the economy and destabilize the region as a whole. Japan also remains heavily dependent on oil imports, and higher commodity prices could therefore have a negative impact on the economy. Japanese securities may also be subject to lack of liquidity; excessive taxation; government seizure of assets; different legal or accounting standards and less government supervision and regulation of exchanges than in the United States. Furthermore, the natural disasters that have impacted Japan and the ongoing recovery efforts have had a negative effect on Japan's economy, and may continue to do so.

**Liquidity Risk.** Whether or not the equity securities in the First Trust ISE Global Wind Energy Index Fund are listed on a securities exchange, the principal trading market for certain of the equity securities in the Fund may be in the over-the-counter market. As a result, the existence of a liquid trading market for the equity securities may depend on whether dealers will make a market in the equity securities. There can be no assurance that a market will be made for any of the equity securities, that any market for the equity securities will be maintained or that there will be sufficient liquidity of the equity securities in any markets made. The price at which the equity securities are held in the Fund will be adversely affected if trading markets for the equity securities are limited or absent.

**Market Risk.** Each Fund is subject to the risk that a particular security owned by a Fund or shares of a Fund in general may fall in value. Securities are subject to market fluctuations caused by such factors as economic, political, 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.

**Material Companies Risk.** The First Trust Indxx Global Natural Resources Income ETF and the First Trust Indxx Global Agriculture ETF invest in the securities of companies in the materials sector. General risks of the materials sector include the general state of the economy, consolidation, domestic and international politics and excess capacity. In addition, basic materials companies may also be significantly affected by volatility of commodity prices, import controls, worldwide competition, liability for environmental damage, depletion of resources and mandated expenditures for safety and pollution control devices.

**New Fund Risk.** The First Trust International IPO ETF and First Trust Nasdaq Cybersecurity ETF currently have fewer assets than larger funds, and like other relatively new funds, large inflows and outflows may impact the Fund's market exposure for limited periods of time. This impact may be positive or negative, depending on the direction of market movement during the period affected.

**Non-Correlation Risk.** Each Fund's return may not match the return of its corresponding index for a number of reasons. For example, the Funds incur operating expenses not applicable to their corresponding indexes, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of its corresponding index. In addition, each Fund's portfolio holdings may not exactly replicate the securities included in its corresponding index or the ratios between the securities included in such index.

**Non-Diversification Risk.** Each Fund is classified as "non-diversified" under the Investment Company Act of 1940, as amended. As a result, each Fund is only limited as to the percentage of its assets which may be invested in the securities of any one issuer by the diversification requirements imposed by the Internal Revenue Code of 1986, as amended. Because the Funds may invest a relatively high percentage of their assets in a limited number of issuers, the Funds may be more susceptible to any single economic, political or regulatory occurrence affecting one or more of these and to the issuers, experience increased volatility and be highly concentrated in certain issues.

**Non-U.S. Securities Risk.** Non-U.S. securities are subject to higher volatility than securities of domestic issuers due to possible adverse political, social or economic developments; restrictions on foreign investment or exchange of securities; lack of liquidity; currency exchange rates; excessive taxation; government seizure of assets; different legal or accounting standards and less government supervision and regulation of exchanges in foreign countries.

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**Passive Foreign Investment Company Risk.** Each Fund may invest in companies that are considered to be PFICs, which are generally certain non-U.S. corporations that receive at least 75% of their annual gross income from passive sources (such as interest, dividends, certain rents and royalties or capital gains) or that hold at least 50% of their assets in investments producing such passive income. Therefore, such Funds could be subject to U.S. federal income tax and additional interest charges on gains and certain distributions with respect to those equity interests, even if all the income or gain is distributed to its shareholders in a timely manner. Such Fund will not be able to pass through to its shareholders any credit or deduction for such taxes.

**Passive Investment Risk.** The Funds are not actively managed. The Funds may be affected by a general decline in certain market segments relating to their corresponding index. The Funds invest in securities included in or representative of its index regardless of their investment merit. The Funds generally will not attempt to take defensive positions in declining markets.

