First Trust

FIXD

First Trust TCW Opportunistic Fixed Income ETF

The First Trust TCW Opportunistic Fixed Income ETF is an exchange-traded fund (ETF) that seeks to maximize long-term total return by applying management expertise seeking value in many fixed income market segments. The portfolio is sub-advised and managed by TCW Investment Management Company LLC (TCW or Sub-Advisor). Fixed income securities have the potential to provide a steady flow of income and may provide a number of additional potential advantages. We believe an allocation to fixed income securities that is skillfully managed may improve overall total return potential.

WHY CONSIDER FIXD?

- FIXD is a multi-sector portfolio that invests primarily in investment grade bonds and may benefit from active portfolio management that focuses on a value driven approach.
- The fund will allocate capital among corporate and government debt securities and other fixed income instruments including high yield and floating rate securities. The fund may also invest in other securities, such as derivatives, primarily used to hedge (offset) and reduce volatility.
- The fund may provide enhanced return potential through an expanded opportunity set and the ability to manage duration and yield curve exposures, seeking to minimize volatility.
- TCW's fixed income management philosophy reflects a goal of consistently outperforming the broader bond market over full market cycles while maintaining below average volatility with an emphasis on capital preservation, particularly in rising interest rate environments.

INVESTMENT STRATEGY FOCUS

- Maximize long-term total return
- Monthly income potential
- Exposure to core and satellite fixed income assets
- Potential to outperform the broad bond market

Fund Facts

Fund Ticker	FIXD
Investment Advisor	First Trust Advisors L.P.
Investment Sub-Advisor	TCW Investment Management Company LLC
CUSIP	33740F805
Intraday NAV	FIXDIV
Fund Inception Date	2/14/17
Primary Listing	Nasdaq
Benchmark	Bloomberg Barclays US Aggregate Bond Index
Expected Average Duration	Within 1 year of the benchmark

TCW INVESTMENT MANAGEMENT COMPANY LLC

TCW Investment Management Company LLC is a wholly owned subsidiary of The TCW Group, Inc. (TCW Group), which is a leading global asset management firm with nearly five decades of investment experience. Established in 1971 in Los Angeles, California, TCW Group manages a broad range of products across fixed income, equities, emerging markets and alternative investments. Through the TCW and MetWest Fund Families, TCW manages one of the largest mutual fund complexes in the U.S. Its clients include many of the world's largest corporate and public pension plans, financial institutions, endowments and foundations, as well as financial advisors and high net worth individuals. With a high level of employee ownership, TCW is committed to providing disciplined, team-managed investment processes that have been tested across market cycles. As of September 28, 2018, TCW Group had $198 billion in assets under management with nearly $177 billion of that in fixed income.

UCON PORTFOLIO MANAGEMENT TEAM

Tad Rivelle
Chief Investment Officer, Co-Director—Fixed Income, Portfolio Manager

Laird Landmann
Co-Director—Fixed Income, Portfolio Manager

Stephen M. Kane, CFA
Group Managing Director, Portfolio Manager

Bryan T. Whalen, CFA
Group Managing Director, Portfolio Manager

TCW FIXED INCOME ACCOLADES

- MetWest Fund family named best large company fixed income fund family by Lipper Fund Awards, 2016.[1]
- Named by Morningstar as a U.S. Fixed Income Manager of the Year in 2005 and nominated for the award eight times.[2]
- MetWest manages one of the largest actively managed fixed income mutual funds.

[1]The Lipper Fund Awards recognize funds and fund management firms for their consistently strong risk-adjusted three-, five-, and ten-year performance, relative to their peers, based on Lipper's proprietary performance-based methodology.
[2]Morningstar's Fund Manager of the Year award winners were chosen based on Morningstar's proprietary research and in-depth qualitative evaluation by its fund analysts. 2005 performance as well as long-term risk adjusted performance were among the factors considered for qualification.

