

### >> Fund Objective

This exchange-traded fund seeks total return.

### >> Fund Facts

Fund Ticker	FCVT
CUSIP	33739Q507
Intraday NAV	FCVTIV
Fund Inception Date	11/3/15
Expense Ratio	0.95%
30-Day SEC Yield <sup>†</sup>	0.50%
Primary Listing	Nasdaq

### >> Fund Description

>> The First Trust SSI Strategic Convertible Securities ETF is an actively managed exchange-traded fund (ETF) that seeks to deliver total return by investing, under normal market conditions, at least 80% of its net assets in a diversified portfolio of U.S. and non-U.S. convertible securities.

- **Equity upside participation with muted volatility:** The embedded conversion option provides equity market participation, with potential for attractive risk-adjusted returns.
- **Potential downside protection through fixed-income attributes:** The bond-like characteristics of convertible securities offer potential downside protection relative to traditional equity investments.
- **Reduced sensitivity to interest rate risk:** Convertible securities have historically exhibited limited sensitivity to interest rates because of their embedded conversion option.
- **Beneficial diversification properties for investors seeking managed capital appreciation and income:** Historically, convertible securities are not highly correlated with other asset classes. Because of this, they have the potential to enhance overall return and provide meaningful diversification to an asset allocation strategy.

### >> Fund Sub-Advisor

- >> The portfolio is sub-advised and managed by SSI Investment Management Inc. (SSI).
- >> SSI has provided highly specialized expertise in convertible securities and has managed risk for institutional investors and high net worth individuals for over 30 years.
- >> SSI adds value through an active management style that combines quantitative and fundamental disciplines and believes its quantitative analysis provides the most effective framework for identifying superior value in selecting attractive portfolio candidates.
- >> Day-to-day management decisions for the fund's portfolio are made by a highly experienced and seasoned management team:
  - George M. Douglas, CFA, Chief Investment Officer, Principal
  - Ravi Malik, CFA, Portfolio Manager, Principal
  - Michael J. Opre, CFA, Portfolio Manager
  - Florian Eitner, CFA, Portfolio Manager
  - Ethan Ganz, Associate Portfolio Manager

### >> Performance Summary (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
<b>Fund Performance*</b>							
Net Asset Value (NAV)	4.36	9.11	10.64	—	—	—	9.68
After Tax Held	4.18	8.51	9.51	—	—	—	8.71
After Tax Sold	2.47	5.14	6.02	—	—	—	7.03
Market Price	3.87	8.62	9.91	—	—	—	9.63
<b>Index Performance**</b>							
ICE BofAML All US Convertibles Index	3.93	10.43	12.15	—	—	—	10.43

*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](http://www.ftportfolios.com).*

<sup>†</sup>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 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. 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 ICE BofAML All US Convertibles 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.

## » Portfolio Information

Number Of Holdings	121
Weighted Average Effective Duration <sup>1</sup>	1.64 Years

## » Security Type (%)

Convertible Bond	82.98
Mandatory Preferred	10.76
Convertible Preferred	5.24
Cash & Equivalent	1.02

<sup>1</sup>A measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield.

## » Top Holdings (%)

Wells Fargo & Company, Series L, 7.50%	2.46
SQUARE INC Convertible, 0.50%, due 05/15/2023	2.13
Bank of America Corp., Series L, 7.25%	2.04
PALO ALTO NETWORKS Convertible, 0.75%, due 07/01/2023	1.99
Becton, Dickinson and Company, Series A, 6.125%, Due 05/01/2020	1.92
Microchip Technology Inc. Convertible, 1.625%, Due 02/15/2027	1.71
ILLUMINA INC Convertible, 0%, due 08/15/2023	1.63
SERVICENOW INC Convertible, 0%, due 06/01/2022	1.54
ADVANCED MICRO DEVICES Convertible, 2.125%, due 09/01/2026	1.50
HERBALIFE LTD Convertible, 2.625%, due 03/15/2024	1.44

