



First Trust Exchange-Traded Fund

Book 1

First Trust Dow Jones Select MicroCap Index Fund (FDM)

First Trust Morningstar Dividend Leaders Index Fund (FDL)

First Trust US IPO Index Fund (FPX)

First Trust NYSE Arca Biotechnology Index Fund (FBT)

First Trust Dow Jones Internet Index Fund (FDN)

First Trust Capital Strength ETF (FTCS)

First Trust Value Line® Dividend Index Fund (FVD)

First Trust Value Line® 100 Exchange-Traded Fund (FVL)

Semi-Annual Report
June 30, 2016

**First Trust Exchange-Traded Fund
June 30, 2016**

Shareholder Letter	2
Market Overview	3
Fund Performance Overview	
First Trust Dow Jones Select MicroCap Index Fund (FDM)	4
First Trust Morningstar Dividend Leaders Index Fund (FDL)	6
First Trust US IPO Index Fund (FPX)	8
First Trust NYSE Arca Biotechnology Index Fund (FBT)	10
First Trust Dow Jones Internet Index Fund (FDN)	12
First Trust Capital Strength ETF (FTCS)	14
First Trust Value Line® Dividend Index Fund (FVD)	16
First Trust Value Line® 100 Exchange-Traded Fund (FVL)	18
Notes to Fund Performance Overview	20
Understanding Your Fund Expenses	21
Portfolio of Investments	
First Trust Dow Jones Select MicroCap Index Fund (FDM)	23
First Trust Morningstar Dividend Leaders Index Fund (FDL)	28
First Trust US IPO Index Fund (FPX)	30
First Trust NYSE Arca Biotechnology Index Fund (FBT)	34
First Trust Dow Jones Internet Index Fund (FDN)	36
First Trust Capital Strength ETF (FTCS)	38
First Trust Value Line® Dividend Index Fund (FVD)	40
First Trust Value Line® 100 Exchange-Traded Fund (FVL)	44
Statements of Assets and Liabilities	48
Statements of Operations	50
Statements of Changes in Net Assets	52
Financial Highlights	56
Notes to Financial Statements	60
Additional Information	69

Caution Regarding Forward-Looking Statements

This report contains certain forward-looking statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements regarding the goals, beliefs, plans or current expectations of First Trust Advisors L.P. (“First Trust” or the “Advisor”) and its representatives, taking into account the information currently available to them. Forward-looking statements include all statements that do not relate solely to current or historical fact. For example, forward-looking statements include the use of words such as “anticipate,” “estimate,” “intend,” “expect,” “believe,” “plan,” “may,” “should,” “would” or other words that convey uncertainty of future events or outcomes.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of any series of First Trust Exchange-Traded Fund (the “Trust”) described in this report (each such series is referred to as a “Fund” and collectively, as the “Funds”) to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. When evaluating the information included in this report, you are cautioned not to place undue reliance on these forward-looking statements, which reflect the judgment of the Advisor and its representatives only as of the date hereof. We undertake no obligation to publicly revise or update these forward-looking statements to reflect events and circumstances that arise after the date hereof.

Performance and Risk Disclosure

There is no assurance that any Fund described in this report will achieve its investment objective. Each Fund is subject to market risk, which is the possibility that the market values of securities owned by the Fund will decline and that the value of the Fund shares may therefore be less than what you paid for them. Accordingly, you can lose money by investing in a Fund. See “Risk Considerations” in the Additional Information Section of this report for a discussion of other risks of investing in the Funds.

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please visit <http://www.ftportfolios.com> or speak with your financial advisor. Investment returns, net asset value and share price will fluctuate and Fund shares, when sold, may be worth more or less than their original cost.

The Advisor may also periodically provide additional information on Fund performance on each Fund’s webpage at <http://www.ftportfolios.com>.

How to Read This Report

This report contains information that may help you evaluate your investment in each Fund. It includes details about each Fund’s portfolio and presents data and analysis that provide insight into each Fund’s performance and investment approach.

By reading the market overview by Robert F. Carey, Chief Market Strategist of the Advisor, you may obtain an understanding of how the market environment affected the performance of each Fund. The statistical information that follows may help you understand each Fund’s performance compared to that of relevant market benchmarks.

It is important to keep in mind that the opinions expressed by personnel of the Advisor are just that: informed opinions. They should not be considered to be promises or advice. The opinions, like the statistics, cover the period through the date on the cover of this report. The material risks of investing in each Fund are spelled out in its prospectus, statement of additional information, this report and other Fund regulatory filings.

First Trust Exchange-Traded Fund
Semi-Annual Letter from the Chairman and CEO
June 30, 2016

Dear Shareholders:

Thank you for your investment in First Trust Exchange-Traded Fund (the “Trust”).

First Trust Advisors L.P. (“First Trust”) is pleased to provide you with this semi-annual report which contains detailed information about your investment for the six months ended June 30, 2016, including a market overview and the financial reports for the period. We encourage you to read this report and discuss it with your financial advisor.

While markets were up and down during 2015, we believe there are three important things to remember. First, the U.S. economy grew, despite the massive decline in oil prices. Second, the tapering that began in 2014 by the Federal Reserve (the “Fed”) did not stop growth in the U.S. economy. Finally, the long-anticipated rate hike by the Fed in December had little effect on the money supply, and the stock market was not shocked by the hike. Early in 2016, many investors were concerned that the volatility we saw in the market in 2015 would continue, and it did. From December 31, 2015 through February 11, 2016, the S&P 500® Index declined by 10.27%. Since then, the market has made a steady comeback, and as of June 30, 2016, the S&P 500® Index was up 15.73%.

First Trust believes that having a long-term investment horizon and investing in quality products can help you reach your goals, regardless of how the market behaves. We have always maintained perspective about the markets and believe investors should as well. We will continue to strive to provide quality investment opportunities each and every day, which has been one of the hallmarks of our firm since its inception 25 years ago.

Thank you for giving First Trust the opportunity to be a part of your investment plan. We value our relationship with you and will continue to focus on helping investors like you reach your financial goals.

Sincerely,



James A. Bowen
Chairman of the Board of Trustees
Chief Executive Officer of First Trust Advisors L.P.

**First Trust Exchange-Traded Fund
Semi-Annual Report
June 30, 2016**



Robert F. Carey, CFA
Senior Vice President and Chief Market Strategist
First Trust Advisors L.P.

Mr. Carey is responsible for the overall management of research and analysis of the First Trust product line. Mr. Carey has 25 years of experience as an Equity and Fixed-Income Analyst and is a recipient of the Chartered Financial Analyst (“CFA”) designation. He is a graduate of the University of Illinois at Champaign-Urbana with a B.S. in Physics. He is also a member of the Investment Analysts Society of Chicago and the CFA Institute. Mr. Carey has appeared as a guest on such programs as Bloomberg TV, CNBC, and WBBM Radio, and has been quoted by several publications, including *The Wall Street Journal*, *The Wall Street Reporter*, *Bloomberg News Service*, and *Registered Rep*.

State of the Economy/Investing

One of the reasons cited by the Federal Reserve for not raising interest rates beyond the initial 0.25% hike in the federal funds target rate on December 16, 2015 is the slowdown in global growth. The International Monetary Fund reduced its global growth estimate for 2016 from 3.4% in January to 3.2% in April. It also shaved its 2017 estimate by 0.1% to 3.5%, according to its own release. To help put this concern into perspective, the rate was 5.4% in 2010.

Shocks can come from anywhere at any time. The Brexit (British + Exit) vote held on June 23, 2016 certainly qualifies. The citizens of the United Kingdom (“U.K.”) voted 52% to 48% to leave the European Union (“EU”), according to the BBC. The news was not well-received by the global equities markets. It is not known how it might impact the European recovery underway. In the two trading days (June 24 & June 27) following the vote, total world equity market capitalization (“cap”) dropped from \$63.81 trillion to \$60.17 trillion, or a decline of \$3.64 trillion, according to Bloomberg. The global equities markets, however, rebounded to close on June 30 at a combined market cap of \$62.70 trillion. The U.K. and the EU are likely going to need months to negotiate Brexit.

ETFGI, an industry research group, reported that total assets invested in exchange-traded funds (“ETFs”) and other exchange-traded products (“ETPs”) reached a record high of \$3.18 trillion globally in June 2016, according to its own release. Total assets invested in U.S. ETFs/ETPs reached a record high \$2.26 trillion in June 2016.

U.S. Stocks and Bonds

In the first six months of 2016, the major U.S. stock indices posted positive results. The S&P 500® Index, S&P MidCap 400 Index and S&P SmallCap 600® Index posted total returns of 3.84%, 7.93%, and 6.23%, respectively, according to Bloomberg. Eight of the 10 major S&P 500® Index sectors posted positive total returns. The top performing sectors were Telecommunication Services, Utilities and Energy, up 24.85%, 23.41% and 16.10%, respectively. The two sectors that posted losses were Financials and Information Technology, down 3.05% and 0.32%, respectively.

The stock market appeared to rebound with the recovery in the price of crude oil in mid-February. Crude oil began its plunge in June 2014. It declined from a 2014-high of \$107.26 per barrel on June 20, 2014 to a low of \$26.21 per barrel on February 11, 2016, according to Bloomberg. It fell 29.24% from December 31, 2015 through February 11, 2016, and then rebounded by 84.40% to \$48.33 per barrel on June 30, 2016. From December 31, 2015 through February 11, 2016, the S&P 500® Index posted a total return of -10.27%, according to Bloomberg. From February 11, 2016 through June 30, 2016, the index gained 15.73%. Energy stocks had been the best performing sector for a decade. From June 30, 2004 through June 30, 2014, the S&P 500® Energy Index posted a cumulative total return of 254.41%, according to Bloomberg. The next best performing sector was utilities, up 176.37%, as measured by the S&P 500® Utilities Index for the same period.

In the U.S. bond market, the top-performing major debt group was high yield corporate bonds. The Barclays U.S. Corporate High Yield Index posted a total return of 9.06%. The worst performing major debt group was mortgages, though the group still generated a positive return. The Barclays GNMA 30-Year Index posted a total return of 2.67%. The yield on the benchmark 10-Year Treasury note (T-Note) declined by 80 basis points, from 2.27% (December 31, 2015) to 1.47% (June 30, 2016). Over the past decade, the average yield on the 10-Year T-Note was 2.31%.

Foreign Stocks and Bonds

The U.S. dollar declined by 2.52% against a basket of major currencies in the first six months of 2016, as measured by the U.S. Dollar Index (DXY). DXY had appreciated 23.63% in the 18-month period ended December 31, 2015. With respect to U.S. investors, a stronger U.S. dollar can negatively impact returns on foreign securities.

Due to a dip in the value of the U.S. dollar and some downward pressure on interest rates in most major economies around the globe, foreign bond indices performed well in the first six months of 2016. The Barclays EM Hard Currency Aggregate Index of emerging markets debt posted a total return of 9.06% (USD), while the Barclays Global Aggregate Index of higher quality debt rose 8.96% (USD). Foreign equities finished mixed. The MSCI Emerging Markets Index of stocks posted a total return of 6.41% (USD), while the MSCI World Index (excluding the U.S.) posted a total return of -2.98% (USD).

Fund Performance Overview (Unaudited)

First Trust Dow Jones Select MicroCap Index Fund (FDM)

The First Trust Dow Jones Select MicroCap Index Fund (the “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 Select MicroCap IndexSM (the “Index”). The Fund will normally invest at least 80% of its net assets (including investment borrowings) in common stocks of U.S. micro-capitalization companies which are publicly traded in the United States. The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index. The Index measures the performance of selected U.S. micro-capitalization companies chosen from all common stocks traded on the New York Stock Exchange (“NYSE”), NYSE MKT and The Nasdaq Stock Market LLC (“Nasdaq”) that are comparatively liquid and have strong fundamentals relative to the micro-capitalization segment as a whole. The Fund’s shares are listed for trading on the NYSE Arca, Inc. (“NYSE Arca”). The first day of secondary market trading in shares of the Fund was September 30, 2005.

Performance

	Average Annual Total Returns					Cumulative Total Returns		
	6 Months	1 Year	5 Years	10 Years	Inception	5 Years	10 Years	Inception
	Ended 6/30/16	Ended 6/30/16	Ended 6/30/16	Ended 6/30/16	(9/27/05) to 6/30/16	Ended 6/30/16	Ended 6/30/16	(9/27/05) to 6/30/16
Fund Performance								
NAV	2.50%	-2.03%	9.28%	5.32%	5.84%	55.85%	67.85%	84.10%
Market Value	2.78%	-1.88%	9.34%	5.34%	5.85%	56.26%	68.30%	84.33%
Index Performance								
Dow Jones Select MicroCap Index SM	2.78%	-1.40%	9.96%	6.02%	6.56%	60.73%	79.46%	98.00%
Russell 2000 [®] Index	2.22%	-6.73%	8.35%	6.20%	6.77%	49.35%	82.43%	102.38%

(See Notes to Fund Performance Overview on page 20.)

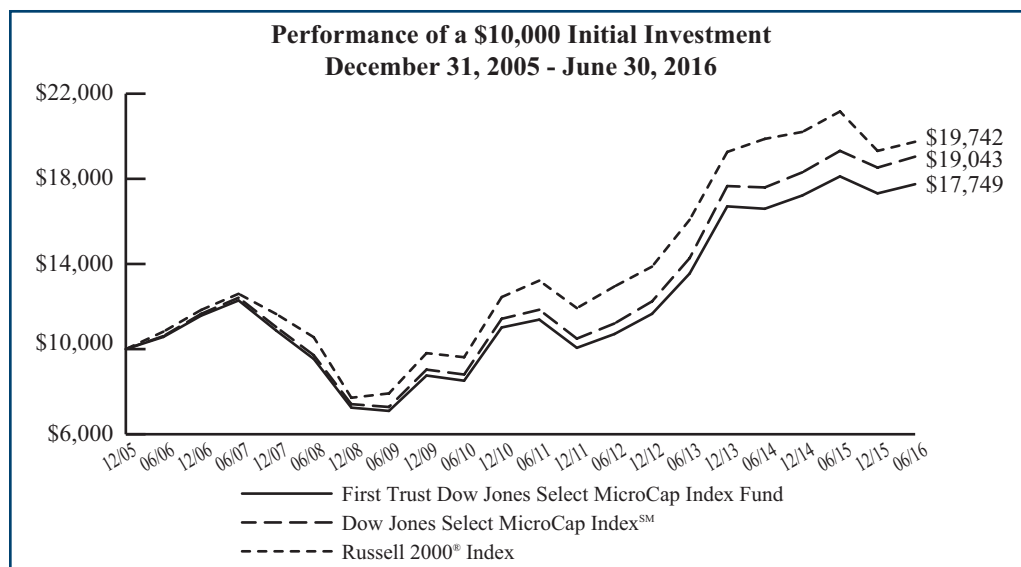
Sector Classification	% of Total Long-Term Investments
Financials	37.00%
Industrials	17.85
Consumer Discretionary	15.58
Information Technology	9.57
Materials	4.71
Health Care	4.68
Consumer Staples	4.68
Utilities	2.19
Telecommunication Services	2.09
Energy	1.65
Total	<u>100.00%</u>

Top Ten Holdings	% of Total Long-Term Investments
Chimera Investment Corp.	3.35%
Gibraltar Industries, Inc.	1.07
Banc of California, Inc.	1.01
BMC Stock Holdings, Inc.	0.94
Cavco Industries, Inc.	0.88
CenterState Banks, Inc.	0.86
Hersha Hospitality Trust	0.86
U.S. Physical Therapy, Inc.	0.86
Perficient, Inc.	0.83
Central Garden & Pet Co., Class A	0.82
Total	<u>11.48%</u>

Dow Jones and Dow Jones Select MicroCap IndexSM are products of S&P Dow Jones Indices LLC (“SPDJI”), and have been licensed for use by First Trust on behalf of the Fund. The Fund, based on the Dow Jones Select MicroCap IndexSM, is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones Trademark Holdings LLC (“Dow Jones”) or their respective affiliates, and SPDJI, Dow Jones and their respective affiliates make no representation regarding the advisability of trading in the Fund.

Fund Performance Overview (Unaudited) (Continued)

First Trust Dow Jones Select MicroCap Index Fund (FDM) (Continued)



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV as of June 30, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period January 1, 2011 through June 30, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

Number of Days Bid/Ask Midpoint At/Above NAV				
For the Period	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	87	2	0	0
01/01/12 - 12/31/12	70	0	0	0
01/01/13 - 12/31/13	151	1	0	0
01/01/14 - 12/31/14	93	1	0	0
01/01/15 - 12/31/15	112	0	0	0
01/01/16 - 06/30/16	49	0	0	0

Number of Days Bid/Ask Midpoint Below NAV				
For the Period	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	161	2	0	0
01/01/12 - 12/31/12	179	1	0	0
01/01/13 - 12/31/13	98	2	0	0
01/01/14 - 12/31/14	158	0	0	0
01/01/15 - 12/31/15	140	0	0	0
01/01/16 - 06/30/16	76	0	0	0

Fund Performance Overview (Unaudited) (Continued)

First Trust Morningstar Dividend Leaders Index Fund (FDL)

The First Trust Morningstar Dividend Leaders Index Fund (the "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 Morningstar® Dividend Leaders IndexSM (the "Index"). The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index. The Index offers investors a benchmark for dividend portfolios as well as a means to invest in a portfolio of stocks that have a consistent record of growing dividends as well as the ability to sustain them. The Index consists of the top 100 stocks, based on dividend yield, of the securities listed on one of the three major exchanges (NYSE, NYSE MKT or Nasdaq) that have been selected through the application of Morningstar, Inc.'s proprietary multi-step screening process. The Index is rebalanced four times annually in March, June, September and December. The Fund's shares are listed for trading on the NYSE Arca. The first day of secondary market trading in shares of the Fund was March 15, 2006.

Performance

	Average Annual Total Returns					Cumulative Total Returns		
	6 Months	1 Year	5 Years	10 Years	Inception	5 Years	10 Years	Inception
	Ended 6/30/16	Ended 6/30/16	Ended 6/30/16	Ended 6/30/16	(3/9/06) to 6/30/16	Ended 6/30/16	Ended 6/30/16	(3/9/06) to 6/30/16
Fund Performance								
NAV	14.72%	21.53%	13.61%	6.70%	6.92%	89.24%	91.24%	99.37%
Market Value	14.76%	21.53%	13.61%	6.67%	6.92%	89.23%	90.73%	99.31%
Index Performance								
Morningstar® Dividend Leaders Index SM	15.06%	22.16%	14.20%	7.23%	7.45%	94.20%	101.04%	109.83%
S&P 500® Index	3.84%	3.99%	12.10%	7.42%	7.23%	77.02%	104.65%	105.42%

(See Notes to Fund Performance Overview on page 20.)

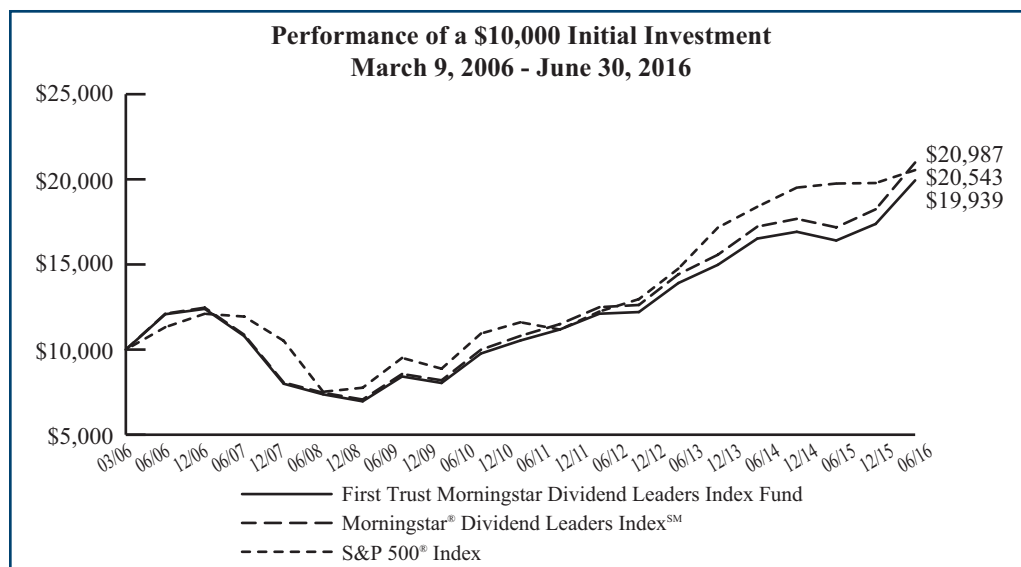
Sector Classification	% of Total Long-Term Investments
Telecommunication Services	19.68%
Consumer Staples	18.03
Information Technology	17.36
Utilities	13.72
Health Care	11.11
Industrials	6.68
Financials	4.40
Materials	4.16
Consumer Discretionary	3.72
Energy	1.14
Total	<u>100.00%</u>

Top Ten Holdings	% of Total Long-Term Investments
AT&T, Inc.	10.71%
Verizon Communications, Inc.	8.97
Procter & Gamble (The) Co.	6.56
Pfizer, Inc.	6.53
Philip Morris International, Inc.	5.69
Cisco Systems, Inc.	4.63
Merck & Co., Inc.	4.58
Intel Corp.	4.54
International Business Machines Corp.	4.38
Altria Group, Inc.	4.18
Total	<u>60.77%</u>

Morningstar® is a service mark of Morningstar, Inc. and has been licensed for use by First Trust on behalf of the Fund. The Fund is not sponsored, endorsed, issued, sold or promoted by Morningstar, Inc., nor does this company make any representation regarding the advisability of investing in the Fund.

Fund Performance Overview (Unaudited) (Continued)

First Trust Morningstar Dividend Leaders Index Fund (FDL) (Continued)



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV as of June 30, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period January 1, 2011 through June 30, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

Number of Days Bid/Ask Midpoint At/Above NAV				
For the Period	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	219	0	0	0
01/01/12 - 12/31/12	171	0	0	0
01/01/13 - 12/31/13	171	0	0	0
01/01/14 - 12/31/14	190	0	0	0
01/01/15 - 12/31/15	151	0	0	0
01/01/16 - 06/30/16	80	0	0	0

Number of Days Bid/Ask Midpoint Below NAV				
For the Period	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	33	0	0	0
01/01/12 - 12/31/12	79	0	0	0
01/01/13 - 12/31/13	81	0	0	0
01/01/14 - 12/31/14	62	0	0	0
01/01/15 - 12/31/15	101	0	0	0
01/01/16 - 06/30/16	45	0	0	0

Fund Performance Overview (Unaudited) (Continued)

First Trust US IPO Index Fund (FPX)

The First Trust US IPO Index Fund (the “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 IPOX®-100 U.S. Index (the “Index”). The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index. The Index is a modified value-weighted price index measuring the performance of the top 100 U.S. companies ranked quarterly by market capitalization in the IPOX Global Composite Index. The Index utilizes a 10% capping on all constituents and includes the 100 largest, typically best performing and most liquid initial public offerings (“IPOs”) of the U.S. companies in the IPOX Global Composite Index. The IPOX Global Composite Index is reconstituted regularly with IPOs being added to the IPOX Global Composite Index at their seventh trading day upon “going public” and automatically exiting after 1,000 trading days or approximately four years thereafter. The Index is reconstituted quarterly to reflect changes in the stock market values of the IPOX Global Composite Index constituents and IPO activity during the past quarter, with potential new companies entering the Index while other companies reaching 1,000 days in the Index automatically drop out. The Fund’s shares are listed for trading on the NYSE Arca. The first day of secondary market trading in shares of the Fund was April 13, 2006.

Performance

	Average Annual Total Returns					Cumulative Total Returns		
	6 Months	1 Year	5 Years	10 Years	Inception	5 Years	10 Years	Inception
	Ended 6/30/16	Ended 6/30/16	Ended 6/30/16	Ended 6/30/16	(4/12/06) to 6/30/16	Ended 6/30/16	Ended 6/30/16	(4/12/06) to 6/30/16
Fund Performance								
NAV	-0.65%	-6.55%	15.44%	10.98%	10.43%	105.06%	183.55%	175.61%
Market Value	-0.61%	-6.48%	15.46%	11.02%	10.43%	105.17%	184.49%	175.67%
Index Performance								
IPOX®-100 U.S. Index	-0.42%	-6.05%	16.13%	11.65%	11.11%	111.19%	200.96%	193.29%
S&P 500® Index	3.84%	3.99%	12.10%	7.42%	7.16%	77.02%	104.65%	102.62%
Russell 3000® Index	3.62%	2.14%	11.60%	7.40%	7.10%	73.08%	104.11%	101.47%

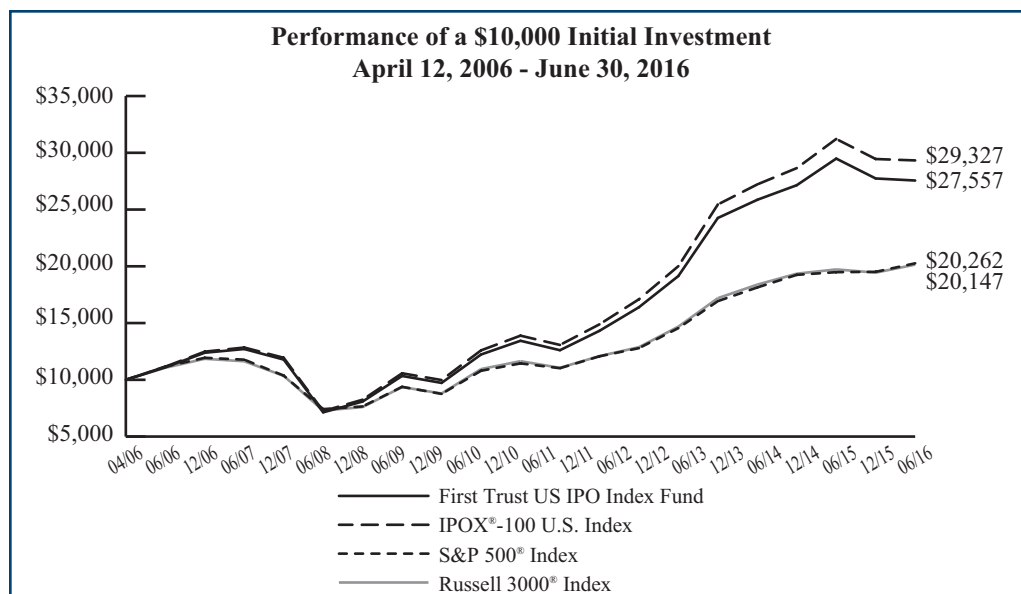
(See Notes to Fund Performance Overview on page 20.)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Information Technology	31.86%	Kraft Heinz (The) Co.	10.02%
Health Care	20.38	Facebook, Inc., Class A	9.86
Consumer Staples	14.12	AbbVie, Inc.	9.33
Consumer Discretionary	13.66	Shire PLC, ADR	5.14
Financials	8.95	PayPal Holdings, Inc.	4.12
Industrials	6.01	Hewlett Packard Enterprise Co.	2.83
Energy	2.83	NXP Semiconductors N.V.	2.52
Materials	1.24	Zoetis, Inc.	2.19
Telecommunication Services	0.63	Hilton Worldwide Holdings, Inc.	2.08
Utilities	0.32	Synchrony Financial	1.96
Total	<u>100.00%</u>	Total	<u>50.05%</u>

The Fund is not sponsored, endorsed, sold or promoted by IPOX®. IPOX® makes no representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of trading in the Fund.

Fund Performance Overview (Unaudited) (Continued)

First Trust US IPO Index Fund (FPX) (Continued)



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For the Period	Number of Days Bid/Ask Midpoint At/Above NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	135	0	0	0
01/01/12 - 12/31/12	149	2	0	0
01/01/13 - 12/31/13	220	0	0	0
01/01/14 - 12/31/14	158	0	0	0
01/01/15 - 12/31/15	172	0	0	0
01/01/16 - 06/30/16	41	0	0	0

For the Period	Number of Days Bid/Ask Midpoint Below NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	116	1	0	0
01/01/12 - 12/31/12	97	2	0	0
01/01/13 - 12/31/13	32	0	0	0
01/01/14 - 12/31/14	94	0	0	0
01/01/15 - 12/31/15	80	0	0	0
01/01/16 - 06/30/16	84	0	0	0

Fund Performance Overview (Unaudited) (Continued)

First Trust NYSE Arca Biotechnology Index Fund (FBT)

The First Trust NYSE Arca Biotechnology Index Fund (the “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 NYSE Arca Biotechnology IndexSM (the “Index”). The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index. The Index is an equal dollar-weighted index designed to measure the performance of a cross section of companies in the biotechnology industry that are primarily involved in the use of biological processes to develop products or provide services. Such processes include, but are not limited to, recombinant DNA technology, molecular biology, genetic engineering, monoclonal antibody-based technology, lipid/liposome technology and genomics. This Index is rebalanced quarterly based on closing prices on the third Friday in January, April, July and October to ensure that each component stock continues to represent approximately equal weight in the Index. The Fund’s shares are listed for trading on the NYSE Arca. The first day of secondary market trading in shares of the Fund was June 23, 2006.

Performance

	Average Annual Total Returns					Cumulative Total Returns		
	6 Months Ended 6/30/16	1 Year Ended 6/30/16	5 Years Ended 6/30/16	10 Years Ended 6/30/16	Inception (6/19/06) to 6/30/16	5 Years Ended 6/30/16	10 Years Ended 6/30/16	Inception (6/19/06) to 6/30/16
Fund Performance								
NAV	-20.82%	-27.79%	15.38%	15.87%	16.27%	104.51%	336.41%	353.64%
Market Value	-20.80%	-27.78%	15.36%	15.86%	16.27%	104.30%	335.93%	353.59%
Index Performance								
NYSE Arca Biotechnology Index SM	-20.58%	-27.42%	15.92%	16.50%	16.90%	109.32%	360.51%	378.92%
S&P Composite 1500 Health Care Index	0.58%	-1.96%	17.32%	11.40%	11.47%	122.30%	194.38%	197.29%
NASDAQ [®] Biotechnology Index	-23.75%	-30.03%	19.78%	13.98%	14.32%	146.52%	270.13%	282.67%
S&P 500 [®] Index	3.84%	3.99%	12.10%	7.42%	7.66%	77.02%	104.65%	109.72%

(See Notes to Fund Performance Overview on page 20.)