A Value Oriented Approach to Generating Income

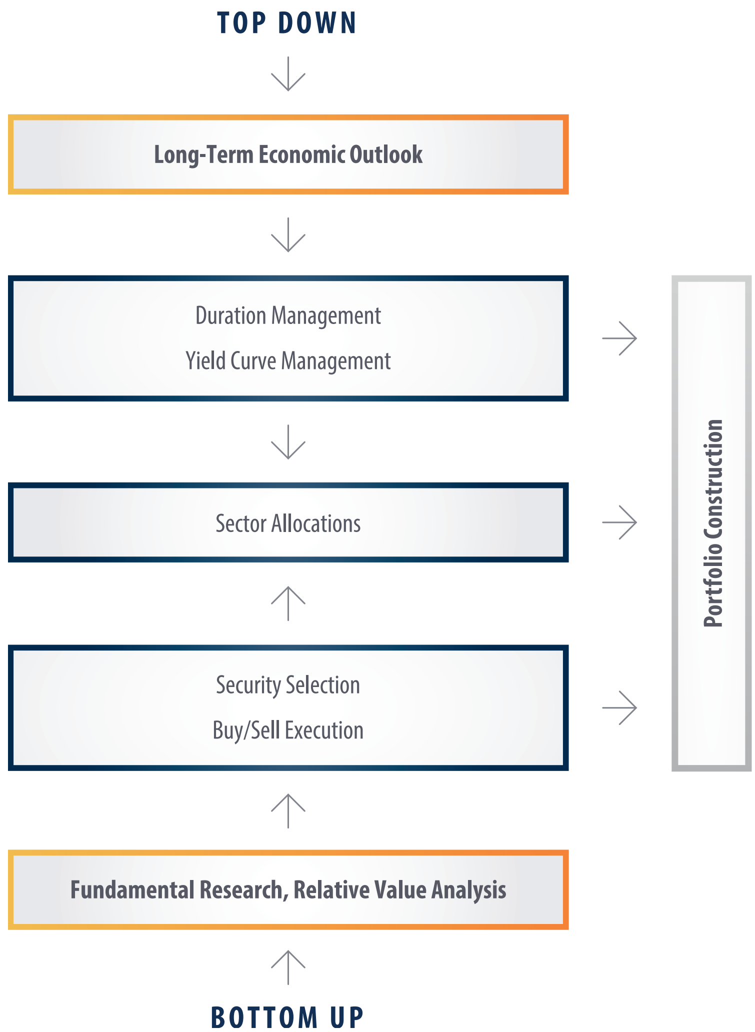
TCW uses a value-oriented fixed income strategy focused on generating alpha primarily through sector allocation and security selection, while controlling risk through a disciplined application of dollar cost averaged exposure across duration, yield curve, sectors and securities. TCW believes fixed income should be the "bedrock" of an investor's asset allocation. As such, the investment process is focused on preserving capital.

TCW INVESTMENT PROCESS AND PHILOSOPHY

The portfolio is selected using a top-down business cycle analysis to shape the duration, yield curve and sector decisions, anchored by bottom-up fundamental research to drive the security selection and execution strategies.

- **Duration** | At the core of the investment process is TCW's long-term economic outlook, which drives the duration strategy. Portfolio risk is addressed through the limitation of duration to within one year of the benchmark.
- **Yield Curve** | Yield curve positioning is based on TCW's fundamental outlook, evaluation of yield spread relationships and total return analysis.
- **Sector Allocation** | The portfolio is allocated across domestic and international fixed income sectors. Shifts in sector allocations are based on relative value decisions, overweighting the most attractive sectors at pronounced, though generally infrequent, turning points in market cycles.
- **Issue Selection** | Security selection involves evaluation of credit discipline and intensive fundamental credit analysis considering factors such as cash flow consistency, liquidity, collateral coverage, capital structure analysis and management quality.
- **Trading** | Diligent pursuit of best execution and opportunistic trading opportunities are essential to the investment process.

