

### >> 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® Health Care Index.

### >> Fund Facts

Fund Ticker	FXH
CUSIP	33734X143
Intraday NAV	FXHIV
Fund Inception Date	5/8/07
Gross Expense Ratio*	0.62%
Net Expense Ratio	0.62%
Rebalance Frequency	Quarterly
Primary Listing	NYSE Arca

### >> Index Facts

Index Ticker	STRQHCTR
Index Inception Date	4/11/07

### >> Index Description

- >> The StrataQuant® Health Care 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® Health Care 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 health care sector according to their score. The bottom 25% is eliminated and the top 75% is selected for the StrataQuant® Health Care 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
<b>Fund Performance*</b>							
Net Asset Value (NAV)	14.36	21.60	25.78	13.37	14.40	17.01	13.58
After Tax Held	14.36	21.60	25.78	13.37	14.40	16.98	13.56
After Tax Sold	8.50	12.79	15.26	10.47	11.60	14.57	11.58
Market Price	14.39	21.64	25.91	13.42	14.41	16.79	13.59
<b>Index Performance**</b>							
StrataQuant® Health Care Index	14.57	22.23	26.64	14.10	15.14	17.83	14.40
Russell 1000® Health Care Index	14.19	17.46	19.20	14.81	15.60	14.73	—
Russell 1000® Index	7.42	10.49	17.76	17.07	13.67	12.09	8.30
S&P 500 Health Care Index	14.53	16.63	18.35	14.81	15.37	14.22	10.84

### >> Calendar Year Total Returns (%)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD
FXH	-29.32	51.23	19.04	5.76	20.81	47.46	25.40	0.23	-5.20	21.78	21.60
Russell 1000® Health Care Index	—	21.30	4.70	11.78	19.48	42.30	25.95	7.07	-2.92	22.05	17.46
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 Health Care Index	-22.81	19.70	2.90	12.73	17.89	41.46	25.34	6.89	-2.69	22.08	16.63

### >> 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FXH	12.73	-0.26	0.94	1.00	0.87
S&P 500 Health Care Index	11.82	—	1.00	1.17	1.00

Overall Morningstar Rating™



Among 129 funds in the Health category.

This fund was rated 3 stars/129 funds (3 years), 3 stars/120 funds (5 years), 4 stars/97 funds (10 years).<sup>s</sup>

*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).*

\*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® Health Care 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	77
Maximum Market Cap.	\$258.34 Billion
Median Market Cap.	\$16.10 Billion
Minimum Market Cap.	\$2.44 Billion
Price/Earnings	25.04
Price/Book	3.92
Price/Cash Flow	20.60
Price/Sales	1.51

## » Top Holdings (%)

Molina Healthcare, Inc.	2.58
Exact Sciences Corporation	2.29
WellCare Health Plans, Inc.	2.25
DexCom, Inc.	2.22
Premier, Inc.	2.22
Encompass Health Corporation	2.20
Centene Corporation	2.17
Express Scripts Holding Company	2.09
Align Technology, Inc.	2.07
Bio-Rad Laboratories, Inc.	2.06

## » Top Industry Exposure (%)

Health Care Providers & Services	36.32
Health Care Equipment & Supplies	29.00
Biotechnology	12.72
Life Sciences Tools & Services	9.37
Pharmaceuticals	8.53
Health Care Technology	4.06

*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](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 NYSE Arca, Inc.

The fund's return may not match the return of the StrataQuant® Health Care 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.

Biotechnology and pharmaceutical companies are subject to extensive competition, generic drug sales or the loss of patent protection, product liability litigation and increased government regulation. Research and development costs of bringing new drugs to market are substantial, and there is no guarantee that the product will ever come to market. Health care facility operators may be affected by the demand for services, efforts by government or insurers to limit rates, restriction of government financial assistance and competition from other providers.

The StrataQuant® Health Care 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.

§The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. ©2018 Morningstar, Inc. All Rights Reserved. The Morningstar Rating™ information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.