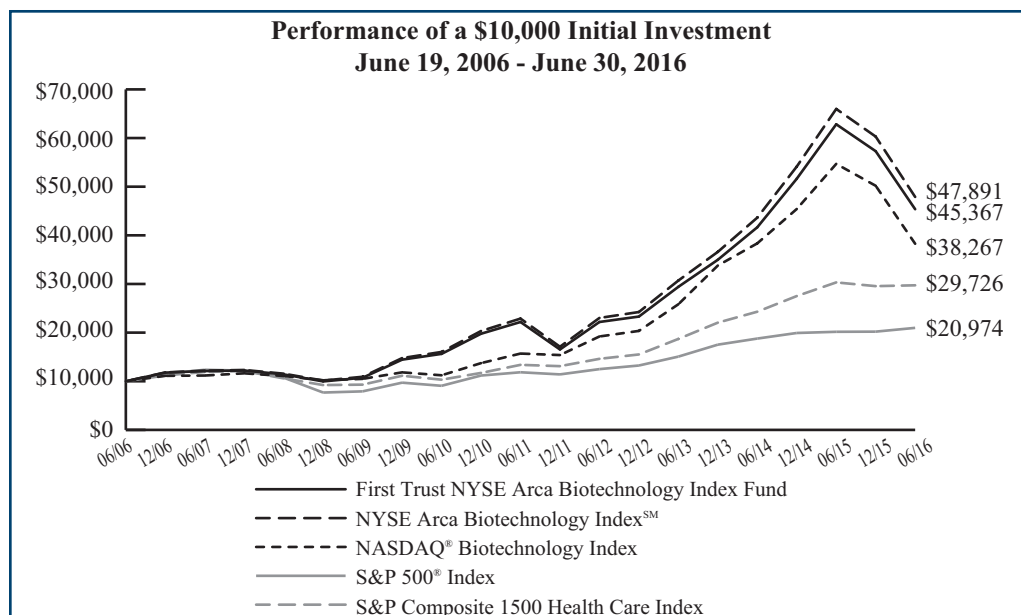
Industry Classification	% of Total Long-Term Investments
Biotechnology	79.36%
Life Sciences Tools & Services	17.33
Pharmaceuticals	3.31
Total	<u>100.00%</u>

Top Ten Holdings	% of Total Long-Term Investments
Novavax, Inc.	4.68%
Bio-Techne Corp.	4.28
Medivation, Inc.	4.15
Grifols S.A., ADR	3.84
Alkermes PLC	3.84
Seattle Genetics, Inc.	3.72
Vertex Pharmaceuticals, Inc.	3.71
Incyte Corp.	3.62
Charles River Laboratories International, Inc.	3.61
Neurocrine Biosciences, Inc.	3.44
Total	<u>38.89%</u>

The NYSE Arca Biotechnology IndexSM is a trademark of NYSE Euronext or its affiliates (“NYSE Euronext”) and is licensed for use by First Trust on behalf of the Fund. The Fund is not sponsored or endorsed by NYSE Euronext. NYSE Euronext makes no representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in the Fund or the ability of the Fund to track the performance of the various sectors represented in the stock market.

Fund Performance Overview (Unaudited) (Continued)

First Trust NYSE Arca Biotechnology Index Fund (FBT) (Continued)



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV as of June 30, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period January 1, 2011 through June 30, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	151	1	0	0
01/01/12 - 12/31/12	121	0	0	0
01/01/13 - 12/31/13	204	0	0	0
01/01/14 - 12/31/14	183	0	0	0
01/01/15 - 12/31/15	159	0	0	0
01/01/16 - 06/30/16	57	1	0	0

For the Period	Number of Days Bid/Ask Midpoint Below NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	100	0	0	0
01/01/12 - 12/31/12	128	1	0	0
01/01/13 - 12/31/13	48	0	0	0
01/01/14 - 12/31/14	69	0	0	0
01/01/15 - 12/31/15	93	0	0	0
01/01/16 - 06/30/16	67	0	0	0

Fund Performance Overview (Unaudited) (Continued)

First Trust Dow Jones Internet Index Fund (FDN)

The First Trust Dow Jones Internet Index Fund (the “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 (the “Index”). The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index. The Index represents companies that generate the majority of their revenues via the Internet. The Index was designed and is maintained according to a set of rules that were devised with the goal of providing clear and accurate views of the growing Internet market segment. The Index aims to consistently represent 80% of the float-adjusted Internet equity universe. For its stock to be eligible for the “universe,” a company must generate at least 50% of annual sales/revenues from the Internet, and be currently included in the Dow Jones U.S. Index. The Fund’s shares are listed for trading on the NYSE Arca. The first day of secondary market trading in shares of the Fund was June 23, 2006.

Performance

	Average Annual Total Returns					Cumulative Total Returns		
	6 Months	1 Year	5 Years	10 Years	Inception	5 Years	10 Years	Inception
	Ended 6/30/16	Ended 6/30/16	Ended 6/30/16	Ended 6/30/16	(6/19/06) to 6/30/16	Ended 6/30/16	Ended 6/30/16	(6/19/06) to 6/30/16
Fund Performance								
NAV	-3.38%	7.35%	14.77%	13.07%	13.69%	99.10%	241.45%	262.11%
Market Value	-3.31%	7.38%	14.77%	13.08%	13.69%	99.16%	241.80%	262.31%
Index Performance								
Dow Jones Internet Composite Index SM	-3.14%	7.89%	15.42%	13.68%	14.30%	104.81%	260.42%	282.20%
S&P 500 [®] Index	3.84%	3.99%	12.10%	7.42%	7.66%	77.02%	104.65%	109.72%
S&P Composite 1500 Information Technology Index	0.06%	4.31%	12.92%	9.85%	9.96%	83.62%	155.86%	159.17%

(See Notes to Fund Performance Overview on page 20.)

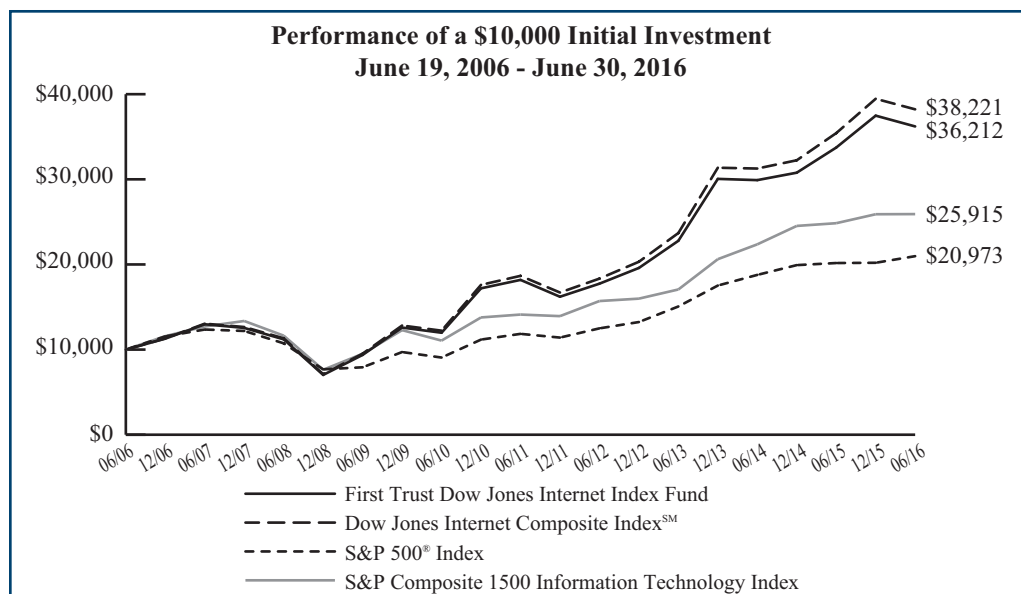
Sector Classification	% of Total Long-Term Investments
Information Technology	72.07%
Consumer Discretionary	20.17
Financials	3.97
Health Care	2.73
Telecommunication Services	1.06
Total	<u>100.00%</u>

Top Ten Holdings	% of Total Long-Term Investments
Amazon.com, Inc.	10.04%
Facebook, Inc., Class A	9.84
salesforce.com, Inc.	5.00
Alphabet, Inc., Class A	4.86
Alphabet, Inc., Class C	4.81
PayPal Holdings, Inc.	4.56
Netflix, Inc.	4.41
LinkedIn Corp., Class A	4.30
Yahoo!, Inc.	4.27
eBay, Inc.	3.65
Total	<u>55.74%</u>

Dow Jones and Dow Jones Internet Composite IndexSM are products of S&P Dow Jones Indices (“SPDJ”) and have been licensed for use by First Trust on behalf of the Fund. The Fund, based on the Dow Jones Internet Composite IndexSM, is not sponsored, endorsed, sold or promoted by SPDJ, Dow Jones Trademark Holdings LLC (“Dow Jones”) or their respective affiliates and SPDJ, Dow Jones and their respective affiliates make no representation regarding the advisability of trading in the Fund.

Fund Performance Overview (Unaudited) (Continued)

First Trust Dow Jones Internet Index Fund (FDN) (Continued)



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV as of June 30, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period January 1, 2011 through June 30, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	151	0	0	0
01/01/12 - 12/31/12	122	0	0	0
01/01/13 - 12/31/13	200	0	0	0
01/01/14 - 12/31/14	148	0	0	0
01/01/15 - 12/31/15	201	0	0	0
01/01/16 - 06/30/16	61	0	0	0

For the Period	Number of Days Bid/Ask Midpoint Below NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	101	0	0	0
01/01/12 - 12/31/12	128	0	0	0
01/01/13 - 12/31/13	52	0	0	0
01/01/14 - 12/31/14	104	0	0	0
01/01/15 - 12/31/15	51	0	0	0
01/01/16 - 06/30/16	64	0	0	0

Fund Performance Overview (Unaudited) (Continued)

First Trust Capital Strength ETF (FTCS)

The First Trust Capital Strength ETF (the “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 Capital Strength Index™ (the “Index”). The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Index is initially equally-weighted and is made up of the top 50 stocks out of the universe of the largest 500 U.S. companies included in the Nasdaq US Benchmark Index, ranked by one- and three-year daily volatility. Companies with less than \$1 billion in cash and short term investments, companies with long-term debt divided by market capitalization greater than 30%, and companies with return on equity less than 15% are excluded from the Index. The Index is reconstituted and rebalanced on a quarterly basis. The Fund’s shares are listed for trading on the Nasdaq. The first day of secondary market trading in shares of the Fund was July 11, 2006.

Performance

	Average Annual Total Returns				Cumulative Total Returns	
	6 Months Ended 6/30/16	1 Year Ended 6/30/16	5 Years Ended 6/30/16	Inception (7/6/06) to 6/30/16	5 Years Ended 6/30/16	Inception (7/6/06) to 6/30/16
Fund Performance						
NAV	5.34%	7.25%	12.17%	8.86%	77.54%	133.39%
Market Value	5.36%	7.28%	12.18%	8.86%	77.66%	133.45%
Index Performance						
The Capital Strength Index™*	5.73%	8.01%	N/A	N/A	N/A	N/A
S&P 500 Value Index**	6.24%	3.38%	11.18%	5.74%	69.84%	74.53%
S&P 500® Index	3.84%	3.99%	12.10%	7.40%	77.02%	103.93%

* On June 4, 2013, the Fund’s underlying index changed from the Credit Suisse U.S. Value Index, Powered by HOLT™ to The Capital Strength Index™. On June 18, 2010, the Fund’s underlying index changed from the Deutsche Bank CROCI® US+ Index™ to the Credit Suisse U.S. Value Index, Powered by HOLT™. Since the Fund’s new underlying index had an inception date of March 20, 2013, it was not in existence for some of the periods disclosed.

** The Fund no longer uses the S&P 500 Value Index as a comparative index for the Fund as the Advisor has determined that this index is no longer representative of the Fund’s investment strategy and portfolio holdings. The S&P 500 Value Index will be represented in performance comparisons of the Fund until May 1, 2018.

(See Notes to Fund Performance Overview on page 20.)

Sector Classification	% of Total Long-Term Investments
Industrials	24.35%
Information Technology	19.82
Consumer Discretionary	18.85
Consumer Staples	18.57
Health Care	10.51
Financials	6.10
Materials	1.80
Total	<u>100.00%</u>

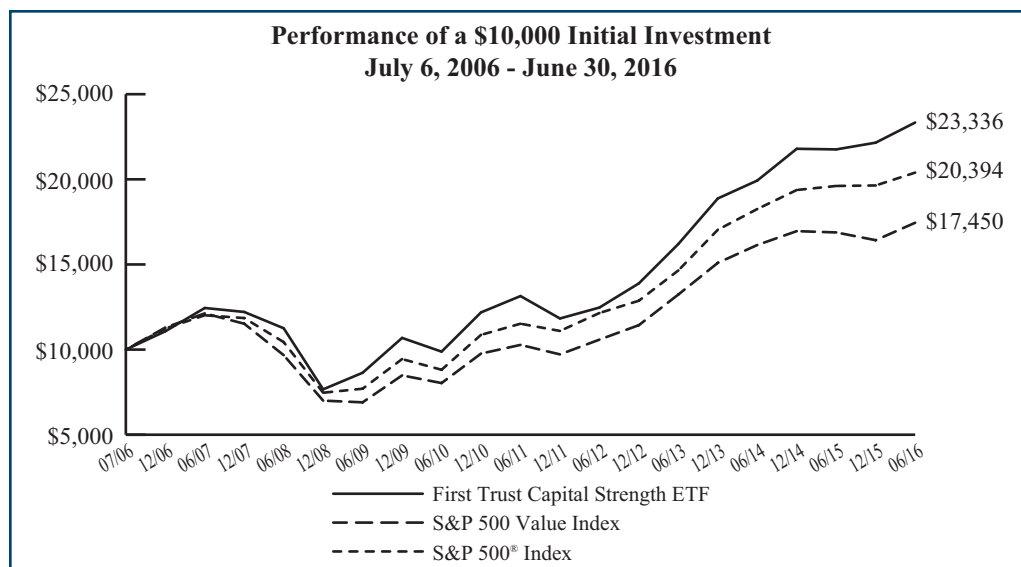
Top Ten Holdings	% of Total Long-Term Investments
Altria Group, Inc.	2.23%
UnitedHealth Group, Inc.	2.22
Reynolds American, Inc.	2.21
Northrop Grumman Corp.	2.20
Johnson & Johnson	2.20
Lockheed Martin Corp.	2.20
Marsh & McLennan Cos., Inc.	2.19
Stryker Corp.	2.18
Raytheon Co.	2.16
Texas Instruments, Inc.	2.12
Total	<u>21.91%</u>

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Fund Performance Overview (Unaudited) (Continued)

First Trust Capital Strength ETF (FTCS) (Continued)



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV as of June 30, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period January 1, 2011 through June 30, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

	Number of Days Bid/Ask Midpoint At/Above NAV			
For the Period	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	129	0	0	0
01/01/12 - 12/31/12	147	0	0	0
01/01/13 - 12/31/13	134	0	0	0
01/01/14 - 12/31/14	108	9	0	0
01/01/15 - 12/31/15	190	2	0	0
01/01/16 - 06/30/16	91	0	0	0

	Number of Days Bid/Ask Midpoint Below NAV			
For the Period	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	123	0	0	0
01/01/12 - 12/31/12	103	0	0	0
01/01/13 - 12/31/13	117	1	0	0
01/01/14 - 12/31/14	131	4	0	0
01/01/15 - 12/31/15	57	3	0	0
01/01/16 - 06/30/16	34	0	0	0

Fund Performance Overview (Unaudited) (Continued)

First Trust Value Line® Dividend Index Fund (FVD)

The First Trust Value Line® Dividend Index Fund (the “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 Value Line® Dividend Index (the “Index”). The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index. The Index is designed to objectively identify and select those stocks from the universe of stocks which Value Line, Inc.® gives a Safety™ Ranking of #1 or #2 in the Value Line® Safety™ Ranking System and have the potential to pay above-average dividends and achieve capital appreciation. The Index is rebalanced on a monthly basis. The Fund’s shares are listed for trading on the NYSE Arca.