## » Top Sector Exposure (%)

Technology	42.68
Healthcare	19.67
Financials	7.26
Industrials	7.15
Energy	6.68
Consumer Discretionary	5.70
Utilities	3.47
Consumer Staples	1.85
Transportation	1.57
Media	1.24
Cash & Equivalent	1.02
Telecommunications	0.87
Materials	0.82

*You should consider the fund's investment objective, risks, and charges and expenses carefully before investing. Contact First Trust Portfolios L.P. at 1-800-621-1675 or visit [www.ftportfolios.com](http://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 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 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. 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 objective 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 fall in value. Some of the securities held by the fund may be restricted or illiquid.

Certain of the fixed-income securities in the fund may not have the benefit of covenants which could reduce the ability of the issuer to meet its payment obligations and might result in increased credit risk.

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 depository receipts which may be less liquid than the underlying shares in their primary trading market.

The fund invests in equity securities and the value of the shares will fluctuate with changes in the value of these equity securities. Equity securities prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market.

Convertible securities have characteristics of both equity and debt securities and, as a result, are exposed to certain additional risks. Mandatory convertible securities are a subset of convertible securities, the conversion of which into common stock is not optional, and the conversion price at maturity is based solely upon the market price of the

underlying common stock, which may be significantly less than par or the price paid. Mandatory convertible securities generally are subject to a greater risk of loss of value than securities convertible at the option of the holder. Contingent convertible securities, under certain circumstances, may also provide for mandatory conversion. In addition, various contingent convertible securities may contain features that limit an investor's ability to convert the security unless certain conditions are met. The values of certain synthetic convertible securities will respond differently to market fluctuations than a traditional convertible security because such synthetic convertibles are composed of two or more separate securities or instruments, each with its own market value. In addition, if the value of the underlying common stock or the level of the index involved in the convertible component falls below the exercise price of the warrant or option, the warrant or option may lose all value. The issuer of the synthetic convertible security assumes the credit risk associated with the investment, rather than the issuer of the underlying equity security into which the instrument is convertible. Therefore, the fund is subject to the credit risk associated with the counterparty creating the synthetic convertible instrument. Synthetic convertible securities may also be subject to the risks associated with derivatives.

Preferred securities combine some of the characteristics of both common stocks and bonds. Preferred securities are typically subordinated to bonds and other debt instruments in a company's capital structure, in terms of priority to corporate income, and therefore will be subject to greater credit risk than those debt instruments.

High yield securities, or "junk" bonds, are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, may be highly speculative. The market for high yield securities is smaller and less liquid than that for investment grade securities.

Exchange-traded notes (ETNs) are senior, unsecured, unsubordinated debt securities whose returns are linked to the performance of a particular market benchmark or strategy minus applicable fees. The value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying assets, changes in the applicable interest rates, changes in the issuer's credit rating and economic, legal, political or geographic events that affect the referenced underlying asset.

The fund may be subject to credit risk, interest rate risk, and income 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 a security may decline as a result. Interest rate risk is the risk that if interest rates rise, the prices of the fixed-rate instruments held by the fund may fall. Income risk is the risk that if interest rates fall, the income from the fund's portfolio will decline as the fund intends to hold floating-rate debt that will adjust lower with falling interest rates.

The use of options and other derivatives 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. These risks are heightened when the fund's portfolio managers use derivatives to enhance the fund's returns or as a substitute for a position or security, rather than solely to hedge (or offset) the risk of a position or security held by the fund.

The fund may invest in the shares of other investment companies, and therefore, the fund's investment performance and risks may be related to the investment performance and risks of the underlying funds. In general, as a shareholder in other investment companies, the fund bears its ratable share of the underlying fund's expenses, and would be subject to duplicative expenses to the extent the fund invests in other investment companies.

The fund will, under most circumstances, effect a portion of creations and redemptions for cash, rather than in-kind securities. As a result, the fund may be less tax-efficient.

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.

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 its retirement plan clients.

## Definitions

The **ICE BofAML All US Convertibles Index** measures the return of all U.S. convertibles.