**First Trust EIP Carbon Impact ETF**

**Fund Description**

Under normal market conditions, the fund invests at least 80% of its net assets (including investment borrowings) in the equity securities of companies identified by the fund’s sub-advisor, Energy Income Partners, LLC (EIP), as having, or seeking to have, a positive carbon impact.

Through a professionally managed portfolio, the fund seeks to offer investors an attractive balance of income and growth while also providing a vehicle to focus some of their investments on carbon impact and its potential role in mitigating climate change.

The EIP investment process follows these steps:

- **Define Investment Universe:** A universe of potential investments from companies which may exhibit higher than average payout ratio supported by stable cash flows derived from long-term contracts, a regulated cost-of-service pricing scheme with inflation adjustments or cost pass-through protections. These companies may operate in the following industries, among others: utilities; natural gas pipelines; manufacturers; contractors, developers and/or owners of renewable energy and other companies that operate and/or produce services in support of activities such as renewable energy equipment, energy storage, carbon capture and sequestration, fugitive methane abatement and energy transmission and distribution equipment.
- **Eliminate Ineligible Companies:** EIP eliminates companies that they have identified as having no plans to reduce emissions and have a strategic commitment to the following activities: coal production, crude oil exploration and production or crude oil transportation, storage or delivery.
- **Screen for Positive Carbon Impact:** From the remaining eligible companies, EIP identifies those that currently or have plans to reduce carbon and other GHG emissions within their own operations, facilitate the reduction of carbon and other GHG emissions across the broader market, such as through the displacement of more carbon intensive fuels (such as coal or oil) or facilitate the increased use of renewable resources across the broader market.

EIP selects from the remaining securities using a combination of quantitative and qualitative screens. The remaining securities are weighted based on each position’s expected rate of return against risks, position size and diversification considerations and the fund’s portfolio limitations.

**Fund Sub-Advisor**

- **Energy Income Partners** is the sub-advisor to the fund and will manage the fund’s portfolio.
  - EIP is a limited liability company and a registered investment advisor which provides professional asset management services in the area of energy-related MLPs, and other high payout securities.
  - EIP has many years of experience investing in the energy sector, investment research, commodity trading and portfolio management.

**Fund Facts**

- **Fund Ticker:** ECLN
- **CUSIP:** 33738D705
- **Intraday NAV:** ECLNIV
- **Fund Inception Date:** 8/19/19
- **Expense Ratio:** 0.95%
- **30-Day SEC Yield:** 2.05%
- **Primary Listing:** NYSE Arca

**Performance Summary (%)**

<table>
<thead>
<tr>
<th>Fund Performance*</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>
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<tbody>
<tr>
<td>Net Asset Value (NAV)</td>
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<td>4.68</td>
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<td>After Tax Held</td>
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<td>4.68</td>
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<tr>
<td>After Tax Sold</td>
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<td></td>
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<td></td>
<td></td>
<td>2.77</td>
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<tr>
<td>Market Price</td>
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<td>4.68</td>
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**Index Performance**

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<th>Index Performance**</th>
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</thead>
<tbody>
<tr>
<td>S&amp;P 500 Index</td>
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<tr>
<td>The Philadelphia Stock Exchange Utility Index</td>
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<td>5.78</td>
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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.

1: 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.

*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 the fund’s NAV is calculated. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative. 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.

**indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the index performance shown. Indexes are unmanaged and an investor cannot invest directly in an index.**
The fund lists and principally trades its shares on the NYSE Arca, Inc. Shares may be sold throughout the day on the exchange through any brokerage account. 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.

**ETF Characteristics**

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**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 invest in securities on its books. Changes in currency exchange rates and the relative value of non-US currencies may affect the 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. Illiquid securities involve the risk that the securities will not be able to be sold at the time desired by the fund or at prices approximately the value at which the fund is carrying the securities on its books. 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. As 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. 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. 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.

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. Illiquid securities involve the risk that the securities will not be able to be sold at the time desired by the fund or at prices approximately the value at which the fund is carrying the securities on its books. 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. As 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. 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. 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 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, 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**

The Philadelphia Stock Exchange Utility Index is a market capitalization weighted index composed of geographically diverse public U.S. utility stocks. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance.