

>> 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 Dow Jones Internet Composite IndexSM.

>> Fund Facts

Fund Ticker	FDN
CUSIP	33733E302
Intraday NAV	FDNIV
Fund Inception Date	6/19/06
Gross Expense Ratio [^]	0.53%
Net Expense Ratio	0.53%
Rebalance Frequency	Quarterly
Primary Listing	NYSE Arca

>> Index Facts

Index Ticker	DJINETT
Index Inception Date	2/18/99

>> Index Description

- >> The Dow Jones Internet Composite IndexSM is a float-adjusted market capitalization weighted index designed to represent the largest and most actively traded stocks of U.S. companies in the Internet industry.
- >> To be eligible for the Dow Jones Internet Composite IndexSM, a stock must be listed on the NYSE, NYSE MKT or Nasdaq stock exchange and meet the following criteria:
 - Generate a majority of sales/revenues from the Internet.
 - Minimum trading history of three months.
 - Minimum three-month average float-adjusted market capitalization of \$100 million.
- >> Eligible stocks are ranked first by three-month average float-adjusted market capitalization and then by three-month average share volume. A final rank is calculated based on an equally weighted average of the market cap and volume rankings.
- >> Companies are sorted by final rank and 40 companies are selected, consisting of 15 classified as Internet Commerce and 25 classified as Internet Services.
- >> The index is weighted by float-adjusted market capitalization.
 - The weight of any individual security is restricted to 10% and the aggregate weight of individual securities with weights of 4.5% or more is restricted to 45%.
- >> The index is rebalanced quarterly.

>> Performance Summary (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance*							
Net Asset Value (NAV)	2.86	28.94	38.34	28.90	21.40	22.39	17.32
After Tax Held	2.86	28.94	38.34	28.90	21.40	22.38	17.30
After Tax Sold	1.69	17.13	22.70	23.20	17.58	19.58	15.14
Market Price	2.71	28.90	38.33	28.93	21.38	22.34	17.32
Index Performance**							
Dow Jones Internet Composite Index SM	2.99	29.42	39.04	29.57	22.01	23.05	17.94
S&P Composite 1500 Information Technology Index	8.61	20.06	30.40	27.25	21.80	16.91	13.81
S&P 500 Index	7.71	10.56	17.91	17.31	13.95	11.97	9.49

>> Calendar Year Total Returns (%)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD
FDN	-44.02	79.23	36.63	-5.74	20.85	53.40	2.42	21.77	6.91	37.62	28.94
S&P Composite 1500 Information Technology Index	-42.90	61.04	12.13	1.12	14.75	28.99	18.95	5.60	14.78	37.29	20.06
S&P 500 Index	-37.00	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96	21.83	10.56

>> 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FDN	15.02	8.32	1.12	1.73	0.69
S&P Composite 1500 Information Technology Index	13.66	6.36	1.15	1.79	0.78
S&P 500 Index	9.18	—	1.00	1.71	1.00

Overall Morningstar Rating™



Among 181 funds in the Technology category.

This fund was rated 4 stars/181 funds (3 years), 4 stars/173 funds (5 years), 5 stars/139 funds (10 years).^S

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 April 30, 2019.

^{*}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 Dow Jones Internet Composite IndexSM 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	42
Maximum Market Cap.	\$976.95 Billion
Median Market Cap.	\$10.79 Billion
Minimum Market Cap.	\$1.26 Billion
Price/Earnings	53.24
Price/Book	6.38
Price/Cash Flow	38.51
Price/Sales	5.03

>> Top Holdings (%)

Amazon.com, Inc.	11.71
Facebook, Inc.	7.71
Netflix, Inc.	5.91
Salesforce.com, Inc.	5.44
Alphabet Inc. (Class C)	5.32
Alphabet, Inc. (Class A)	5.29
PayPal Holdings, Inc.	5.22
eBay, Inc.	3.01
GrubHub Inc.	2.65
Twitter, Inc.	2.65

>> Top Sector Exposure (%)

Information Technology	41.21
Consumer Discretionary	27.28
Communication Services	23.73
Financials	5.34
Health Care	2.44

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 Dow Jones Internet Composite IndexSM.

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.

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 invests in information technology companies, which are subject to certain risks, including 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. Certain companies may be smaller and less experienced companies, with limited

product lines, markets or financial resources. Information technology company stocks, especially those which are Internet related, have experienced extreme price and volume fluctuations that are often unrelated to their operating performance.

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.

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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 **S&P Composite 1500 Information Technology Index** is a capitalization-weighted index of companies classified by GICS as information technology within the S&P Composite 1500 Index. The **S&P 500 Index** is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance.

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