Performance

	Average Annual Total Returns					Cumulative Total Returns		
	6 Months	1 Year	5 Years	10 Years	Inception	5 Years	10 Years	Inception
	Ended 6/30/16	Ended 6/30/16	Ended 6/30/16	Ended 6/30/16	(8/19/03) to 6/30/16	Ended 6/30/16	Ended 6/30/16	(8/19/03) to 6/30/16
Fund Performance								
NAV	14.08%	17.96%	13.70%	9.02%	9.91%	90.03%	137.25%	237.09%
Market Value	14.08%	18.01%	13.67%	10.08%	9.91%	89.79%	161.18%	237.09%
Index Performance								
Value Line® Dividend Index*	14.58%	19.00%	14.64%	N/A	N/A	97.97%	N/A	N/A
S&P 500® Index	3.84%	3.99%	12.10%	7.42%	8.12%	77.02%	104.65%	173.02%
Dow Jones U.S. Select Dividend Index ^{SM*}	15.55%	17.87%	14.23%	7.53%	N/A	94.53%	106.60%	N/A

On December 15, 2006, the Fund acquired the assets and adopted the financial and performance history of First Trust Value Line® Dividend Fund (the “Predecessor FVD Fund,” a closed-end fund), which had an inception date of August 19, 2003. The inception date total returns at net asset value (“NAV”) include the sales load of \$0.675 per share on the initial offering. The investment goals, strategies and policies of the Fund are substantially similar to those of the Predecessor FVD Fund. The inception date of the Index was July 3, 2006. Returns for the Index are only disclosed for those periods in which the Index was in existence for the entire period. The cumulative total returns for the period from the reorganization date (December 15, 2006) through period end (June 30, 2016) were 108.40% and 109.40% at NAV and Market Value, respectively. That compares to an Index return of 124.74% for the same period. The average annual total returns for the period from the reorganization date (December 15, 2006) through period end (June 30, 2016) were 8.00% and 8.06% at NAV and Market Value, respectively. That compares to an Index return of 8.86% for the same period.

NAV and Market Value returns assume that all distributions have been reinvested in the Fund at NAV and Market Value, respectively. Prior to December 15, 2006, NAV and Market Value returns assumed that all distributions were reinvested at prices obtained by the Dividend Reinvestment Plan of the Predecessor FVD Fund and the price used to calculate Market Value return was the AMEX (now known as the NYSE MKT) closing market price of the Predecessor FVD Fund.

* Performance data is not available for all the periods shown in the table because performance data does not exist for the periods shown.

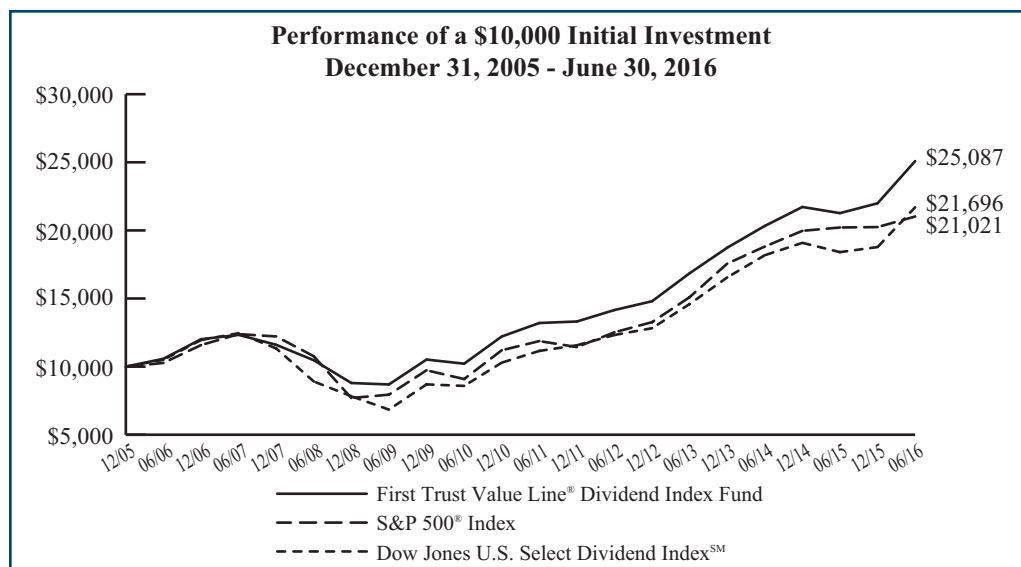
(See Notes to Fund Performance Overview on page 20.)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Utilities	23.17%	Hershey (The) Co.	0.61%
Financials	19.51	Realty Income Corp.	0.56
Industrials	12.94	IDACORP, Inc.	0.56
Consumer Staples	12.42	General Mills, Inc.	0.56
Information Technology	8.85	Paychex, Inc.	0.56
Consumer Discretionary	7.71	Eli Lilly and Co.	0.56
Health Care	7.51	Cincinnati Financial Corp.	0.56
Energy	3.71	Northwest Natural Gas Co.	0.56
Materials	2.58	American States Water Co.	0.56
Telecommunication Services	1.60	Sanofi, ADR	0.56
Total	<u>100.00%</u>	Total	<u>5.65%</u>

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Fund Performance Overview (Unaudited) (Continued)

First Trust Value Line® Dividend Index Fund (FVD) (Continued)



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums

Bid/Ask Midpoint vs. NAV as of June 30, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period January 1, 2011 through June 30, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

Number of Days Bid/Ask Midpoint At/Above NAV				
For the Period	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	218	1	0	0
01/01/12 - 12/31/12	205	0	0	0
01/01/13 - 12/31/13	238	0	0	0
01/01/14 - 12/31/14	223	0	0	0
01/01/15 - 12/31/15	179	0	0	0
01/01/16 - 06/30/16	101	0	0	0

Number of Days Bid/Ask Midpoint Below NAV				
For the Period	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	33	0	0	0
01/01/12 - 12/31/12	44	1	0	0
01/01/13 - 12/31/13	14	0	0	0
01/01/14 - 12/31/14	29	0	0	0
01/01/15 - 12/31/15	73	0	0	0
01/01/16 - 06/30/16	24	0	0	0

Fund Performance Overview (Unaudited) (Continued)

First Trust Value Line® 100 Exchange-Traded Fund (FVL)

The First Trust Value Line® 100 Exchange-Traded Fund (the “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 Value Line® 100 Index (the “Index”). The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index. The Index is an equal-dollar weighted index that is designed to objectively identify and select 100 stocks from the universe of stocks to which Value Line® assigns a #1 ranking in the Value Line® Timeliness™ Ranking System (the “Ranking System”). At any one time only 100 stocks are assigned a #1 ranking in the Ranking System. The Index is rebalanced quarterly. The Fund’s shares are listed for trading on the NYSE Arca.

Performance

	Average Annual Total Returns					Cumulative Total Returns		
	6 Months	1 Year	5 Years	10 Years	Inception	5 Years	10 Years	Inception
	Ended 6/30/16	Ended 6/30/16	Ended 6/30/16	Ended 6/30/16	(6/12/03) to 6/30/16	Ended 6/30/16	Ended 6/30/16	(6/12/03) to 6/30/16
Fund Performance								
NAV	3.44%	-2.38%	8.03%	3.72%	5.70%	47.13%	44.09%	106.12%
Market Value	3.49%	-2.34%	7.97%	4.53%	5.70%	46.72%	55.82%	106.12%
Index Performance								
Value Line® 100 Index*	3.89%	-1.58%	8.95%	N/A	N/A	53.52%	N/A	N/A
Russell 3000® Index	3.62%	2.14%	11.60%	7.40%	8.34%	73.08%	104.11%	184.53%

On June 15, 2007, the Fund acquired the assets and adopted the financial and performance history of First Trust Value Line® 100 Fund (the “Predecessor FVL Fund,” a closed-end fund), which had an inception date of June 12, 2003. The inception date total returns at NAV include the sales load of \$0.675 per share on the initial offering. The investment goals, strategies and policies of the Fund are substantially similar to those of the Predecessor FVL Fund. The inception date of the Index was January 16, 2007. Returns for the Index are only disclosed for those periods in which the Index was in existence for the entire period. The cumulative total returns for the period from the reorganization date through period end (June 30, 2016) were 25.11% and 25.12% at NAV and Market Value, respectively. That compares to an Index return of 35.15% for that same period. The average annual total returns for the period from the reorganization date (June 15, 2007) through period end (June 30, 2016) were 2.51% and 2.51% at NAV and Market Value, respectively. That compares to an Index return of 3.39% for the same period.

NAV and Market Value returns assume that all distributions have been reinvested in the Fund at NAV and Market Value, respectively. Prior to June 15, 2007, NAV and Market Value returns assumed that all distributions were reinvested at prices obtained by the Dividend Reinvestment Plan of the Predecessor FVL Fund and the price used to calculate Market Value return was the AMEX (now known as the NYSE MKT) closing market price of the Predecessor FVL Fund.

* Performance data is not available for all the periods shown in the table for the index because performance data does not exist for each of the entire periods.

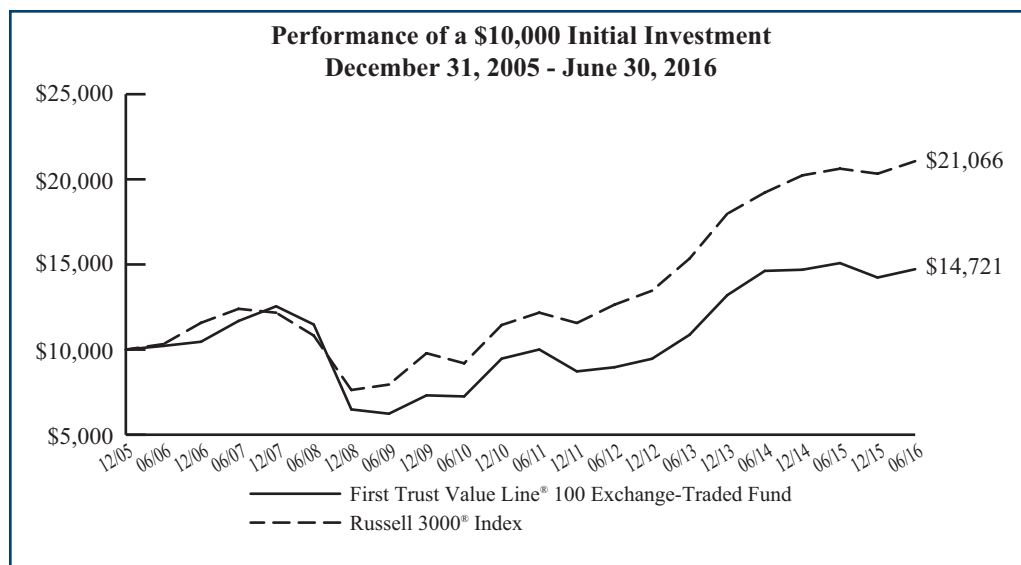
(See Notes to Fund Performance Overview on page 20.)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Information Technology	19.89%	National Beverage Corp.	2.08%
Health Care	18.69	Edwards Lifesciences Corp.	1.38
Industrials	15.36	Southwest Gas Corp.	1.19
Consumer Staples	13.52	Digital Realty Trust, Inc.	1.19
Utilities	10.98	Reynolds American, Inc.	1.19
Financials	7.37	Spire, Inc.	1.16
Consumer Discretionary	6.00	Teleflex, Inc.	1.14
Materials	5.08	Universal Electronics, Inc.	1.14
Telecommunication Services	2.09	CSG Systems International, Inc.	1.14
Energy	1.02	Zimmer Biomet Holdings, Inc.	1.13
Total	<u>100.00%</u>	Total	<u>12.74%</u>

Value Line is a registered trademark of Value Line, Inc. that is licensed to First Trust on behalf of the Fund. The Fund is not sponsored, recommended, sold, or promoted by Value Line Publishing LLC, Value Line, Inc. or any of their affiliates.

Fund Performance Overview (Unaudited) (Continued)

First Trust Value Line® 100 Exchange-Traded Fund (FVL) (Continued)



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the index does not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums

Bid/Ask Midpoint vs. NAV as of June 30, 2016

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period January 1, 2011 through June 30, 2016. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

Number of Days Bid/Ask Midpoint At/Above NAV				
For the Period	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	137	2	0	0
01/01/12 - 12/31/12	73	0	0	0
01/01/13 - 12/31/13	100	0	0	0
01/01/14 - 12/31/14	165	0	0	0
01/01/15 - 12/31/15	130	0	0	0
01/01/16 - 06/30/16	51	1	0	0

Number of Days Bid/Ask Midpoint Below NAV				
For the Period	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	111	2	0	0
01/01/12 - 12/31/12	177	0	0	0
01/01/13 - 12/31/13	152	0	0	0
01/01/14 - 12/31/14	87	0	0	0
01/01/15 - 12/31/15	122	0	0	0
01/01/16 - 06/30/16	73	0	0	0

Notes to Fund Performance Overview (Unaudited)

Total returns for the periods since inception are calculated from the inception date of each Fund. “Average annual total returns” represent the average annual change in value of an investment over the periods indicated. “Cumulative total returns” represent the total change in value of an investment over the periods indicated. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the Advisor.

Each Fund’s per share net asset value (“NAV”) is the value of one share of the Fund and is computed by dividing the value of all assets of the Fund (including accrued interest and dividends), less all liabilities (including accrued expenses and dividends declared but unpaid), by the total number of outstanding shares. The price used to calculate market return (“Market Price”) is determined by using the midpoint between the highest bid and the lowest offer 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. Since shares of the Fund did not trade in the secondary market until after the Fund’s inception, for the period from inception to the first day of secondary market trading in shares of the Fund, the NAV of each Fund is used as a proxy for the secondary market trading price to calculate market returns. NAV and market returns assume that all distributions have been reinvested in the Fund at NAV and Market Price, respectively.

An index is a statistical composite that tracks a specified financial market or sector. Unlike a Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by each Fund. These expenses negatively impact the performance of each Fund. Also, market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included, market returns would be lower. The total returns presented reflect the reinvestment of dividends on securities in the indices. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. The investment return and principal value of shares of each Fund will vary with changes in market conditions. Shares of each Fund may be worth more or less than their original cost when they are redeemed or sold in the market. Each Fund’s past performance is no guarantee of future performance.

First Trust Exchange-Traded Fund

Understanding Your Fund Expenses

June 30, 2016 (Unaudited)

As a shareholder of First Trust Dow Jones Select MicroCap Index Fund, First Trust Morningstar Dividend Leaders Index Fund, First Trust US IPO Index Fund, First Trust NYSE Arca Biotechnology Index Fund, First Trust Dow Jones Internet Index Fund, First Trust Capital Strength ETF, First Trust Value Line® Dividend Index Fund or First Trust Value Line® 100 Exchange-Traded Fund (each a “Fund” and collectively, the “Funds”), you incur two types of costs: (1) transaction costs; and (2) ongoing costs, including management fees, distribution and/or service fees, and other Fund expenses. This Example is intended to help you understand your ongoing costs of investing in the Funds and to compare these costs with the ongoing costs of investing in other funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held through the six-month period ended June 30, 2016.

Actual Expenses

The first line in the following table provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During the Six-Month Period” to estimate the expenses you paid on your account during this six-month period.

