The First Trust North American Energy Infrastructure Fund is an actively managed exchange-traded fund (ETF). Under normal market conditions, the fund will invest at least 80% of its net assets in equity securities of companies headquartered or incorporated in the United States and Canada engaged in the energy infrastructure sector. The fund seeks to provide total return with an emphasis on current distributions and dividends paid to shareholders.

WHY CONSIDER THE FIRST TRUST NORTH AMERICAN ENERGY INFRASTRUCTURE FUND?

- The fund provides diversified exposure to a portfolio containing publicly traded master limited partnerships (MLPs), pipeline companies, utilities and other energy infrastructure companies.
- The fund invests in companies that derive the majority of their revenues from operating or providing services in support of infrastructure assets such as pipelines, power transmission and petroleum and natural gas storage in the petroleum, natural gas and power generation industries.
- Unlike investments in individual MLPs, the ETF structure allows for tax simplification with one Form 1099 per shareholder at the end of the year, rather than multiple K-1s and potential state filings.
- The fund may provide improved tax efficiency over traditional, actively managed mutual funds. An ETF’s unique process for creating and redeeming shares allows it to substantially lessen, or possibly avoid, capital gains distributions.

INVESTMENT PROCESS

Energy infrastructure provides the backbone of our economy and our way of life. Energy Income Partners, LLC (EIP), the fund’s sub-advisor, believes that a professionally managed portfolio of dividend-paying energy infrastructure companies in non-cyclical segments offer an attractive balance of income and growth. EIP’s priority is to focus on steady fee-for-service income and will seek to limit the cyclical energy exposure of the portfolio in order to reduce the volatility of returns.

- Because the energy sector is capital intensive, mature, and has low rates of overall growth, EIP believes that a high payout ratio can lead to steady, attractive rates of return. High payout ratios can incentivize management to be more prudent with capital spending and growth plans.
- EIP believes that companies paying out a large portion of their available free cash flow in the form of monthly or quarterly distributions or dividends have a built-in capital spending discipline and provide an attractive investment universe from which to construct a portfolio.

BUILD INVESTMENT UNIVERSE

Characteristics EIP Seeks:
- Energy infrastructure
- Fee-based (non-cyclical)
- Monopoly-like
- Inflation escalators or cost pass-throughs
- High payout
- Attractive distribution rate
- Capital discipline

SELECT QUALIFYING COMPANIES

Required Parameters:
- High-quality assets
- Quality/track record of management
- Financials
  - Leverage
  - Dividend coverage
  - Returns on invested capital

PORTFOLIO CONSTRUCTION

Metrics that Determine Position Size:
- Expected internal rate of return
  - Distribution rate
  - Growth
  - Change in valuation
- Risks
  - Business sector/geography
  - Market cap/liquidity
  - Asset class
  - Portfolio concentration/size limits

PORTFOLIO MANAGEMENT TEAM

James Murchie
Co-Portfolio Manager, Founder and CEO of EIP

Eva Pao
Co-Portfolio Manager, Principal of EIP

John Tysseland
Co-Portfolio Manager, Principal of EIP

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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.
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. The fund is subject to management risk because it is an actively managed portfolio. In managing the fund’s investment portfolio, the sub-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 objective will be achieved.

The fund may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies. The fund may use derivatives which can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives.

The fund invests primarily in securities of companies headquartered or incorporated in the U.S. and Canada. Accordingly, an investment in the fund may be more volatile than an investment diversified across several geographic regions. 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 concentrated in securities of companies in the energy sector which involves additional risks, including limited diversification. The companies engaged in the energy sector, which includes MLPs and utilities companies, are subject to certain risks, including price and supply fluctuations caused by international politics, energy conservation, taxes, price controls, and other regulatory policies of various governments.

Energy infrastructure companies may be directly affected by energy commodity prices, especially those companies which own the underlying energy commodity. A decrease in the production or availability of commodities or a decrease in the volume of such commodities available for transportation, processing, storage or distribution may adversely impact the financial performance of energy infrastructure companies.

An investment in MLP units involves risks which differ from an investment in common stock of a corporation. Holders of MLP units have limited control and voting rights. In addition, there is the risk that a MLP could be taxed as a corporation. Current and future tax and regulatory policies could adversely impact an MLP’s business, financial condition, results of operations and cash flows, and ability to pay cash distributions or dividends. Rising interest rates could adversely impact the financial performance of MLPs, MLP related entities and energy companies.

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.
The fund is classified as “non-diversified” and may invest a relatively high percentage of its assets in a limited number of issuers. As a result, the fund may be more susceptible to a single adverse economic or regulatory occurrence affecting one or more of these issuers, experience increased volatility and be highly concentrated in certain issuers.

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.
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 and the Internal Revenue Code. First Trust has no knowledge of and has not been provided any information regarding any investor. Financial advisors must determine whether particular investments are appropriate for their clients. First Trust believes the financial advisor is a fiduciary, is capable of evaluating investment risks independently and is responsible for exercising independent judgment with respect to their retirement plan clients.