The portfolio is monitored and reviewed with a focus on identifying factors which might produce a favorable risk/reward profile. Informal projections of total returns are made for each sector over a range of interest rates. Supply and demand conditions as well as yield spread relationships are also taken into consideration when assessing portfolio rebalancing/adjustments.



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 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.

ACTIVE VS. PASSIVE INVESTING

Traditionally, ETFs that follow a passive indexing approach tend to invest a higher percentage of the fund's assets in the companies in the index that have the largest market capitalizations. While this market-cap weighted approach is conventional for ETFs that invest in common stocks, we believe it is problematic when applied to fixed income. The effect of market-cap weighting on fixed income ETFs is to favor the most indebted companies irrespective of their relative ability to repay their debt. In our opinion, this crucial difference provides important opportunities for actively managed fixed income ETFs to add value versus passively managed index ETFs. It is important to note that actively managed ETFs may have a higher portfolio turnover rate than passive indexing strategies, which may result in higher transaction costs and taxes.

We believe one of the greatest potential benefits of active management for fixed income ETFs is the enhanced ability to manage risk. TCW's active approach builds the portfolio using a combination of top down/bottom up strategies. The fund's portfolio management team positions the portfolio for changing market environments using several tactical approaches. Unlike passive indexing strategies, TCW can use sector allocation and security selection as key components of managing risk. The ability to invest across domestic and international fixed income sectors provides the portfolio managers with another way to manage market risk while adding a potential source of return. In addition, interest rate exposure may be limited through careful duration and yield curve management as well as by holding convertible and floating rate securities. The result is a portfolio that is diversified not only in a traditional sense across maturities, sectors and securities, but also across strategies that provide the opportunity to seek higher risk-adjusted returns.

LOW CORRELATION AIDS DIVERSIFICATION

Effective diversification requires combining assets with low correlations or those that have performed differently over varying market conditions. One way to evaluate the potential diversification benefits of combining different assets is by comparing correlation, which is a statistical measure of the similarity of performance of two securities.

Correlation is measured on a scale ranging between -1 and +1. A correlation of +1 means that the two investments have moved in perfect tandem with each other. Alternatively, perfect negative correlation of -1 means that when one security moves in one direction, the other security will move in the opposite direction. Because bonds are not highly correlated with other asset classes, they can potentially decrease portfolio volatility, enhance overall return and provide meaningful diversification to an asset allocation strategy.

CORRELATION OF ASSET CLASSES (6/30/03 — 9/28/18)

	U.S. Core Bonds	U.S. Equities	Preferred Stocks	MLPs	Commodities	REITs	International Equities
U.S. Core Bonds	1.00	0.01	0.30	-0.02	0.04	0.30	0.09
U.S. Equities	0.01	1.00	0.44	0.51	0.45	0.72	0.87
Preferred Stocks	0.30	0.44	1.00	0.37	0.23	0.45	0.45
MLPs	-0.02	0.51	0.37	1.00	0.43	0.34	0.52
Commodities	0.04	0.45	0.23	0.43	1.00	0.28	0.57
REITs	0.30	0.72	0.45	0.34	0.28	1.00	0.65
International Equities	0.09	0.87	0.45	0.52	0.57	0.65	1.00

Diversification does not guarantee a profit or protect against a loss.

Chart Source: Bloomberg and Barclays. Past performance is not a guarantee of future results and current performance may be higher or lower than performance quoted. All of the indices are unmanaged, statistical composites that cannot be purchased directly by investors. The historical performance of the indices shown is for illustrative purposes only and it is not indicative of the fund. An index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. The asset classes shown here offer different characteristics in terms of income, tax treatment, capital appreciation and risk. See endnotes for a description of the indices used to represent each asset class.

Important Information

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. One of the principal risks of investing in the fund is market risk. Market risk is the risk that a particular security owned by the fund, fund shares or securities in general may fall in value.