Hypothetical Example for Comparison Purposes

The second line in the following table provides information about hypothetical account values and hypothetical expenses based on each Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not each Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as brokerage commissions. Therefore, the second line in the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value January 1, 2016	Ending Account Value June 30, 2016	Annualized Expense Ratio Based on the Six-Month Period (a)	Expenses Paid During the Six-Month Period (b)
First Trust Dow Jones Select MicroCap Index Fund (FDM)				
Actual	\$1,000.00	\$1,025.00	0.60%	\$3.02
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.88	0.60%	\$3.02
First Trust Morningstar Dividend Leaders Index Fund (FDL)				
Actual	\$1,000.00	\$1,147.20	0.45%	\$2.40
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.63	0.45%	\$2.26
First Trust US IPO Index Fund (FPX)				
Actual	\$1,000.00	\$ 993.50	0.60%	\$2.97
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.88	0.60%	\$3.02
First Trust NYSE Arca Biotechnology Index Fund (FBT)				
Actual	\$1,000.00	\$ 791.80	0.57%	\$2.54
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.03	0.57%	\$2.87
First Trust Dow Jones Internet Index Fund (FDN)				
Actual	\$1,000.00	\$ 966.20	0.54%	\$2.64
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.18	0.54%	\$2.72
First Trust Capital Strength ETF (FTCS)				
Actual	\$1,000.00	\$1,053.40	0.65%	\$3.32
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.63	0.65%	\$3.27

First Trust Exchange-Traded Fund

Understanding Your Fund Expenses (Continued)

June 30, 2016 (Unaudited)

	Beginning Account Value January 1, 2016	Ending Account Value June 30, 2016	Annualized Expense Ratio Based on the Six-Month Period (a)	Expenses Paid During the Six-Month Period (b)
First Trust Value Line® Dividend Index Fund (FVD)				
Actual	\$1,000.00	\$1,140.80	0.70%	\$3.73
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.38	0.70%	\$3.52
First Trust Value Line® 100 Exchange-Traded Fund (FVL)				
Actual	\$1,000.00	\$1,034.40	0.70%	\$3.54
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.38	0.70%	\$3.52

(a) These expense ratios reflect an expense cap for certain Funds. See Note 3 in Notes to Financial Statements.

(b) Expenses are equal to the annualized expense ratio as indicated in the table multiplied by the average account value over the period (January 1, 2016 through June 30, 2016), multiplied by 182/366 (to reflect the one-half year period).

First Trust Dow Jones Select MicroCap Index Fund (FDM)
Portfolio of Investments
June 30, 2016 (Unaudited)

Shares	Description	Value	Shares	Description	Value
Common Stocks — 100.0%			Banks (Continued)		
Aerospace & Defense — 1.1%			11,733	MainSource Financial Group, Inc.	\$ 258,713
2,509	National Presto Industries, Inc.	\$ 236,724	8,382	Mercantile Bank Corp.	199,995
4,521	Sparton Corp. (a)	98,422	4,926	MidSouth Bancorp, Inc.	49,457
5,509	Vectrus, Inc. (a)	156,952	3,336	Northrim BanCorp, Inc.	87,703
		<u>492,098</u>	3,959	Old Line Bancshares, Inc.	71,262
Air Freight & Logistics — 0.3%			15,254	Old Second Bancorp, Inc.	104,185
4,438	Park-Ohio Holdings Corp.	125,507	9,627	Pacific Continental Corp.	151,240
Auto Components — 2.7%			10,948	Pacific Premier Bancorp, Inc. (a)	262,752
10,565	Fox Factory Holding Corp. (a)	183,514	25,619	Park Sterling Corp.	181,639
22,275	Modine Manufacturing Co. (a)	196,020	7,330	Peapack-Gladstone Financial Corp.	135,678
4,385	Shiloh Industries, Inc. (a)	31,967	9,372	Peoples Bancorp, Inc.	204,216
13,362	Stoneridge, Inc. (a)	199,628	6,056	QCR Holdings, Inc.	164,663
1,840	Strattec Security Corp.	75,017	4,526	Republic Bancorp, Inc., Class A	125,053
11,540	Superior Industries International, Inc.	309,041	13,113	Seacoast Banking Corp. of Florida (a)	212,955
10,923	Tower International, Inc.	224,795	5,551	Sierra Bancorp	92,646
		<u>1,219,982</u>	10,231	TriCo Bancshares	282,376
Automobiles — 0.7%			11,249	TriState Capital Holdings, Inc. (a)	154,449
13,880	Winnebago Industries, Inc.	318,130	7,945	Triumph Bancorp, Inc. (a)	127,120
Banks — 20.7%			10,390	Univest Corp. of Pennsylvania	218,398
3,439	Access National Corp.	67,095			<u>9,391,402</u>
6,696	Arrow Financial Corp.	202,822	Beverages — 0.6%		
25,350	Banc of California, Inc.	458,835	6,546	MGP Ingredients, Inc.	250,254
2,841	Bank of Marin Bancorp	137,419	Building Products — 1.6%		
3,109	Bar Harbor Bankshares	109,126	15,350	Gibraltar Industries, Inc. (a)	484,599
5,136	Bridge Bancorp, Inc.	145,862	9,017	Insteel Industries, Inc.	257,796
7,981	Bryn Mawr Bank Corp.	233,045			<u>742,395</u>
3,764	Camden National Corp.	158,088	Capital Markets — 1.4%		
15,782	Cascade Bancorp (a)	87,432	7,765	INTL FCStone, Inc. (a)	211,907
24,752	CenterState Banks, Inc.	389,844	7,605	Manning & Napier, Inc.	72,247
19,004	CoBiz Financial, Inc.	222,347	5,173	Oppenheimer Holdings, Inc., Class A	79,975
8,519	Community Trust Bancorp, Inc.	295,269	7,310	Piper Jaffray Cos. (a)	275,587
10,333	Enterprise Financial Services Corp.	288,187			<u>639,716</u>
3,678	Farmers Capital Bank Corp.	100,593	Chemicals — 2.8%		
10,254	Fidelity Southern Corp.	160,680	3,699	Core Molding Technologies, Inc. (a)	50,491
7,109	Financial Institutions, Inc.	185,332	11,734	FutureFuel Corp.	127,666
9,640	First Bancorp	169,471	4,904	Hawkins, Inc.	212,883
16,341	First Busey Corp.	349,534	3,875	KMG Chemicals, Inc.	100,711
4,086	First Business Financial Services, Inc.	95,898	23,238	OMNOVA Solutions, Inc. (a)	168,476
7,774	First Community Bancshares, Inc.	174,449	22,338	Rayonier Advanced Materials, Inc.	303,573
7,246	First Connecticut Bancorp, Inc.	119,994	9,990	Trecora Resources (a)	104,196
5,750	First Financial Corp.	210,565	12,808	Tredegar Corp.	206,465
14,055	Flushing Financial Corp.	279,413			<u>1,274,461</u>
1,370	Franklin Financial Network, Inc. (a)	42,963	Commercial Services & Supplies — 2.0%		
7,322	German American Bancorp, Inc.	234,084	13,455	Ennis, Inc.	258,067
5,020	Great Southern Bancorp, Inc.	185,589	19,815	InnerWorkings, Inc. (a)	163,870
5,480	Green Bancorp, Inc. (a)	47,786	16,430	Kimball International, Inc., Class B	186,973
7,873	Guaranty Bancorp	131,479	9,346	SP Plus Corp. (a)	211,033
15,474	Heritage Financial Corp.	272,033	14,593	TRC Cos., Inc. (a)	92,228
8,304	HomeTrust Bancshares, Inc. (a)	153,624			<u>912,171</u>
4,515	Horizon Bancorp	113,507			
10,974	Independent Bank Corp.	159,233			
19,795	Lakeland Bancorp, Inc.	225,267			
13,482	Macatawa Bank Corp.	100,037			

First Trust Dow Jones Select MicroCap Index Fund (FDM)
Portfolio of Investments (Continued)
June 30, 2016 (Unaudited)

Shares	Description	Value
Common Stocks (Continued)		
Communications Equipment		
— 1.2%		
4,552	Bel Fuse, Inc., Class B	\$ 80,935
18,866	CalAmp Corp. (a)	279,405
12,029	Comtech Telecommunications Corp.	154,452
3,117	TESSCO Technologies, Inc.	43,295
		<u>558,087</u>
Construction & Engineering		
— 1.3%		
6,518	Argan, Inc.	271,931
9,407	MYR Group, Inc. (a)	226,521
14,091	Orion Group Holdings, Inc. (a)	74,823
		<u>573,275</u>
Consumer Finance — 0.6%		
9,197	Consumer Portfolio Services, Inc. (a)	34,673
13,862	Enova International, Inc. (a)	102,024
6,046	Nicholas Financial, Inc. (a)	62,153
5,077	Regional Management Corp. (a)	74,429
		<u>273,279</u>
Containers & Packaging — 0.9%		
2,056	AEP Industries, Inc.	165,426
11,312	Myers Industries, Inc.	162,893
3,227	UFP Technologies, Inc. (a)	72,736
		<u>401,055</u>
Diversified Consumer Services		
— 1.8%		
8,840	Bridgepoint Education, Inc. (a)	64,002
7,712	Carriage Services, Inc.	182,620
3,628	Collectors Universe, Inc.	71,653
16,541	K12, Inc. (a)	206,597
5,757	Strayer Education, Inc. (a)	282,841
10,932	Universal Technical Institute, Inc.	24,706
		<u>832,419</u>
Diversified Financial Services		
— 0.3%		
12,253	GAIN Capital Holdings, Inc.	77,439
4,579	Marlin Business Services Corp.	74,638
		<u>152,077</u>
Diversified Telecommunication Services — 1.6%		
5,942	Hawaiian Telcom Holdco, Inc. (a)	125,911
8,599	IDT Corp., Class B	122,020
17,590	Inteliquent, Inc.	349,865
12,017	Lumos Networks Corp. (a)	145,406
		<u>743,202</u>
Electrical Equipment — 0.2%		
3,203	Allied Motion Technologies, Inc.	74,502
Electronic Equipment, Instruments & Components — 3.6%		
16,908	CTS Corp.	302,991
19,974	Daktronics, Inc.	124,838
9,116	Electro Rent Corp.	140,478

Shares	Description	Value
Electronic Equipment, Instruments & Components (Continued)		
2,889	ePlus, Inc. (a)	\$ 236,291
11,029	Kimball Electronics, Inc. (a)	137,311
16,213	Novanta, Inc. (a)	245,627
10,444	Park Electrochemical Corp.	151,751
9,301	PC Connection, Inc.	221,364
6,272	Vishay Precision Group, Inc. (a)	84,170
		<u>1,644,821</u>
Energy Equipment & Services		
— 1.7%		
16,622	Hornbeck Offshore Services, Inc. (a)	138,628
6,639	Natural Gas Services Group, Inc. (a)	152,033
43,412	Newpark Resources, Inc. (a)	251,355
63,990	Parker Drilling Co. (a)	146,537
3,404	PHI, Inc. (a)	60,864
		<u>749,417</u>
Food & Staples Retailing — 0.6%		
9,606	Chefs' Warehouse (The), Inc. (a)	153,696
3,598	Village Super Market, Inc., Class A	103,946
		<u>257,642</u>
Food Products — 1.7%		
1,415	Alico, Inc.	42,804
2,943	Farmer Bros. Co. (a)	94,353
10,123	Inventure Foods, Inc. (a)	79,061
4,443	John B. Sanfilippo & Son, Inc.	189,405
13,973	Landec Corp. (a)	150,349
11,485	Omega Protein Corp. (a)	229,585
		<u>785,557</u>
Health Care Equipment & Supplies — 0.3%		
5,311	Exactech, Inc. (a)	142,016
Health Care Providers & Services		
— 3.1%		
3,545	Addus HomeCare Corp. (a)	61,789
4,498	Almost Family, Inc. (a)	191,660
5,254	CorVel Corp. (a)	226,868
23,236	Five Star Quality Care, Inc. (a)	54,372
4,957	Landauer, Inc.	204,030
12,223	Triple-S Management Corp., Class B (a)	298,608
6,453	U.S. Physical Therapy, Inc.	388,535
		<u>1,425,862</u>
Health Care Technology — 0.5%		
5,515	Computer Programs and Systems, Inc.	220,159
Hotels, Restaurants & Leisure		
— 1.8%		
6,902	Bravo Brio Restaurant Group, Inc. (a)	56,527
12,139	Del Frisco's Restaurant Group, Inc. (a)	173,830
9,696	Marcus (The) Corp.	204,586

First Trust Dow Jones Select MicroCap Index Fund (FDM)
Portfolio of Investments (Continued)
June 30, 2016 (Unaudited)

Shares	Description	Value
Common Stocks (Continued)		
Hotels, Restaurants & Leisure (Continued)		
5,603	Monarch Casino & Resort, Inc. (a)	\$ 123,098
17,417	Ruth's Hospitality Group, Inc.	277,801
		<u>835,842</u>
Household Durables — 2.9%		
5,229	Bassett Furniture Industries, Inc.	125,182
4,285	Cavco Industries, Inc. (a)	401,505
7,188	Century Communities, Inc. (a)	124,640
3,201	Flexsteel Industries, Inc.	126,824
5,953	Hooker Furniture Corp.	127,930
7,592	LGI Homes, Inc. (a)	242,488
6,947	New Home Co., (The), Inc. (a)	66,274
14,511	ZAGG, Inc. (a)	76,183
		<u>1,291,026</u>
Household Products — 1.2%		
17,106	Central Garden & Pet Co., Class A (a)	371,371
4,667	Orchids Paper Products Co.	166,005
		<u>537,376</u>
Insurance — 0.9%		
6,494	Federated National Holding Co.	123,646
4,497	HCI Group, Inc.	122,678
15,649	State National Cos., Inc.	164,784
		<u>411,108</u>
Internet & Catalog Retail — 0.4%		
10,417	PetMed Express, Inc.	195,423
Internet Software & Services — 0.5%		
21,410	DHI Group, Inc. (a)	133,384
12,687	Liquidity Services, Inc. (a)	99,466
		<u>232,850</u>
IT Services — 1.8%		
12,593	Hackett Group (The), Inc.	174,665
14,425	Information Services Group, Inc. (a)	54,094
29,249	Lionbridge Technologies, Inc. (a)	115,534
18,634	Perficient, Inc. (a)	378,456
22,405	Planet Payment, Inc. (a)	100,598
		<u>823,347</u>
Leisure Products — 0.4%		
7,397	JAKKS Pacific, Inc. (a)	58,510
9,248	Malibu Boats, Inc., Class A (a)	111,716
		<u>170,226</u>
Machinery — 5.2%		
4,841	Alamo Group, Inc.	319,361
10,378	Columbus McKinnon Corp.	146,849
13,908	Commercial Vehicle Group, Inc. (a)	72,322
11,614	Douglas Dynamics, Inc.	298,828
11,088	Global Brass & Copper Holdings, Inc.	302,591
5,062	Graham Corp.	93,242
3,388	Hurco Cos., Inc.	94,288
5,602	Kadant, Inc.	288,559

Shares	Description	Value
Machinery (Continued)		
8,840	Lydall, Inc. (a)	\$ 340,870
5,856	Miller Industries, Inc.	120,575
13,928	NN, Inc.	194,853
4,979	Twin Disc, Inc.	53,474
5,778	Xerium Technologies, Inc. (a)	36,864
		<u>2,362,676</u>
Media — 0.7%		
12,756	Entercom Communications Corp., Class A	173,099
26,740	Lee Enterprises, Inc. (a)	51,074
8,270	Reading International, Inc., Class A (a)	103,292
		<u>327,465</u>
Metals & Mining — 1.0%		
6,442	Haynes International, Inc.	206,659
10,339	Materion Corp.	255,994
		<u>462,653</u>
Multi-Utilities — 0.6%		
6,810	Unitil Corp.	290,583
Personal Products — 0.6%		
4,830	Medifast, Inc.	160,694
3,434	Natural Health Trends Corp. (b)	96,804
8,800	Synutra International, Inc. (a)	33,528
		<u>291,026</u>
Pharmaceuticals — 0.7%		
25,759	SciClone Pharmaceuticals, Inc. (a)	336,412
Professional Services — 3.1%		
25,514	CBIZ, Inc. (a)	265,601
4,628	CRA International, Inc. (a)	116,718
6,715	Franklin Covey Co. (a)	102,941
8,645	GP Strategies Corp. (a)	187,510
9,000	Heidrick & Struggles International, Inc.	151,920
15,349	Kelly Services, Inc., Class A	291,170
18,973	Resources Connection, Inc.	280,421
		<u>1,396,281</u>
Real Estate Investment Trusts — 7.4%		
14,540	AG Mortgage Investment Trust, Inc.	209,958
16,462	Apollo Residential Mortgage, Inc.	220,591
21,480	Arbor Realty Trust, Inc.	154,441
14,698	Ares Commercial Real Estate Corp.	180,639
16,160	Armada Hoffer Properties, Inc.	222,038
96,892	Chimera Investment Corp.	1,521,204
3,388	Ellington Residential Mortgage REIT	44,247
22,727	Hersha Hospitality Trust	389,768
16,101	Resource Capital Corp.	207,059
21,636	Western Asset Mortgage Capital Corp.	203,162
		<u>3,353,107</u>

