

>> 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 StrataQuant® Energy Index.

>> Fund Facts

Fund Ticker	FXN
CUSIP	33734X127
Intraday NAV	FXNIV
Fund Inception Date	5/8/07
Gross Expense Ratio [^]	0.63%
Net Expense Ratio	0.63%
Rebalance Frequency	Quarterly
Primary Listing	NYSE Arca

>> Index Facts

Index Ticker	STRQENTR
Index Inception Date	4/11/07

>> Index Description

- >> The StrataQuant® Energy Index is an "enhanced" index developed, maintained and sponsored by ICE Data Indices, LLC or its affiliates ("IDI") which employs the AlphaDEX® stock selection methodology to select stocks from the Russell 1000® Index.
- >> IDI constructs the StrataQuant® Energy Index by ranking the stocks which are members of the Russell 1000® Index on growth factors including three, six and 12-month price appreciation, sales to price and one year sales growth, and, separately, on value factors including book value to price, cash flow to price and return on assets.
- >> Stocks which Russell has classified solely as growth or value, receive their score using the above growth or value factors respectively.
- >> Stocks which Russell allocates between both growth and value receive their best score between the growth and value factors.
- >> IDI then ranks those stocks contained in the energy sector according to their score. The bottom 25% is eliminated and the top 75% is selected for the StrataQuant® Energy Index.
- >> The selected stocks are divided into quintiles based on their rankings and the top ranked quintiles receive a higher weight within the index. The stocks are equally-weighted within each quintile.
- >> The index is reconstituted and rebalanced quarterly.

>> Performance Summary (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance*							
Net Asset Value (NAV)	3.82	13.73	23.08	7.98	-3.99	0.43	-0.26
After Tax Held	3.71	13.45	22.61	7.45	-4.53	0.03	-0.63
After Tax Sold	2.26	8.12	13.63	5.91	-3.21	0.16	-0.35
Market Price	3.76	13.73	23.08	7.98	-4.01	0.74	-0.26
Index Performance**							
StrataQuant® Energy Index	4.01	14.34	24.01	8.65	-3.49	1.06	0.36
Russell 1000® Energy Index	0.85	8.29	15.33	10.25	0.68	3.60	—
Russell 1000® Index	7.42	10.49	17.76	17.07	13.67	12.09	8.30
S&P 500 Energy Index	0.61	7.46	13.94	10.73	1.32	3.93	3.46

>> Calendar Year Total Returns (%)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD
FXN	-50.78	47.52	27.77	-8.16	3.67	28.66	-16.01	-32.38	20.46	-5.12	13.73
Russell 1000® Energy Index	—	17.06	21.11	3.43	4.12	25.45	-8.62	-22.29	25.91	-1.12	8.29
Russell 1000® Index	-37.60	28.43	16.10	1.50	16.42	33.11	13.24	0.92	12.05	21.69	10.49
S&P 500 Energy Index	-34.87	13.82	20.46	4.72	4.61	25.07	-7.78	-21.12	27.36	-1.01	7.46

>> 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FXN	25.34	-4.45	1.31	0.39	0.93
S&P 500 Energy Index	17.82	—	1.00	0.62	1.00

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 0.70% per year, at least until November 30, 2018.

*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 StrataQuant® Energy Index 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	43
Maximum Market Cap.	\$359.96 Billion
Median Market Cap.	\$12.70 Billion
Minimum Market Cap.	\$1.98 Billion
Price/Earnings	16.52
Price/Book	1.87
Price/Cash Flow	7.57
Price/Sales	1.26

>> Top Holdings (%)

Kosmos Energy Ltd.	4.48
HollyFrontier Corporation	4.46
Energen Corporation	4.37
Valero Energy Corporation	4.36
Helmerich & Payne, Inc.	4.22
Cheniere Energy, Inc.	4.21
Concho Resources, Inc.	3.89
ONEOK, Inc.	3.87
PBF Energy, Inc.	3.61
Anadarko Petroleum Corporation	3.60

>> Top Industry Exposure (%)

Oil, Gas & Consumable Fuels	88.47
Energy Equipment & Services	11.53

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 StrataQuant® Energy Index. 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.

Energy companies are subject to certain risks, including volatile fluctuations in price and supply of energy fuels, international politics, terrorist attacks, reduced demand, the success of exploration projects, natural disasters, clean-up and litigation costs relating to oil spills and environmental damage, and tax and other regulatory policies of various governments. Oil production and refining companies are subject to extensive federal, state and local environmental laws and regulations regarding air emissions and the disposal of hazardous materials. In addition, oil prices are generally subject to extreme volatility.

The StrataQuant® Energy Index is a trademark of ICE Data Indices, LLC or its affiliates ("IDI") and has been licensed for use by First Trust Portfolios L.P. The fund is not sponsored, endorsed, sold or promoted by IDI and IDI makes no representation or warranty regarding the advisability of investing in the fund or as to the result to be obtained by any person from use of the index in connection with the trading of the fund.

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"AlphaDEX®" is a registered trademark of First Trust Portfolios L.P. First Trust Portfolios L.P. has obtained a patent for the AlphaDEX® stock selection methodology from the United States Patent and Trademark Office.

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 **Russell 1000® Index** is an unmanaged index used to measure the large-cap U.S. equity universe. The **Russell 1000® Energy Index** is an unmanaged indexes which include the stocks in the energy sector of the Russell 1000® Index. The **S&P 500 Energy Index** is an unmanaged index which includes the stocks in the energy sector of the S&P 500 Index.