**Portfolio Turnover Risk.** The First Trust International IPO's investment strategy may frequently involve buying and selling portfolio securities. High portfolio turnover may result in the Fund paying higher levels of transaction costs and generating greater tax liabilities for shareholders. Portfolio turnover risk may cause the Fund's performance to be less than you expect.

**Real Estate Investment Risk.** The First Trust FTSE EPRA/NAREIT Developed Markets Real Estate Index Fund invests in companies in the real estate industry, including REITs and therefore, the Fund is subject to the risks associated with investing in real estate, which may include, but are not limited to, possible declines in the value of real estate, adverse general and local economic conditions, possible lack of availability of mortgage funds, overbuilding in a REIT's market, changes in interest rates and environmental problems. The Fund may also be impacted by the downturn in the subprime mortgage lending market in the United States. Subprime loans have higher defaults and losses than prime loans. Subprime loans also have higher serious delinquency rates than prime loans. Because the Fund invests in REITs it is subject to certain other risks related to REIT structure and focus, which include, but are not limited to, dependency upon management skills, limited diversification, the risks of locating and managing financing for projects, heavy cash flow dependency, possible default by borrowers, the costs and potential losses of self liquidation of one or more holdings, and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility.

**Replication Management Risk.** Each Fund is exposed to additional market risk due to its policy of investing principally in the securities included in its corresponding index. As a result of this policy, securities held by each Fund will generally not be bought or sold in response to market fluctuations.

**Securities Lending Risk.** Certain Funds may lend securities representing up to 33 1/3% of the value of their total assets to broker-dealers, banks, and other institutions to generate additional income. Under these Funds' securities lending agreement, the securities lending agent will generally bear the risk that a borrower may default on its obligation to return loaned securities. The Funds, however, will be responsible for the risks associated with the investment of cash collateral. A Fund may lose money on its investment of cash collateral or may fail to earn sufficient income on its investment to meet its obligations to the borrower. When a dividend is paid on a security that is out on loan, the borrower receives the dividend and in turn makes a payment of the same amount to the fund. Dividends, if they constitute "qualified dividends," are taxable at the same rate as long-term capital gains. These payments made by borrowers, however, are not qualified dividends, and are taxable at higher ordinary income rates. As a result, some of the distributions received by shareholders who hold Fund shares in taxable accounts may be subject to taxation at a higher rate than if the Fund had not loaned its portfolio securities.

**Smaller Companies Risk.** Certain Funds may invest in small and/or mid-capitalization companies. Such companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

**Smart Grid Companies Risk.** The First Trust NASDAQ® Clean Edge® Smart Grid Infrastructure Index Fund invests in the securities of smart grid companies. Smart grid companies can be negatively affected by high costs of research and development, high capital requirements for implementation, uncertain government regulations and input, limited ability of industrial and utility companies to quickly transform their businesses in order to implement new technologies and uncertainty of the ability of new products to penetrate established industries. Smart grid companies are often reliant upon contracts with government and commercial customers which may expire from time to time. Such companies are also affected by the general business conditions within the industrial, utility, information technology and telecommunications sectors and the overall global economy.

**Smartphone Companies Risk.** The First Trust Nasdaq Smartphone Index Fund invests in securities of companies in the smartphone industry. The smartphone industry is characterized by intense competition and new market entrants, which could negatively impact profit margins and overall revenues of the companies involved in the industry. Smartphone companies are generally subject to the risks of rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, the loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards, and frequent new product introductions. Smartphone companies are affected by high and continuing costs of research and development due to quickly evolving technologies. Smartphone companies are often reliant upon the relationships with third-parties, which can be unpredictable. Additionally, the smartphone industry is in the early stages of development and can be extremely volatile.

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**South Korea Risk.** The First Trust BICK Index Fund invests in common stock of companies that are domiciled in South Korea. The South Korean economy is dependent on the economies of Asia and the United States as key trading partners. Reduction in spending by these economies on South Korean products and services or negative changes in any of these economies, mainly in China or Southeast Asia, may cause an adverse impact on the South Korean economy. Furthermore, South Korea's economy is also dependent on the economies of other Asian countries and can be significantly affected by currency fluctuations and increasing competition from Asia's other low cost emerging economies. Also, the political tensions with North Korea could escalate and lead to further uncertainty in the political and economic climate on the Korean peninsula.

