

>> Fund Objective

This exchange-traded fund seeks investment results that correspond generally to the price and yield (before the fund's fees and expenses) of an equity index called the FTSE EPRA/NAREIT Developed Index.

>> Fund Facts

Fund Ticker	FFR
CUSIP	33736N101
Intraday NAV	FFRIV
Fund Inception Date	8/27/07
Gross Expense Ratio [^]	0.70%
Net Expense Ratio	0.60%
30-Day SEC Yield [†]	3.10%
Unsubsidized 30-Day SEC Yield [#]	2.94%
Rebalance Frequency	Quarterly
Primary Listing	NYSE Arca

>> Index Facts

Index Ticker	RUGL
Index Inception Date	2/18/05
Index Yield [‡]	4.08%

>> Index Description

- >> The index is designed to measure the stock performance of companies engaged in specific real estate activities of the North American, European and Asian real estate markets. Relevant real estate activities are defined as the ownership, trading and development of income-producing real estate.
- >> The constituents of the index are required to meet individual geographic criteria and are subject to size, liquidity, and free float screens.
- >> The index is a modified market capitalization weighted index, based on free float market capitalization. The index is rebalanced and reconstituted quarterly.

>> Performance Summary (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance*							
Net Asset Value (NAV)	-0.12	0.41	3.99	6.36	5.58	5.88	2.52
After Tax Held	-0.42	-0.29	2.40	5.00	4.24	4.45	1.18
After Tax Sold	-0.07	0.24	2.30	4.28	3.69	3.96	1.29
Market Price	-0.03	0.59	3.58	6.36	5.52	5.98	2.49
Index Performance**							
FTSE EPRA/NAREIT Developed Index	-0.15	0.76	4.62	7.16	6.34	6.88	3.37
MSCI World REIT Index	0.23	-0.53	3.18	6.55	6.93	5.48	2.72
S&P Global REIT Index	-0.03	-0.12	2.85	5.98	6.33	5.86	3.06

>> Calendar Year Total Returns (%)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD
FFR	-47.46	35.00	19.59	-6.49	28.28	2.97	14.73	-0.65	4.37	10.57	0.41
MSCI World REIT Index	-45.80	25.65	19.85	3.18	21.73	-0.46	22.00	2.24	3.74	10.28	-0.53
S&P Global REIT Index	-45.04	33.68	23.44	0.61	22.38	1.73	21.54	-0.44	5.77	7.41	-0.12

>> 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FFR	10.38	0.32	0.91	0.57	0.97
MSCI World REIT Index	11.14	—	1.00	0.55	1.00

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

[^]Expenses are capped contractually at 0.60% per year, at least until January 31, 2019.

[†]30-day SEC yield is calculated by dividing the net investment income per share earned during the most recent 30-day period by the maximum offering price per share on the last day of the period and includes the effects of fee waivers and expense reimbursements.

[#]The unsubsidized 30-day SEC yield is calculated the same as the 30-day SEC yield, however it excludes contractual fee waivers and expense reimbursements.

[‡]Index yield represents the weighted average trailing 12-month dividend of the constituents of the FTSE EPRA/NAREIT Developed Index.

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

**Performance information for the FTSE EPRA/NAREIT Developed 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.

>> Portfolio Information

Number Of Holdings	336
Maximum Market Cap.	\$54.65 Billion
Median Market Cap.	\$2.94 Billion
Minimum Market Cap.	\$298 Million
Price/Earnings	14.02
Price/Book	1.36
Price/Cash Flow	11.34
Price/Sales	5.87

>> Top Country Exposure (%)

United States	53.39
Japan	10.38
Hong Kong	7.67
Australia	4.70
United Kingdom	4.57
Germany	4.44
France	3.53
Canada	2.79
Singapore	2.34
Sweden	1.57

>> Top Holdings (%)

Simon Property Group, Inc.	3.85
Prologis, Inc.	2.87
Public Storage	2.16
Unibail-Rodamco SE & WFD Unibail-Rodamco NV	1.93
Vonovia SE	1.80
Digital Realty Trust, Inc.	1.75
AvalonBay Communities, Inc.	1.73
Welltower, Inc.	1.70
Equity Residential	1.66
Mitsui Fudosan Company, Ltd.	1.48

>> Top Sub-Industry Exposure (%)

Diversified REITs	27.38
Retail REITs	19.61
Residential REITs	15.36
Office REITs	12.20
Industrial REITs	8.85
Healthcare REITs	7.29
Lodging/Resorts REITs	4.37
Self Storage REITs	3.87
Industrial/Office Mixed REITs	0.76

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

ETF Characteristics

The fund lists and principally trades its shares on the NYSE Arca, Inc.

The fund's return may not match the return of the FTSE EPRA/NAREIT Developed Index. Securities held by the fund will generally not be bought or sold in response to market fluctuations.

Investors buying or selling fund shares on the secondary market may incur customary brokerage commissions. Market prices may differ to some degree from the net asset value of the shares. Investors who sell fund shares may receive less than the share's net asset value. Shares may be sold throughout the day on the exchange through any brokerage account.

However, unlike mutual funds, shares may only be redeemed directly from the fund by authorized participants, in very large creation/redemption units. If the fund's authorized participants are unable to proceed with creation/redemption orders and no other authorized participant is able to step forward to create or redeem, fund shares may trade at a discount to the fund's net asset value and possibly face delisting.

Risk Considerations

The fund's shares will change in value, and you could lose money by investing in the fund. One of the principal risks of investing in the fund is market risk. Market risk is the risk that a particular stock owned by the fund, fund shares or stocks in general may fall in value. There can be no assurance that the fund's investment objective will be achieved.

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. The fund may invest in depositary receipts which may be less liquid than the underlying shares in their primary trading market.

The fund is subject to the risks associated with investing in real estate and real estate investment trusts (REITs), which include fluctuations in the value of underlying properties, defaults by borrowers or tenants, market saturation, changes in general and local economic conditions, decreases in market rates for rents, increases in competition, property taxes, capital expenditures or operating expenses, dependency upon management skills, limited diversification, and other economic, political or regulatory occurrences. 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.

The value of the fund will generally decline when investors in REIT stocks anticipate or experience rising interest rates.

Changes in currency exchange rates and the relative value of non-US currencies may affect the value of a fund's investments and the value of a fund's shares.

First Trust Advisors L.P. is the adviser to the fund. First Trust Advisors L.P. is an affiliate of First Trust Portfolios L.P., the fund's distributor.

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Definitions

Standard Deviation is a measure of price variability (risk). **Alpha** is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. **Beta** is a measure of price variability relative to the market. **Sharpe Ratio** is a measure of excess reward per unit of volatility. **Correlation** is a measure of the similarity of performance. The **MSCI World REIT Index** is a free float-adjusted market capitalization weighted index that is designed to measure the real estate investment trusts from 23 developed markets around the world. The **S&P Global REIT Index** defines and measures the investable universe of publicly traded real estate investment trusts with constituents from 13 countries.

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