First Trust Dow Jones Select MicroCap Index Fund (FDM)

Portfolio of Investments (Continued)

June 30, 2016 (Unaudited)

Shares	Description	Value
Common Stocks (Continued)		
Real Estate Management & Development — 0.8%		
9,107	RE/MAX Holdings, Inc., Class A	\$ 366,648
Road & Rail — 1.2%		
14,252	Celadon Group, Inc.	116,439
6,291	Covenant Transportation Group, Inc., Class A (a)	113,678
11,881	Marten Transport Ltd.	235,244
1,388	P.A.M. Transportation Services, Inc. (a)	22,055
4,106	Universal Logistics Holdings, Inc.	52,968
		<u>540,384</u>
Semiconductors & Semiconductor Equipment — 1.9%		
13,037	Cohu, Inc.	141,451
12,861	IXYS Corp.	131,825
34,725	Photronics, Inc. (a)	309,400
16,826	Ultra Clean Holdings, Inc. (a)	95,740
27,622	Xcerra Corp. (a)	158,827
		<u>837,243</u>
Software — 0.6%		
13,553	American Software, Inc., Class A	142,035
4,671	QAD, Inc., Class A	90,010
3,537	Zedge, Inc., Class B (a)	16,235
		<u>248,280</u>
Specialty Retail — 2.4%		
9,477	Big 5 Sporting Goods Corp.	87,852
7,511	Build-A-Bear Workshop, Inc. (a)	100,798
7,694	Citi Trends, Inc.	119,488
10,383	Haverty Furniture Cos., Inc.	187,205
7,413	Kirkland's, Inc. (a)	108,823
7,352	Shoe Carnival, Inc.	184,241
16,330	Sportsman's Warehouse Holdings, Inc. (a)	131,620
13,970	Stage Stores, Inc.	68,173
15,319	Stein Mart, Inc.	118,263
		<u>1,106,463</u>
Textiles, Apparel & Luxury Goods — 1.7%		
4,805	Culp, Inc.	132,762
8,447	Movado Group, Inc.	183,131
6,032	Perry Ellis International, Inc. (a)	121,364
3,603	Rocky Brands, Inc.	41,146
4,362	Superior Uniform Group, Inc.	83,271
7,734	Unifi, Inc. (a)	210,597
		<u>772,271</u>
Thrifts & Mortgage Finance — 4.9%		
21,864	Bank Mutual Corp.	167,915
15,911	Dime Community Bancshares, Inc.	270,646
4,604	Federal Agricultural Mortgage Corp., Class C	160,311
4,626	First Defiance Financial Corp.	179,720
10,879	HomeStreet, Inc. (a)	216,710

Shares	Description	Value
Thrifts & Mortgage Finance (Continued)		
4,263	Impac Mortgage Holdings, Inc. (a) (b)	\$ 66,844
3,555	Meta Financial Group, Inc.	181,163
10,463	OceanFirst Financial Corp.	190,113
4,144	Territorial Bancorp, Inc.	109,692
49,288	TrustCo Bank Corp. NY	315,936
24,489	United Community Financial Corp.	148,893
12,933	Waterstone Financial, Inc.	198,263
		<u>2,206,206</u>
Trading Companies & Distributors — 1.9%		
24,006	BMC Stock Holdings, Inc. (a)	427,787
6,554	DXP Enterprises, Inc. (a)	97,851
16,290	H&E Equipment Services, Inc.	309,999
8,573	Houston Wire & Cable Co.	45,008
		<u>880,645</u>
Water Utilities — 1.6%		
8,382	Middlesex Water Co.	363,611
8,645	SJW Corp.	340,440
		<u>704,051</u>
Wireless Telecommunication Services — 0.5%		
10,635	Spok Holdings, Inc.	203,820
	Total Common Stocks — 100.0% (Cost \$44,356,900)	<u>45,382,898</u>
Money Market Funds — 0.0%		
31,619	Goldman Sachs Financial Square Treasury Obligations Fund - Institutional Class - 0.26% (c) (d) (Cost \$31,619)	<u>31,619</u>

Principal Value	Description	Value
\$ 18,908	Repurchase Agreements — 0.2% JPMorgan Chase & Co., 0.30% (c), dated 06/30/16, due 07/01/16, with a maturity value of \$18,909. Collateralized by U.S. Treasury Notes, interest rates of 2.000% to 2.625%, due 11/15/20 to 11/30/20. The value of the collateral including accrued interest is \$19,323. (d)	18,908

First Trust Dow Jones Select MicroCap Index Fund (FDM)

Portfolio of Investments (Continued)

June 30, 2016 (Unaudited)

Principal

Value	Description	Value
Repurchase Agreements (Continued)		
\$ 71,113	RBC Capital Markets LLC, 0.35% (c), dated 06/30/16, due 07/01/16, with a maturity value of \$71,114. Collateralized by U.S. Treasury Notes, interest rate of 1.500%, due 08/31/18 to 05/31/20. The value of the collateral including accrued interest is \$72,721. (d)	\$ 71,113
	Total Repurchase Agreements — 0.2% (Cost \$90,021)	90,021
	Total Investments — 100.2% (Cost \$44,478,540) (e)	45,504,538
	Net Other Assets and Liabilities — (0.2)%	(111,353)
	Net Assets — 100.0%	\$ 45,393,185

- (a) Non-income producing security.
 (b) All or a portion of this security is on loan (see Note 2D - Securities Lending in the Notes to Financial Statements). The aggregate value of such securities is \$119,083 and the total value of the collateral held by the Fund is \$121,640.
 (c) Interest rate shown reflects yield as of June 30, 2016.
 (d) This security serves as collateral for securities on loan.
 (e) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of June 30, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$4,893,139 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$3,867,141.

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of June 30, 2016 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

Level 1 - Quoted Prices

Level 2 - Other Significant Observable Inputs

Level 3 - Significant Unobservable Inputs

	Level 1	Level 2	Level 3
Common Stocks*	\$45,382,898	\$ —	\$ —
Money Market Funds	31,619	—	—
Repurchase Agreements	—	90,021	—
Total Investments	\$45,414,517	\$ 90,021	\$ —

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at June 30, 2016.

Offsetting Assets and Liabilities

Offsetting assets and liabilities requires entities to disclose both gross and net information about instruments and transactions eligible for offset, and to disclose instruments and transactions subject to master netting or similar agreements (see Note 2C - Offsetting on the Statements of Assets and Liabilities in the Notes to Financial Statements).

The Fund's loaned securities were all subject to an enforceable Securities Lending Agency Agreement. Securities lent in accordance with the Securities Lending Agency Agreement on a gross basis were as follows:

Securities Lending Agency Agreement

Total gross amount presented on the Statements of Assets and Liabilities ⁽¹⁾	\$ 119,083
Non-cash Collateral ⁽²⁾	(119,083)
Net Amount	\$ —

- (1) The amount presented on the Statements of Assets and Liabilities which is included in "Investments, at value", is not offset and is shown on a gross basis.
 (2) At June 30, 2016, the value of the collateral received from each borrower exceeded the value of the related securities loaned. This amount is disclosed on the Portfolio of Investments.

The Fund's investments in repurchase agreements were all subject to an enforceable Master Repurchase Agreement. Repurchase Agreements on a gross basis were as follows:

Repurchase Agreements

Total gross amount presented on the Statements of Assets and Liabilities ⁽³⁾	\$ 90,021
Non-cash Collateral ⁽⁴⁾	(90,021)
Net Amount	\$ —

- (3) The amount is included in "Repurchase agreements, at value" on the Statements of Assets and Liabilities.
 (4) At June 30, 2016, the value of the collateral received from each seller exceeded the value of the repurchase agreements.

First Trust Morningstar Dividend Leaders Index Fund (FDL)
**Portfolio of Investments
June 30, 2016 (Unaudited)**

Shares	Description	Value	Shares	Description	Value
	Common Stocks — 100.0%			Electric Utilities (Continued)	
	Aerospace & Defense — 2.3%		51,917	Pinnacle West Capital Corp.	\$ 4,208,392
278,756	Boeing (The) Co.	\$ 36,202,042	375,921	PPL Corp.	14,191,018
	Banks — 0.9%		592,719	Southern (The) Co.	31,787,520
106,835	F.N.B. Corp.	1,339,711	232,634	Xcel Energy, Inc.	10,417,351
39,489	Hancock Holding Co.	1,031,058			129,491,029
75,069	Old National Bancorp	940,614		Electrical Equipment — 2.0%	
78,374	PacWest Bancorp	3,117,718	234,861	Eaton Corp. PLC	14,028,248
7,224	Park National Corp.	663,019	322,532	Emerson Electric Co.	16,823,269
188,915	People's United Financial, Inc.	2,769,494			30,851,517
35,721	Trustmark Corp.	887,667		Food Products — 0.1%	
126,018	Umpqua Holdings Corp.	1,949,498	32,694	B&G Foods, Inc.	1,575,851
31,154	United Bankshares, Inc.	1,168,586	18,337	Cal-Maine Foods, Inc.	812,696
		13,867,365			2,388,547
	Capital Markets — 0.5%			Gas Utilities — 0.3%	
224,287	Invesco Ltd.	5,728,290	12,532	Northwest Natural Gas Co.	812,324
101,347	Waddell & Reed Financial, Inc., Class A	1,745,195	87,571	Questar Corp.	2,221,676
		7,473,485	39,703	South Jersey Industries, Inc.	1,255,409
	Chemicals — 3.0%				4,289,409
127,804	CF Industries Holdings, Inc.	3,080,077		Household Durables — 0.4%	
546,554	Dow Chemical (The) Co.	27,169,199	78,624	Garmin Ltd.	3,335,230
84,860	Huntsman Corp.	1,141,367	22,698	M.D.C. Holdings, Inc.	552,469
200,156	LyondellBasell Industries N.V., Class A	14,895,610	33,295	Tupperware Brands Corp.	1,873,843
78,667	Olin Corp.	1,954,088			5,761,542
		48,240,341		Household Products — 6.6%	
	Commercial Services & Supplies — 0.2%		1,224,802	Procter & Gamble (The) Co.	103,703,985
184,084	R.R. Donnelley & Sons Co.	3,114,701		Insurance — 3.0%	
	Communications Equipment — 4.6%		559,462	MetLife, Inc.	22,283,371
2,549,184	Cisco Systems, Inc.	73,136,089	136,319	Old Republic International Corp.	2,629,594
	Containers & Packaging — 0.9%		132,936	Principal Financial Group, Inc.	5,464,999
232,978	International Paper Co.	9,873,608	228,811	Prudential Financial, Inc.	16,323,377
132,961	WestRock Co.	5,168,194			46,701,341
		15,041,802		IT Services — 4.7%	
	Diversified Consumer Services — 0.2%		456,062	International Business Machines Corp.	69,221,090
121,342	H&R Block, Inc.	2,790,866	225,782	Western Union (The) Co.	4,330,499
	Diversified Telecommunication Services — 19.7%				73,551,589
3,918,146	AT&T, Inc.	169,303,089		Machinery — 2.1%	
2,539,287	Verizon Communications, Inc.	141,793,786	326,944	Caterpillar, Inc.	24,785,625
		311,096,875	73,817	Cummins, Inc.	8,299,984
	Electric Utilities — 8.2%		35,713	Kennametal, Inc.	789,614
22,652	ALLETE, Inc.	1,463,999			33,875,223
236,082	American Electric Power Co., Inc.	16,546,987		Common Stocks (Continued)	
400,993	Duke Energy Corp.	34,401,190		Media — 0.6%	
109,784	Entergy Corp.	8,930,928	20,233	Meredith Corp.	1,050,295
78,553	Great Plains Energy, Inc.	2,388,011	41,886	Regal Entertainment Group, Class A	923,167
57,241	Hawaiian Electric Industries, Inc.	1,876,932	4,863	Viacom, Inc., Class A	225,741
100,113	OGE Energy Corp.	3,278,701	176,698	Viacom, Inc., Class B	7,327,666
					9,526,869
				Metals & Mining — 0.1%	
			16,668	Compass Minerals International, Inc.	1,236,599

First Trust Morningstar Dividend Leaders Index Fund (FDL)

Portfolio of Investments (Continued)

June 30, 2016 (Unaudited)

Shares	Description	Value
Common Stocks (Continued)		
<i>Multiline Retail — 0.9%</i>		
136,767	Kohl's Corp.	\$ 5,186,205
184,076	Macy's, Inc.	6,186,794
66,504	Nordstrom, Inc.	2,530,477
		<u>13,903,476</u>
<i>Multi-Utilities — 5.2%</i>		
117,906	Ameren Corp.	6,317,403
29,343	Avista Corp.	1,314,566
270,791	CenterPoint Energy, Inc.	6,498,984
153,525	Consolidated Edison, Inc.	12,349,551
335,878	Dominion Resources, Inc.	26,174,973
88,780	MDU Resources Group, Inc.	2,130,720
22,875	NorthWestern Corp.	1,442,726
266,037	Public Service Enterprise Group, Inc.	12,399,985
65,931	SCANA Corp.	4,988,339
143,962	WEC Energy Group, Inc.	9,400,719
		<u>83,017,966</u>
<i>Oil, Gas & Consumable Fuels — 1.1%</i>		
123,056	HollyFrontier Corp.	2,925,041
294,389	Valero Energy Corp.	15,013,839
		<u>17,938,880</u>
<i>Paper & Forest Products — 0.1%</i>		
36,202	Domtar Corp.	1,267,432
<i>Personal Products — 0.1%</i>		
27,079	Nu Skin Enterprises, Inc., Class A	1,250,779
<i>Pharmaceuticals — 11.1%</i>		
1,255,246	Merck & Co., Inc.	72,314,722
2,931,949	Pfizer, Inc.	103,233,924
		<u>175,548,646</u>
<i>Semiconductors & Semiconductor Equipment — 7.3%</i>		
2,186,850	Intel Corp.	71,728,680
65,533	Intersil Corp., Class A	887,317
804,930	QUALCOMM, Inc.	43,120,100
		<u>115,736,097</u>
<i>Specialty Retail — 1.3%</i>		
40,373	Abercrombie & Fitch Co., Class A	719,043
142,723	Best Buy Co., Inc.	4,367,324
15,410	Buckle (The), Inc.	400,506
151,746	Gap (The), Inc.	3,220,050
123,607	L Brands, Inc.	8,297,738
494,986	Staples, Inc.	4,266,779
		<u>21,271,440</u>
<i>Technology Hardware, Storage & Peripherals — 0.8%</i>		
39,862	Diebold, Inc.	989,773
868,700	HP, Inc.	10,902,185
		<u>11,891,958</u>

Shares	Description	Value
<i>Textiles, Apparel & Luxury Goods — 0.3%</i>		
135,904	Coach, Inc.	\$ 5,536,729
<i>Thrifts & Mortgage Finance — 0.1%</i>		
58,520	Northwest Bancshares, Inc.	867,851
29,784	Provident Financial Services, Inc.	584,958
		<u>1,452,809</u>
<i>Tobacco — 11.2%</i>		
956,863	Altria Group, Inc.	65,985,273
883,596	Philip Morris International, Inc.	89,879,385
390,404	Reynolds American, Inc.	21,054,488
12,264	Universal Corp.	708,123
		<u>177,627,269</u>
<i>Trading Companies & Distributors — 0.1%</i>		
37,863	Aircastle Ltd.	740,600
19,145	GATX Corp.	841,806
		<u>1,582,406</u>
	Total Investments — 100.0%	1,580,367,103
	(Cost \$1,450,601,875) (a)	
	Net Other Assets and Liabilities — 0.0%	601,057
	Net Assets — 100.0%	<u>\$1,580,968,160</u>

(a) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of June 30, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$137,961,189 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$8,195,961.