**Technology Companies Risk.** Technology companies are generally subject to the risks of 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 frequent new product introductions. Technology companies may be smaller and less experienced companies, with limited product lines, markets or financial resources and fewer experienced management or marketing personnel. Technology company stocks, particularly those involved with the Internet, have experienced extreme price and volume fluctuations that often have been unrelated to their operating performance.

**Telecommunications Companies Risk.** The First Trust Dow Jones Global Select Dividend Index Fund invests in companies in the telecommunication sector. Telecommunication companies are subject to risks, such as: a market characterized by increasing competition and regulation by the Federal Communications Commission and various state regulatory authorities; the need to commit substantial capital to meet increasing competition, particularly in formulating new products and services using new technology; and technological innovations that may make various products and services obsolete.

**Timber Companies Risk.** Timber companies may be affected by numerous factors, including events occurring in nature and international politics. For example, the volume and value of timber that can be harvested from timberlands may be limited by natural disasters and other events such as fire, volcanic eruptions, insect infestation, disease, ice storms, wind storms, flooding, other weather conditions and other causes. In periods of poor logging conditions, timber companies may harvest less timber than expected. Timber companies are subject to many federal, state and local environmental and health and safety laws and regulations. In addition, rising interest rates and general economic conditions may affect the demand for timber products.

**United Kingdom Risk.** The First Trust STOXX® European Select Dividend Index Fund and the First Trust Indxx Global Natural Resources Income ETF invest a significant portion of their assets in companies that are domiciled in the United Kingdom, the Funds are particularly sensitive to political, economic and social conditions in that country. The Funds may be affected unfavorably by political developments, social instability, changes in government policies and other political and economic developments in the United Kingdom.

**Utility Companies Risk.** The First Trust ISE Global Wind Energy Index Fund invests in the securities of companies in the utilities sector. General problems of issuers in the utilities sector include the imposition of rate caps, increased competition due to deregulation, the difficulty in obtaining an adequate return on invested capital or in financing large construction projects, the limitations on operations and increased costs and delays attributable to environmental considerations and the capital market's ability to absorb utility debt. In addition, taxes, government regulation, international politics, price and supply fluctuations, volatile interest rates and energy conservation may cause difficulties for utilities. All of such issuers have been experiencing certain of these problems in varying degrees.

**Water Companies Risk.** Companies involved in the potable water and wastewater business are subject to environmental considerations, taxes, government regulation, price and supply fluctuations, competition and conservation.

**Wind Energy Companies Risk.** The First Trust ISE Global Wind Energy Index Fund invests in wind energy companies. Wind energy companies can be significantly affected by obsolescence of existing technology, short product cycles, falling prices and profits, competition from new market entrants and general economic conditions. This can be significantly affected by fluctuations in energy prices and supply and demand of alternative energy fuels, energy conservation, the success of exploration projects and tax and other government regulations. Wind energy companies could be adversely affected by commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources, technological developments and labor relations. In addition, the Fund may include companies affected by industry consolidation, domestic and international politics, excess capacity and consumer demand and spending trends. They may also be significantly affected by overall capital spending levels, economic cycles, delays in modernization, labor relations, government regulations and e-commerce initiatives.

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# First Trust Exchange-Traded Fund II

## **INVESTMENT ADVISOR**

First Trust Advisors L.P.  
120 East Liberty Drive, Suite 400  
Wheaton, IL 60187

## **ADMINISTRATOR, CUSTODIAN, FUND ACCOUNTANT & TRANSFER AGENT**

The Bank of New York Mellon  
101 Barclay Street  
New York, NY 10286

## **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Deloitte & Touche LLP  
111 S. Wacker Drive  
Chicago, IL 60606

## **LEGAL COUNSEL**

Chapman and Cutler LLP  
111 W. Monroe Street  
Chicago, IL 60603

