First Trust California Municipal High Income ETF
As of 12/31/19

**Fund Objectives**
This actively managed exchange-traded fund seeks to provide income that is exempt from federal and California income taxes. Long-term capital appreciation is a secondary objective.

**Fund Facts**

<table>
<thead>
<tr>
<th>Fund Facts</th>
<th>FCAL</th>
<th>CUSIP</th>
<th>33739P863</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intraday NAV</td>
<td>FCALV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Inception Date</td>
<td>6/20/17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Expense Ratio</td>
<td>0.65%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Expense Ratio</td>
<td>0.50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-Day SEC Yield</td>
<td>1.84%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsubsidized 30-Day SEC Yield</td>
<td>1.69%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxable Equivalent 30-Day SEC Yield</td>
<td>4.01%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary Listing</td>
<td>Nasdaq</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Fund Advisor**
First Trust Advisors L.P. is the advisor to the fund and manages the fund’s portfolio:
- The portfolio managers use a disciplined approach that focuses on a combination of quantitative analysis and fundamental research.
- Their actively managed approach applies extensive research on each individual bond selection.
- They seek to take advantage of the inefficiencies within the municipal market to find higher-yielding undervalued bonds.

**Daily investment decisions are made by:**
- Tom Futrell, CFA; Senior Vice President, Senior Portfolio Manager
- Johnathan N. Wilhelm, Senior Vice President, Senior Portfolio Manager

**Performance Summary (%)**

<table>
<thead>
<tr>
<th>Performance Summary (%)</th>
<th>3 Month</th>
<th>YTD</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>Since Fund Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAV</td>
<td>0.86</td>
<td>9.68</td>
<td>9.68</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>5.49</td>
</tr>
<tr>
<td>After Tax Held</td>
<td>0.61</td>
<td>8.47</td>
<td>8.47</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>4.28</td>
</tr>
<tr>
<td>After Tax Sold</td>
<td>0.51</td>
<td>5.71</td>
<td>5.71</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>3.67</td>
</tr>
<tr>
<td>Market Price</td>
<td>0.82</td>
<td>9.56</td>
<td>9.56</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>5.54</td>
</tr>
<tr>
<td>Bloomberg Barclays 10 Year California Exempt Index</td>
<td>0.67</td>
<td>7.20</td>
<td>7.20</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>3.68</td>
</tr>
</tbody>
</table>

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

*First Trust has contractually agreed to waive management fees of 0.15% of average daily net assets until November 30, 2020.
†30-day SEC yield is calculated by dividing the net investment income per share earned during the most recent 30-day period by the maximum offering price per share on the last day of the period and includes the effects of fee waivers and expense reimbursements.
‡The taxable equivalent yield is calculated by dividing the net investment income per share earned during the most recent 30-day period by the maximum offering price per share on the last day of the period and includes the effects of fee waivers and expense reimbursements.
#The unsubsidized 30-day SEC yield is calculated by dividing the net investment income per share earned during the most recent 30-day period by the maximum offering price per share on the last day of the period and excludes contractual fee waivers and expense reimbursements.
*The taxable equivalent yield is for illustrative purposes only. This information illustrates approximately what you would have to earn on taxable investments to equal the tax-exempt yield using the highest federal and California state tax brackets for 2019. This information is based on present law as of the date of publication and does not account for any proposed changes in tax rates. This information does not account for limitations on deductions, the alternative minimum tax or taxes other than Federal and California state personal income tax.
*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 Sold returns represent return after taxes on distributions. Assumes shares have not been sold. After Tax Sold returns represent the return after taxes on distributions and the sale of fund shares. Returns do not represent the returns you would receive if you traded shares at other times. Market Price returns are based on the midpoint of the bid/ask spread on the stock exchange on which shares of the fund are listed for trading as of the time that the fund’s NAV is calculated. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative. The fund’s performance reflects fee waivers and expense reimbursements, absent which performance would have been lower. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor’s tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.
**The Bloomberg Barclays 10 Year California Exempt Index is the fund’s benchmark. Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. Indexes are unmanaged and an investor cannot invest directly in an index.**
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**Portfolio Information**

<table>
<thead>
<tr>
<th>Number Of Holdings</th>
<th>186</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Weighted Effective Average Duration (Includes Short Positions)</td>
<td>5.94 Years</td>
</tr>
<tr>
<td>Weighted Average Effective Duration (Long Positions)</td>
<td>6.69 Years</td>
</tr>
<tr>
<td>Weighted Average Modified Duration</td>
<td>5.43 Years</td>
</tr>
<tr>
<td>Weighted Average Maturity</td>
<td>12.38 Years</td>
</tr>
<tr>
<td>Weighted Average Price</td>
<td>$112.72</td>
</tr>
<tr>
<td>Short Position - US Treasury Futures</td>
<td>-7.93%</td>
</tr>
</tbody>
</table>

**Top Holdings (%)**

- **ROCKLIN CA UNIF SCH DIST CMNTY 4%, due 09/15/2037**: 2.39
- **CALIFORNIA ST MUNI FUND AUTH SPL FAC REV N/C, M, due 03/15/2029**: 1.91
- **LANCASTER CA FING AUTH REVENUE 4%, due 06/01/2055**: 1.73
- **CALIFORNIA ST MUNI FUND AUTH 5%, due 05/15/2039**: 1.68
- **NAPA VLY CA UNIF SCH DIST 4%, due 08/01/2034**: 1.58
- **CALIFORNIA ENTERPRISE DEV AUTH 4%, due 11/01/2037**: 1.57
- **JURUPA CA PUBLIC FUND AUTH SPL TAX 4%, due 04/01/2025**: 1.43
- **CALIFORNIA ST SWD CMNTYS DEV AUTH VARIABLE rate, due 04/01/2025**: 1.40
- **IRVINE CA IMPT BOND ACT 1915 4%, due 09/02/2035**: 1.40
- **SOUTH GATE CA UTILITY AUTH WTR REV 4%, due 10/01/2034**: 1.38