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of June 30, 2016 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

	Level 1	Level 2	Level 3
Level 1 - Quoted Prices			
Level 2 - Other Significant Observable Inputs			
Level 3 - Significant Unobservable Inputs			
Common Stocks*	\$1,580,367,103	\$ —	\$ —

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at June 30, 2016.

First Trust US IPO Index Fund (FPX)
**Portfolio of Investments
June 30, 2016 (Unaudited)**

Shares	Description	Value	Shares	Description	Value
	Common Stocks — 100.0%			Electronic Equipment, Instruments & Components (Continued)	
	Automobiles — 1.0%				
886,988	Fiat Chrysler Automobiles N.V. (a)	\$ 5,428,366	88,925	Keysight Technologies, Inc. (b)	\$ 2,586,828
	Banks — 2.0%				7,445,553
276,335	Citizens Financial Group, Inc.	5,521,173		Food & Staples Retailing — 0.7%	
77,845	First Republic Bank	5,448,372	53,606	Performance Food Group Co. (b)	1,442,537
		10,969,545	111,598	US Foods Holding Corp. (b)	2,705,136
	Biotechnology — 14.8%				4,147,673
844,894	AbbVie, Inc.	52,307,388		Food Products — 12.3%	
55,131	Juno Therapeutics, Inc. (a) (b)	2,119,236	102,513	Blue Buffalo Pet Products, Inc. (a) (b)	2,392,653
156,469	Shire PLC, ADR	28,802,813	635,205	Kraft Heinz (The) Co.	56,202,938
		83,229,437	61,030	Pinnacle Foods, Inc.	2,825,079
	Building Products — 1.5%		36,143	Post Holdings, Inc. (b)	2,988,665
50,011	Allegion PLC	3,472,264	92,421	WhiteWave Foods (The) Co. (b)	4,338,242
80,122	Fortune Brands Home & Security, Inc.	4,644,672			68,747,577
		8,116,936		Gas Utilities — 0.3%	
	Chemicals — 0.6%		27,248	ONE Gas, Inc.	1,814,444
124,737	Axalta Coating Systems Ltd. (b)	3,309,273		Health Care Equipment & Supplies — 0.2%	
	Communications Equipment — 1.7%		14,795	Nevro Corp. (b)	1,091,279
100,239	CommScope Holding Co., Inc. (b)	3,110,416		Health Care Providers & Services — 0.4%	
30,968	Lumentum Holdings, Inc. (b)	749,426	74,016	Premier, Inc., Class A (b)	2,420,323
46,808	Palo Alto Networks, Inc. (b)	5,740,533		Health Care Technology — 1.2%	
		9,600,375	172,325	IMS Health Holdings, Inc. (b)	4,370,162
	Construction Materials — 0.2%		70,400	Veeva Systems, Inc., Class A (b)	2,402,048
58,969	Summit Materials, Inc., Class A (b)	1,206,506			6,772,210
	Consumer Finance — 2.7%			Hotels, Restaurants & Leisure — 6.1%	
252,705	Ally Financial, Inc. (b)	4,313,675	126,850	Aramark	4,239,327
435,633	Synchrony Financial (b)	11,012,802	21,814	Dave & Buster's Entertainment, Inc. (b)	1,020,677
		15,326,477	517,046	Hilton Worldwide Holdings, Inc.	11,649,046
	Containers & Packaging — 0.4%		118,587	Norwegian Cruise Line Holdings Ltd. (b)	4,724,506
63,158	Berry Plastics Group, Inc. (b)	2,453,688	51,492	Planet Fitness, Inc., Class A (b)	972,169
	Diversified Consumer Services — 0.9%		60,075	Red Rock Resorts, Inc., Class A (b)	1,320,449
31,186	Bright Horizons Family Solutions, Inc. (b)	2,067,944	240,734	Restaurant Brands International, Inc. (a)	10,014,534
70,910	ServiceMaster Global Holdings, Inc. (b)	2,822,218			33,940,708
		4,890,162		Household Products — 0.3%	
	Diversified Financial Services — 0.7%		32,300	Energizer Holdings, Inc.	1,663,127
50,339	Bats Global Markets, Inc. (b)	1,293,209		Internet & Catalog Retail — 1.2%	
106,546	Voya Financial, Inc.	2,638,079	76,116	TripAdvisor, Inc. (b)	4,894,259
		3,931,288	44,255	Wayfair, Inc., Class A (a) (b)	1,725,945
	Diversified Telecommunication Services — 0.6%				6,620,204
126,538	Zayo Group Holdings, Inc. (b)	3,534,206		Internet Software & Services — 12.4%	
	Electronic Equipment, Instruments & Components — 1.3%		483,828	Facebook, Inc., Class A (b)	55,291,864
86,513	CDW Corp.	3,467,441	83,879	GoDaddy, Inc., Class A (b)	2,616,186
113,853	Fitbit, Inc., Class A (a) (b)	1,391,284	130,017	Match Group, Inc. (a) (b)	1,960,006
			366,665	Twitter, Inc. (b)	6,200,305

First Trust US IPO Index Fund (FPX)
Portfolio of Investments (Continued)
June 30, 2016 (Unaudited)

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)					
Internet Software & Services (Continued)					
93,579	Zillow Group, Inc., Class C (b)	\$ 3,395,046	177,136	Coty, Inc., Class A (a)	\$ 4,603,765
		<u>69,463,407</u>			
IT Services — 8.2%					
80,407	Black Knight Financial Services, Inc., Class A (b)	3,023,303	259,212	Zoetis, Inc.	12,302,201
85,307	CSRA, Inc.	1,998,743			
474,087	First Data Corp., Class A (b)	5,248,143	188,481	Nielsen Holdings PLC	9,795,358
633,153	PayPal Holdings, Inc. (b)	23,116,416	95,421	TransUnion (b)	3,190,878
144,757	Sabre Corp.	3,878,040			<u>12,986,236</u>
23,417	Science Applications International Corp.	1,366,382	Real Estate Investment Trusts — 3.6%		
175,158	Square, Inc., Class A (b)	1,585,180	79,206	Communications Sales & Leasing, Inc.	2,289,053
99,975	Vantiv, Inc., Class A (b)	5,658,585	105,561	Gaming and Leisure Properties, Inc.	3,639,743
		<u>45,874,792</u>	261,195	MGM Growth Properties LLC, Class A	6,968,683
Leisure Products — 0.3%			250,568	Spirit Realty Capital, Inc.	3,199,753
31,726	Vista Outdoor, Inc. (b)	1,514,282	79,210	STORE Capital Corp.	2,332,735
			51,915	Urban Edge Properties	1,550,182
Life Sciences Tools & Services — 1.5%					<u>19,980,149</u>
28,325	INC Research Holdings, Inc., Class A (b)	1,080,032	Semiconductors & Semiconductor Equipment — 2.5%		
31,634	PRA Health Sciences, Inc. (b)	1,321,036	180,749	NXP Semiconductors N.V. (b)	14,159,877
62,513	Quintiles Transnational Holdings, Inc. (b)	4,083,349	Software — 2.9%		
68,683	VWR Corp. (b)	1,984,939	81,146	CDK Global, Inc.	4,502,791
		<u>8,469,356</u>	37,885	Guidewire Software, Inc. (b)	2,339,778
Machinery — 1.4%			85,120	ServiceNow, Inc. (b)	5,651,968
88,659	Allison Transmission Holdings, Inc.	2,502,843	69,415	Splunk, Inc. (b)	3,760,905
71,640	Manitowoc Foodservice, Inc. (b)	1,262,297			<u>16,255,442</u>
93,454	Xylem, Inc.	4,172,721	Specialty Retail — 1.3%		
		<u>7,937,861</u>	37,358	Burlington Stores, Inc. (b)	2,492,152
Media — 3.1%			108,503	Michaels Cos., (The), Inc. (b)	3,085,825
50,902	AMC Entertainment Holdings, Inc., Class A	1,405,404	20,580	Murphy USA, Inc. (b)	1,526,213
2,998	Cable One, Inc.	1,533,207			<u>7,104,190</u>
60,873	Gannett Co., Inc.	840,656	Technology Hardware, Storage & Peripherals — 2.8%		
94,857	Liberty Broadband Corp., Class A (b)	5,634,506	868,066	Hewlett Packard Enterprise Co.	15,859,566
174,940	Liberty SiriusXM Group, Class A (b)	5,486,119	Trading Companies & Distributors — 0.8%		
12,781	Madison Square Garden (The) Co., Class A (b)	2,204,850	104,797	HD Supply Holdings, Inc. (b)	3,649,032
		<u>17,104,742</u>	56,118	NOW, Inc. (b)	1,017,980
Oil, Gas & Consumable Fuels — 2.8%					<u>4,667,012</u>
158,890	Antero Resources Corp. (b)	4,127,962	Total Common Stocks — 100.0%		
121,038	Cheniere Energy Partners LP Holdings LLC	2,412,288	(Cost \$523,379,883)		
37,457	Diamondback Energy, Inc. (b)	3,416,453	Money Market Funds — 0.6%		
103,437	Parsley Energy, Inc., Class A (b)	2,799,005	3,441,252	Goldman Sachs Financial Square Treasury Obligations Fund - Institutional Class - 0.26% (c) (d)	3,441,252
53,683	PBF Energy, Inc., Class A	1,276,582			(Cost \$3,441,252)
53,099	RSP Permian, Inc. (b)	1,852,624			
		<u>15,884,914</u>			

First Trust US IPO Index Fund (FPX)

Portfolio of Investments (Continued)

June 30, 2016 (Unaudited)

Principal

Value	Description	Value
	Repurchase Agreements — 1.7%	
\$ 2,057,918	JPMorgan Chase & Co., 0.30% (c), dated 06/30/16, due 07/01/16, with a maturity value of \$2,057,935. Collateralized by U.S. Treasury Notes, interest rates of 2.000% to 2.625%, due 11/15/20 to 11/30/20. The value of the collateral including accrued interest is \$2,103,040. (d)	\$ 2,057,918
7,739,676	RBC Capital Markets LLC, 0.35% (c), dated 06/30/16, due 07/01/16, with a maturity value of \$7,739,751. Collateralized by U.S. Treasury Notes, interest rate of 1.500%, due 08/31/18 to 05/31/20. The value of the collateral including accrued interest is \$7,914,696. (d)	7,739,676
	Total Repurchase Agreements — 1.7% (Cost \$9,797,594)	9,797,594
	Total Investments — 102.3% (Cost \$536,618,729) (e)	574,065,995
	Net Other Assets and Liabilities — (2.3)%	(13,087,634)
	Net Assets — 100.0%	<u>\$ 560,978,361</u>

- (a) All or a portion of this security is on loan (see Note 2D - Securities Lending in the Notes to Financial Statements). The aggregate value of such securities is \$12,991,750 and the total value of the collateral held by the Fund is \$13,238,846.
- (b) Non-income producing security.
- (c) Interest rate shown reflects yield as of June 30, 2016.
- (d) This security serves as collateral for securities on loan.
- (e) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of June 30, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$64,413,727 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$26,966,461.

ADR – American Depositary Receipt

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of June 30, 2016 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

- Level 1 - Quoted Prices
- Level 2 - Other Significant Observable Inputs
- Level 3 - Significant Unobservable Inputs

	Level 1	Level 2	Level 3
Common Stocks*	\$560,827,149	\$ —	\$ —
Money Market Funds	3,441,252	—	—
Repurchase Agreements	—	9,797,594	—
Total Investments	<u>\$564,268,401</u>	<u>\$9,797,594</u>	<u>\$ —</u>

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at June 30, 2016.

First Trust US IPO Index Fund (FPX)

Portfolio of Investments (Continued)

June 30, 2016 (Unaudited)

Offsetting Assets and Liabilities

Offsetting assets and liabilities requires entities to disclose both gross and net information about instruments and transactions eligible for offset, and to disclose instruments and transactions subject to master netting or similar agreements (see Note 2C - Offsetting on the Statements of Assets and Liabilities in the Notes to Financial Statements).

The Fund's loaned securities were all subject to an enforceable Securities Lending Agency Agreement. Securities lent in accordance with the Securities Lending Agency Agreement on a gross basis were as follows:

Securities Lending Agency Agreement

Total gross amount presented on the Statements of Assets and Liabilities ⁽¹⁾	\$ 12,991,750
Non-cash Collateral ⁽²⁾	<u>(12,991,750)</u>
Net Amount	<u>\$ —</u>

⁽¹⁾ The amount presented on the Statements of Assets and Liabilities which is included in "Investments, at value", is not offset and is shown on a gross basis.

⁽²⁾ At June 30, 2016, the value of the collateral received from each borrower exceeded the value of the related securities loaned. This amount is disclosed on the Portfolio of Investments.

The Fund's investments in repurchase agreements were all subject to an enforceable Master Repurchase Agreement. Repurchase Agreements on a gross basis were as follows:

Repurchase Agreements

Total gross amount presented on the Statements of Assets and Liabilities ⁽³⁾	\$ 9,797,594
Non-cash Collateral ⁽⁴⁾	<u>(9,797,594)</u>
Net Amount	<u>\$ —</u>

⁽³⁾ The amount is included in "Repurchase agreements, at value" on the Statements of Assets and Liabilities.

⁽⁴⁾ At June 30, 2016, the value of the collateral received from each seller exceeded the value of the repurchase agreements.

