**Index Description**

The index is designed to track the performance of companies that have devoted, or have committed to devote, material resources to the research, development and application of fifth generation (“5G”) and next generation digital cellular technologies as they emerge.

Eligible securities must have a minimum market capitalization of $500 million, six-month average daily trading volume of at least $2 million ($1 million for emerging market companies), traded for at least 90% of the total trading days in the last six months or for a security recently issued in an initial public offering over the prior three months, a minimum free float of 10% of shares outstanding and a share price of less than $10,000 for new index constituents.

All eligible securities are analyzed by Indxx and classified into one of two sub-themes based on their exposure to 5G and/or next generation technology, either 5G Infrastructure & Hardware or Telecommunications Service Providers:

- 5G Infrastructure & Hardware consists of Data Center REITs, Cell Tower REITs, Equipment Manufacturers, Network Testing and Validation Equipment and Software Companies and Mobile Phone Manufacturers.
- Telecommunications Service Providers consist of companies that operate the mobile cellular and wireless communication networks that offer access to 5G networks.

Eligible securities are ranked by market capitalization and up to 100 securities with the largest market capitalizations are selected. 80% of the index weight is allocated to 5G Infrastructure & Hardware and 20% of the index weight is allocated to Telecommunications Service Providers. The companies are then equally weighted within each sub-theme.

The index is reconstituted and rebalanced semi-annually.

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**Performance data quoted represents past performance. Past performance is not a guarantee of future results and current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and shares when sold or redeemed, may be worth more or less than their original cost. You can obtain performance information which is current through the most recent month-end by visiting www.ftportfolios.com.**

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¹Following the close of trading on December 18, 2015, the name of the fund’s underlying index changed from the Nasdaq OMX CEA Smartphone Index℠ to the Nasdaq CTA Smartphone Index℠. On May 30, 2019, the fund’s underlying index changed from the Nasdaq CTA Smartphone Index℠ to the Indxx 5G & NextG Thematic Index. Therefore, the fund’s performance and historical returns shown for the periods prior to this date are not necessarily indicative of the performance that the fund, based on its current index, would have generated.

NAV returns are based on the fund’s net asset value which represents the fund’s net assets (assets less liabilities) divided by the fund’s outstanding shares. After Tax Held returns represent return after taxes on distributions. Assumes shares have not been sold. After Tax Sold returns represent the return after taxes on distributions and the sale of fund shares. Returns do not represent the returns you would receive if you traded shares at other times. Market Price returns are based on the midpoint of the bid/ask spread on the stock exchange on which shares of the fund are listed for trading as of the time that the fund’s NAV is calculated. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative. Actual after-tax returns may depend on the investor’s tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

**Performance information for the Indxx 5G & NextG Thematic Index is for illustrative purposes only and does not represent actual fund performance. Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. Indexes are unmanaged and an investor cannot invest directly in an index.**
ETF Characteristics
The fund lists and principally trades its shares on The Nasdaq Stock Market LLC. The fund’s return may not match the return of the Indxx 5G & NextG Thematic Index. Securities held by the fund will generally not be bought or sold in response to market fluctuations. Investors buying or selling fund shares on the secondary market may incur customary brokerage commissions. Market prices may differ to some degree from the net asset value of the shares. Investors who sell fund shares may receive less than the share’s net asset value. Shares may be sold throughout the day on the exchange through any brokerage account. However, unlike mutual funds, shares may only be redeemed directly from the fund by authorized participants, in very large creation/redemption units. If the fund’s authorized participants are unable to proceed with creation/redemption orders and no other authorized participant is able to step forward to create or redeem, fund shares may trade at a discount to the fund’s net asset value and possibly face delisting.

Risk Considerations
The fund’s shares will change in value, and you could lose money by investing in the fund. One of the principal risks of investing in the fund is market risk. Market risk is the risk that a particular stock owned by the fund, shares in stocks or stocks in general may fall in value. There can be no assurance that the fund’s investment objective will be achieved. The fund is not actively managed and generally will not attempt to take defensive positions in declining markets. The fund may invest in securities issued by companies concentrated in a particular industry, sector, or geographical location, which involves additional risks, including limited diversification. The fund may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies. An investment in a fund containing securities of non-U.S. issuers is subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers. These risks may be heightened for operations in, emerging market countries. These risks may be heightened for non-U.S. issuers in developing countries. The fund has become more susceptible to potential operational risks through breaches in cyber security.

Information technology companies and communication services companies are subject to certain risks, which may include 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. Such companies are particularly vulnerable to domestic and international government regulation, rely heavily on intellectual property rights, and may be adversely affected by the loss or impairment of those rights. The fund may invest in securities issued by companies concentrated in a particular industry, sector, or geographical location, which involves additional risks, including limited diversification. The fund may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies. An investment in a fund containing securities of non-U.S. issuers is subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers. These risks may be heightened for operations in, emerging market countries. The fund may invest in depositsary receipts which may be less liquid than the underlying shares in their primary trading market. Changes in currency exchange rates and the relative value of non-U.S. currencies may affect the value of a fund’s investments and the value of a fund’s shares. Economic conditions, may, without prior warning, lead to foreign government intervention and the imposition of capital controls or sanctions, which may include retaliatory actions of one government against another government, such as seizure of assets. Capital controls or sanctions may also impact the ability of the fund to buy, sell, or otherwise transfer certain securities or currency, which may cause the fund to decline in value. The use of Internet Technology has become more prevalent in the course of business, the fund has become more susceptible to potential operational risks through breaches in cyber security.

Competition, volatile interest rates and economic recession. Disruption of competition, volatile interest rates and economic recession. Disruption of international government regulation, rely heavily on intellectual property rights, and may be adversely affected by the loss or impairment of those rights. The fund may invest in securities issued by companies concentrated in a particular industry, sector, or geographical location, which involves additional risks, including limited diversification. The fund may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies. An investment in a fund containing securities of non-U.S. issuers is subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers. These risks may be heightened for operations in, emerging market countries. The fund may invest in depositsary receipts which may be less liquid than the underlying shares in their primary trading market. Changes in currency exchange rates and the relative value of non-U.S. currencies may affect the value of a fund’s investments and the value of a fund’s shares. Economic conditions, may, without prior warning, lead to foreign government intervention and the imposition of capital controls or sanctions, which may include retaliatory actions of one government against another government, such as seizure of assets. Capital controls or sanctions may also impact the ability of the fund to buy, sell, or otherwise transfer certain securities or currency, which may cause the fund to decline in value. The use of Internet Technology has become more prevalent in the course of business, the fund has become more susceptible to potential operational risks through breaches in cyber security.

Companies with exposure to emerging technologies may be exposed to risks that may not fully emerge until the technology is more widely used. Companies that initially develop or adopt a novel technology may not be able to capitalize on it and there is no assurance that a company will derive any significant revenue from it in the future. The fund currently has 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. First Trust Advisors L.P. is the advisor to the fund. First Trust Advisors L.P. is an affiliate of First Trust Portfolios L.P., the fund’s distributor. The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial advisors are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

Definitions
Standard Deviation is a measure of price variability (risk). Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. Beta is a measure of price variability relative to the market. Sharpe Ratio is a measure of excess reward per unit of volatility. Correlation is a measure of the similarity of performance. The MSCI ACWI Information Technology Index is a free float-adjusted market capitalization weighted index that is designed to measure the information technology sector performance of developed and emerging markets. The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of 23 developed markets around the world. The Nasdaq CTA Smartphone Index is designed to track the performance of companies engaged in the smartphone segment of the telecom and technology sectors.