**Top Sector Exposure (%)**

- **Insured**: 16.59
- **Special Assessment**: 15.11
- **Continuing Care Retirement Communities**: 8.19
- **Education**: 8.19
- **Hospital**: 8.03
- **Student Housing**: 7.30
- **Dedicated Tax**: 5.87
- **IDB**: 4.62
- **General Obligation-Unlimited**: 4.46
- **Water & Sewer**: 3.81

**Credit Quality (%)²**

- **AAA**: 21.36
- **AA**: 18.76
- **A**: 15.11
- **BBB**: 14.79
- **BB**: 14.43
- **CCC**: 9.63
- **CC**: 6.43
- **NR**: 23.86

**Maturity Exposure (%)**

- **0 - 0.99 Years**: 2.04
- **1 - 1.99 Years**: 0.39
- **2 - 2.99 Years**: 0.26
- **3 - 3.99 Years**: 1.05
- **4 - 4.99 Years**: 1.31
- **5 - 5.99 Years**: 1.99
- **6 - 6.99 Years**: 1.60
- **7 - 7.99 Years**: 3.38
- **8 - 8.99 Years**: 0.68
- **9 - 9.99 Years**: 8.36
- **10 - 14.99 Years**: 42.94
- **15 - 19.99 Years**: 32.49
- **20 - 24.99 Years**: 3.33
- **Cash**: 0.18

**ETF Characteristics**

- The fund lists and principally trades its shares on The Nasdaq Stock Market LLC.
- 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 net asset value of the shares. 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 or unwilling to make dividend, interest and/or principal payments when due and that default rate is the risk that the value of the securities in the fund will decline because of rising market interest rates. Call risk is the risk that the fund's investments and its performance. Because the fund primarily purchases municipal bonds from California and may also purchase municipal bonds from U.S. territories such as Puerto Rico, it is more susceptible to adverse economic, political or regulatory changes affecting municipal bond issuers in those locations. The Puerto Rican economy is reliant on manufacturing, services and tourism, and its economy and financial operations parallel the economic cycles of the United States. Current economic difficulties in the United States are likely to have an adverse impact on the overall economy of Puerto Rico. The fund will be less diversified geographically than a fund investing across many states.

**Risk Considerations**

- The fund's shares will change in value and you could lose money by investing in the fund. The fund is subject to management risk because it is an actively managed portfolio. In managing the fund's investment portfolio, the advisor will apply investment techniques and risk analyses that may not have the desired result. There can be no assurance that the fund's investment objectives will be achieved.
- The fund is subject to market risk. Market risk is the risk that a particular security owned by the fund or shares of the fund in general may fail in value. The values of municipal securities held by the fund may be adversely affected by local political and economic conditions and developments. Events in California, including economic or political policy changes, tax base erosion, budget deficits and other financial difficulties, and changes in the credit ratings assigned to municipal issuers of California, are likely to affect the fund's investments and its performance. Because the fund primarily purchases municipal bonds from California and may also purchase municipal bonds from U.S. territories such as Puerto Rico, it is more susceptible to adverse economic, political or regulatory changes affecting municipal bond issuers in those locations. The Puerto Rican economy is reliant on manufacturing, services and tourism, and its economy and financial operations parallel the economic cycles of the United States. Current economic difficulties in the United States are likely to have an adverse impact on the overall economy of Puerto Rico. The fund will be less diversified geographically than a fund investing across many states.
- Municipal bonds are subject to numerous additional risks, including credit risk, income risk, interest rate risk, call risk and zero coupon bond risk. Credit risk is the risk that an issuer of a security will be unable or unwilling to make dividend, interest and/or principal payments when due and that the value of the security may decline as a result. Income risk is the risk that income from the fund's fixed income investments could decline during periods of falling interest rates. Interest rate risk is the risk that the value of the securities in the fund will decline because of rising market interest rates. Call risk is the risk that an advance refunding of bonds that are held at a higher-yielding debt instruments held by the fund. Zero coupon bond risk is the risk that zero coupon bonds may be highly volatile as interest rates rise or fall because they do not pay interest on a current basis.
- The payment of principal and interest of a pre-refunded bond is funded from securities held in a designated escrow account where such securities are obligations of and carry the full faith and credit of the U.S. Treasury. The securities held in the escrow fund do not guarantee the price of the bond. Private activity bonds, issued by municipalities or other public authorities, can have a substantially different credit profile than the municipality or public authority and may be negatively impacted by conditions affecting either the general credit of the use of the private activity project or the project itself.

You should consider the fund’s investment objectives, risks, and charges and expenses carefully before investing. Contact First Trust Portfolios L.P. at 1-800-621-1675 or visit www.ftportfolios.com to obtain a prospectus or summary prospectus which contains this and other information about the fund. The prospectus or summary prospectus should be read carefully before investing.

**Definitions**

- The Bloomberg Barclays 10 Year California Exempt Index is the subset of bonds of the Bloomberg Barclays Municipal Bond Index that were issued by California issuers and have 10 years to maturity.