The fund is subject to credit risk, call risk, income risk, interest rate risk and prepayment 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. Credit risk is heightened for the floating rate loans in which the fund invests because companies that issue such loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. Call risk is the risk that if an issuer calls higher-yielding debt instruments held by the fund, performance could be adversely impacted. Income risk is the risk that income from the fund's fixed income investments could decline during periods of falling interest rates. Interest rate risk is the risk that the value of the fixed income securities in the fund will decline because of rising market interest rates. Prepayment risk is the risk that during periods of falling interest rates, an issuer may exercise its right to pay principal on an obligation earlier than expected. This may result in a decline in the fund's income.

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.

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. These securities are issued by companies that may have limited operating history, narrowly focused operations, and/or other impediments to the timely payment of periodic interest and principal at maturity. Lower quality debt tends to be less liquid than higher quality debt.

The risks associated with senior loans are similar to the risks of high-yield fixed income instruments. The loans are usually rated below investment grade but may also be unrated. Upon a prepayment, either in part or in full, the actual outstanding debt on which the fund derives interest income will be reduced. The fund may not be able to reinvest the proceeds received on terms as favorable as the prepaid loan.

Mortgage-related securities, including mortgage-backed securities, are more susceptible to adverse economic, political or regulatory events that affect the value of real estate. Mortgage-related securities are subject to the risk that the rate of mortgage prepayments decreases, which extends the average life of a security and increases the interest rate exposure.

In a falling inflationary environment, both interest payments and the value of Treasury Inflation Protected Securities ("TIPS") will decline.

Securities issued or guaranteed by federal agencies and U.S. government sponsored instrumentalities may or may not be backed by the full faith and credit of the U.S. government.

Collateralized loan obligations ("CLOs") carry additional risks, including, the possibility that distributions from collateral securities will not be adequate to make interest or other payments, the quality of the collateral may decline in value or default, the possibility that the investments in CLOs are subordinate to other classes or tranches, and the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

If a counterparty defaults on its payment obligations, the fund will lose money and the value of an investment in fund shares may decrease.

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.

Non-U.S. securities are subject to higher volatility than securities of domestic issuers due to possible adverse political, social or economic developments; restrictions on foreign investment or exchange of securities; lack of liquidity; currency exchange rates; excessive taxation; government seizure of assets; different legal or accounting standards and less government supervision and regulation of exchanges in foreign countries. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market countries. Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of the fund's investment and the value of fund shares. Because the fund's net asset value is determined on the basis of U.S. dollars, you may lose money if the local currency of a foreign market depreciates against the U.S. dollar.

Investments in sovereign bonds involve special risks because the governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due. In times of economic uncertainty, the prices of these securities may be more volatile than those of corporate debt obligations or of other government debt obligations.

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.

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 will, under most circumstances, effect a portion of creations and redemptions, in whole or in part 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, more established funds, and like other relatively new funds, large inflows and outflows may impact the fund's market exposure for limited periods of time.

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 guarantee that the fund will meet its investment objectives.

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.

Definition of terms:

Duration is 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. It accounts for the likelihood of changes in the timing of cash flows in response to interest rate movements.

Alpha is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark.

Index Definitions:

U.S. Core Bonds are represented by the Bloomberg Barclays US Aggregate Bond Index which measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

U.S. Equities are represented by the S&P 500 Index which is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance.

Preferred Stocks are represented by the ICE BofAML Fixed Rate Preferred Securities Index which tracks the performance of fixed rate U.S. dollar denominated preferred securities issued in the U.S. domestic market.

MLPs are represented by the Alerian MLP Index which is a float-adjusted, capitalization-weighted composite of the 50 most prominent energy Master Limited Partnerships (MLPs).

Commodities are represented by the Bloomberg Commodity Index which is made up of exchange-traded futures on physical commodities and represents 20 commodities, which are weighted to account for economic significance and market liquidity.

REITs are represented by the FTSE NAREIT Composite Index which is designed to provide a comprehensive assessment of overall real estate investment trust (REIT) industry performance.

International Equities are represented by the MSCI EAFE Index which is a float-adjusted market capitalization index designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.