First Trust NYSE Arca Biotechnology Index Fund (FBT)

Portfolio of Investments
June 30, 2016 (Unaudited)

Shares	Description	Value
Common Stocks — 100.0%		
Biotechnology — 79.4%		
856,324	ACADIA Pharmaceuticals, Inc. (a) (b)	\$ 27,796,277
591,071	Agios Pharmaceuticals, Inc. (a) (b)	24,762,920
187,369	Alexion Pharmaceuticals, Inc. (b)	21,877,204
724,267	Alkermes PLC (b)	31,302,820
417,247	Alnylam Pharmaceuticals, Inc. (b)	23,153,036
179,467	Amgen, Inc.	27,305,904
106,853	Biogen, Inc. (b)	25,839,192
331,093	BioMarin Pharmaceutical, Inc. (b)	25,759,035
267,506	Celgene Corp. (b)	26,384,117
814,558	Cepheid (b)	25,047,658
291,964	Gilead Sciences, Inc.	24,355,637
1,878,944	Grifols S.A., ADR	31,321,996
369,092	Incyte Corp. (b)	29,519,978
191,885	Intercept Pharmaceuticals, Inc. (a) (b)	27,378,152
675,726	Ionis Pharmaceuticals, Inc. (a) (b)	15,737,658
647,885	Juno Therapeutics, Inc. (a) (b)	24,904,699
560,977	Medivation, Inc. (b)	33,826,913
737,053	Myriad Genetics, Inc. (b)	22,553,822
617,037	Neurocrine Biosciences, Inc. (b)	28,044,332
5,248,180	Novavax, Inc. (a) (b)	38,154,269
70,730	Regeneron Pharmaceuticals, Inc. (b)	24,701,038
749,848	Seattle Genetics, Inc. (a) (b)	30,301,358
248,699	United Therapeutics Corp. (b)	26,342,198
351,030	Vertex Pharmaceuticals, Inc. (b)	30,195,601
		<u>646,565,814</u>
Life Sciences Tools & Services — 17.3%		
308,895	Bio-Techne Corp.	34,834,089
356,674	Charles River Laboratories International, Inc. (b)	29,404,205
165,166	Illumina, Inc. (b)	23,186,003
1,237,457	QIAGEN N.V. (b)	26,988,937
409,728	Quintiles Transnational Holdings, Inc. (b)	26,763,433
		<u>141,176,667</u>
Pharmaceuticals — 3.3%		
1,896,629	Nektar Therapeutics (b)	26,989,031
	Total Common Stocks — 100.0% (Cost \$1,049,166,947)	<u>814,731,512</u>
Money Market Funds — 3.7%		
30,015,378	Goldman Sachs Financial Square Treasury Obligations Fund - Institutional Class - 0.26% (c) (d) (Cost \$30,015,378)	<u>30,015,378</u>

Principal Value	Description	Value
Repurchase Agreements — 10.5%		
\$17,949,623	JPMorgan Chase & Co., 0.30% (c), dated 06/30/16, due 07/01/16, with a maturity value of \$17,949,773. Collateralized by U.S. Treasury Notes, interest rates of 2.000% to 2.625%, due 11/15/20 to 11/30/20. The value of the collateral including accrued interest is \$18,343,188. (d)	\$ 17,949,623
67,507,194	RBC Capital Markets LLC, 0.35% (c), dated 06/30/16, due 07/01/16, with a maturity value of \$67,507,850. Collateralized by U.S. Treasury Notes, interest rate of 1.500%, due 08/31/18 to 05/31/20. The value of the collateral including accrued interest is \$69,033,762. (d)	<u>67,507,194</u>
	Total Repurchase Agreements — 10.5% (Cost \$85,456,817)	<u>85,456,817</u>
	Total Investments — 114.2% (Cost \$1,164,639,142) (e)	930,203,707
	Net Other Assets and Liabilities — (14.2)%	<u>(115,698,742)</u>
	Net Assets — 100.0%	<u><u>\$ 814,504,965</u></u>

- (a) All or a portion of this security is on loan (see Note 2D - Securities Lending in the Notes to Financial Statements). The aggregate value of such securities is \$110,128,123 and the total value of the collateral held by the Fund is \$115,472,195.
- (b) Non-income producing security.
- (c) Interest rate shown reflects yield as of June 30, 2016.
- (d) This security serves as collateral for securities on loan.
- (e) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of June 30, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$15,388,588 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$249,824,023.

ADR – American Depositary Receipt

First Trust NYSE Arca Biotechnology Index Fund (FBT)

Portfolio of Investments (Continued)

June 30, 2016 (Unaudited)

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of June 30, 2016 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

Level 1 - Quoted Prices

Level 2 - Other Significant Observable Inputs

Level 3 - Significant Unobservable Inputs

	Level 1	Level 2	Level 3
Common Stocks*	\$814,731,512	\$ —	\$ —
Money Market Funds	30,015,378	—	—
Repurchase Agreements	—	85,456,817	—
Total Investments	<u>\$844,746,890</u>	<u>\$85,456,817</u>	<u>\$ —</u>

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at June 30, 2016.

Offsetting Assets and Liabilities

Offsetting assets and liabilities requires entities to disclose both gross and net information about instruments and transactions eligible for offset, and to disclose instruments and transactions subject to master netting or similar agreements (see Note 2C - Offsetting on the Statements of Assets and Liabilities in the Notes to Financial Statements).

The Fund's loaned securities were all subject to an enforceable Securities Lending Agency Agreement. Securities lent in accordance with the Securities Lending Agency Agreement on a gross basis were as follows:

Securities Lending Agency Agreement

Total gross amount presented on the Statements of Assets and Liabilities ⁽¹⁾	\$ 110,128,123
Non-cash Collateral ⁽²⁾	(110,128,123)
Net Amount	<u>\$ —</u>

- (1) The amount presented on the Statements of Assets and Liabilities, which is included in "Investments, at value", is not offset and is shown on a gross basis.
- (2) At June 30, 2016, the value of the collateral received from each borrower exceeded the value of the related securities loaned. This amount is disclosed on the Portfolio of Investments.

The Fund's investments in repurchase agreements were all subject to an enforceable Master Repurchase Agreement. Repurchase Agreements on a gross basis were as follows:

Repurchase Agreements

Total gross amount presented on the Statements of Assets and Liabilities ⁽³⁾	\$ 85,456,817
Non-cash Collateral ⁽⁴⁾	(85,456,817)
Net Amount	<u>\$ —</u>

- (3) The amount is included in "Repurchase agreements, at value" on the Statements of Assets and Liabilities.
- (4) At June 30, 2016, the value of the collateral received from each seller exceeded the value of the repurchase agreements.

First Trust Dow Jones Internet Index Fund (FDN)
**Portfolio of Investments
June 30, 2016 (Unaudited)**

Shares	Description	Value
	Common Stocks — 100.1%	
	Capital Markets — 4.0%	
2,483,188	E*TRADE Financial Corp. (a)	\$ 58,330,086
2,229,235	TD Ameritrade Holding Corp.	63,477,467
		<u>121,807,553</u>
	Communications Equipment — 5.0%	
561,003	Arista Networks, Inc. (a) (b)	36,117,373
2,970,771	Juniper Networks, Inc.	66,812,640
695,640	NETGEAR, Inc. (a)	33,070,725
2,071,274	Sonus Networks, Inc. (a)	17,999,371
		<u>154,000,109</u>
	Diversified Telecommunication Services — 1.1%	
5,343,846	Vonage Holdings Corp. (a)	32,597,461
	Health Care Technology — 2.7%	
3,028,518	Allscripts Healthcare Solutions, Inc. (a)	38,462,179
1,329,603	Veeva Systems, Inc., Class A (a)	45,366,054
		<u>83,828,233</u>
	Internet & Catalog Retail — 20.2%	
430,543	Amazon.com, Inc. (a)	308,105,182
774,925	Expedia, Inc.	82,374,528
9,156,113	Groupon, Inc. (a) (b)	29,757,367
1,480,798	Netflix, Inc. (a)	135,463,401
988,464	TripAdvisor, Inc. (a)	63,558,235
		<u>619,258,713</u>
	Internet Software & Services — 52.7%	
913,061	2U, Inc. (a) (b)	26,853,124
1,362,118	Akamai Technologies, Inc. (a)	76,183,260
212,050	Alphabet, Inc., Class A (a)	149,183,536
213,255	Alphabet, Inc., Class C (a)	147,593,785
1,916,961	Blucora, Inc. (a)	19,859,716
882,597	Cornerstone OnDemand, Inc. (a)	33,591,642
542,897	Demandware, Inc. (a)	40,662,985
3,416,565	EarthLink Holdings Corp.	21,866,016
4,791,582	eBay, Inc. (a)	112,170,935
2,297,211	Endurance International Group Holdings, Inc. (a) (b)	20,651,927
2,642,548	Facebook, Inc., Class A (a)	301,990,385
972,409	GoDaddy, Inc., Class A (a)	30,329,437
947,650	IAC/InterActiveCorp	53,352,695
663,169	j2 Global, Inc.	41,892,386
697,801	LinkedIn Corp., Class A (a)	132,058,839
3,474,953	Pandora Media, Inc. (a) (b)	43,263,165
1,683,177	Rackspace Hosting, Inc. (a)	35,111,072
2,564,775	TrueCar, Inc. (a) (b)	20,133,484
4,881,971	Twitter, Inc. (a)	82,554,129
814,771	VeriSign, Inc. (a) (b)	70,445,101
1,459,876	Web.com Group, Inc. (a)	26,540,546
3,486,484	Yahoo!, Inc. (a)	130,952,339
		<u>1,617,240,504</u>

Shares	Description	Value
	IT Services — 4.6%	
3,838,439	PayPal Holdings, Inc. (a)	\$ 140,141,408
	Software — 9.8%	
992,803	Citrix Systems, Inc. (a)	79,513,592
610,470	Ebix, Inc. (b)	29,241,513
537,059	NetSuite, Inc. (a) (b)	39,097,895
1,933,573	salesforce.com, Inc. (a)	153,545,032
		<u>301,398,032</u>
	Total Common Stocks — 100.1%	<u>3,070,272,013</u>
	(Cost \$3,135,160,251)	
	Money Market Funds — 1.1%	
35,078,101	Goldman Sachs Financial Square Treasury Obligations Fund - Institutional Class - 0.26% (c) (d)	35,078,101
167,739	Morgan Stanley Institutional Liquidity Fund - Treasury Portfolio - Institutional Class - 0.26% (c)	167,739
		<u>35,245,840</u>
	Total Money Market Funds — 1.1%	<u>35,245,840</u>
	(Cost \$35,245,840)	
Principal Value	Description	Value
	Repurchase Agreements — 3.3%	
\$20,977,203	JPMorgan Chase & Co., 0.30% (c), dated 06/30/16, due 07/01/16, with a maturity value of \$20,977,378. Collateralized by U.S. Treasury Notes, interest rates of 2.000% to 2.625%, due 11/15/20 to 11/30/20. The value of the collateral including accrued interest is \$21,437,151. (d)	20,977,203
78,893,697	RBC Capital Markets LLC, 0.35% (c), dated 06/30/16, due 07/01/16, with a maturity value of \$78,894,464. Collateralized by U.S. Treasury Notes, interest rate of 1.500%, due 08/31/18 to 05/31/20. The value of the collateral including accrued interest is \$80,677,752. (d)	78,893,697
		<u>99,870,900</u>
	Total Repurchase Agreements — 3.3%	<u>99,870,900</u>
	(Cost \$99,870,900)	
	Total Investments — 104.5%	<u>3,205,388,753</u>
	(Cost \$3,270,276,991) (e)	
	Net Other Assets and Liabilities — (4.5%)	<u>(137,059,244)</u>
	Net Assets — 100.0%	<u>\$3,068,329,509</u>

First Trust Dow Jones Internet Index Fund (FDN)

Portfolio of Investments (Continued)

June 30, 2016 (Unaudited)

- (a) Non-income producing security.
- (b) All or a portion of this security is on loan (see Note 2D - Securities Lending in the Notes to Financial Statements). The aggregate value of such securities is \$133,060,299 and the total value of the collateral held by the Fund is \$134,949,001.
- (c) Interest rate shown reflects yield as of June 30, 2016.
- (d) This security serves as collateral for securities on loan.
- (e) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of June 30, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$274,325,264 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$339,213,502.

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of June 30, 2016 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

Level 1 - Quoted Prices

Level 2 - Other Significant Observable Inputs

Level 3 - Significant Unobservable Inputs

	Level 1	Level 2	Level 3
Common Stocks*	\$3,070,272,013	\$ —	\$ —
Money Market Funds	35,245,840	—	—
Repurchase Agreements	—	99,870,900	—
Total Investments	\$3,105,517,853	\$99,870,900	\$ —

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at June 30, 2016.

Offsetting Assets and Liabilities

Offsetting assets and liabilities requires entities to disclose both gross and net information about instruments and transactions eligible for offset, and to disclose instruments and transactions subject to master netting or similar agreements (see Note 2C - Offsetting on the Statements of Assets and Liabilities in the Notes to Financial Statements).

The Fund's loaned securities were all subject to an enforceable Securities Lending Agency Agreement. Securities lent in accordance with the Securities Lending Agency Agreement on a gross basis were as follows:

Securities Lending Agency Agreement

Total gross amount presented on the Statements of Assets and Liabilities ⁽¹⁾	\$ 133,060,299
Non-cash Collateral ⁽²⁾	(133,060,299)
Net Amount	\$ —

(1) The amount presented on the Statements of Assets and Liabilities, which is included in "Investments, at value", is not offset and is shown on a gross basis.

(2) At June 30, 2016, the value of the collateral received from each borrower exceeded the value of the related securities loaned. This amount is disclosed on the Portfolio of Investments.

The Fund's investments in repurchase agreements were all subject to an enforceable Master Repurchase Agreement. Repurchase Agreements on a gross basis were as follows:

Repurchase Agreements

Total gross amount presented on the Statements of Assets and Liabilities ⁽³⁾	\$ 99,870,900
Non-cash Collateral ⁽⁴⁾	(99,870,900)
Net Amount	\$ —

(3) The amount is included in "Repurchase agreements, at value" on the Statements of Assets and Liabilities.

(4) At June 30, 2016, the value of the collateral received from each seller exceeded the value of the repurchase agreements.

First Trust Capital Strength ETF (FTCS)

Portfolio of Investments June 30, 2016 (Unaudited)

Shares	Description	Value
Common Stocks — 100.0%		
Aerospace & Defense — 10.6%		
32,772	General Dynamics Corp.	\$ 4,563,173
38,541	Honeywell International, Inc.	4,483,089
19,565	Lockheed Martin Corp.	4,855,446
21,884	Northrop Grumman Corp.	4,864,376
35,152	Raytheon Co.	4,778,914
		<u>23,544,998</u>
Air Freight & Logistics — 2.0%		
41,860	United Parcel Service, Inc., Class B	4,509,159
Beverages — 4.0%		
95,834	Coca-Cola (The) Co.	4,344,155
42,574	PepsiCo, Inc.	4,510,290
		<u>8,854,445</u>
Capital Markets — 1.9%		
57,728	T. Rowe Price Group, Inc.	4,212,412
Chemicals — 1.8%		
38,300	PPG Industries, Inc.	3,988,945
Electrical Equipment — 3.8%		
79,861	Emerson Electric Co.	4,165,550
37,805	Rockwell Automation, Inc.	4,340,770
		<u>8,506,320</u>
Electronic Equipment, Instruments & Components — 1.9%		
75,212	Amphenol Corp., Class A	4,311,904
Food & Staples Retailing — 6.1%		
28,843	Costco Wholesale Corp.	4,529,505
119,695	Kroger (The) Co.	4,403,579
63,972	Wal-Mart Stores, Inc.	4,671,235
		<u>13,604,319</u>
Health Care Equipment & Supplies — 2.2%		
40,236	Stryker Corp.	4,821,480
Health Care Providers & Services — 4.1%		
52,438	Cardinal Health, Inc.	4,090,688
34,697	UnitedHealth Group, Inc.	4,899,217
		<u>8,989,905</u>
Hotels, Restaurants & Leisure — 3.8%		
34,574	McDonald's Corp.	4,160,635
73,011	Starbucks Corp.	4,170,388
		<u>8,331,023</u>
Household Products — 2.1%		
62,006	Colgate-Palmolive Co.	4,538,839
Industrial Conglomerates — 2.1%		
26,176	3M Co.	4,583,941
Insurance — 4.2%		
70,891	Marsh & McLennan Cos., Inc.	4,853,198
132,155	Progressive (The) Corp.	4,427,192
		<u>9,280,390</u>

Shares	Description	Value
IT Services — 9.7%		
38,477	Accenture PLC, Class A	\$ 4,359,059
49,006	Automatic Data Processing, Inc.	4,502,181
29,119	International Business Machines Corp.	4,419,682
45,696	MasterCard, Inc., Class A	4,023,990
55,169	Visa, Inc., Class A	4,091,885
		<u>21,396,797</u>
Life Sciences Tools & Services — 2.1%		
32,530	Waters Corp. (a)	4,575,345
Machinery — 5.7%		
42,124	Illinois Tool Works, Inc.	4,387,636
79,203	PACCAR, Inc.	4,108,260
38,849	Parker-Hannifin Corp.	4,197,634
		<u>12,693,530</u>
Media — 5.9%		
187,359	Interpublic Group of Cos. (The), Inc.	4,327,993
52,407	Omnicom Group, Inc.	4,270,646
44,811	Walt Disney (The) Co.	4,383,412
		<u>12,982,051</u>
Multiline Retail — 1.7%		
53,486	Target Corp.	3,734,393
Personal Products — 1.9%		
46,529	Estee Lauder (The) Cos., Inc., Class A	4,235,070
Pharmaceuticals — 2.2%		
40,097	Johnson & Johnson	4,863,766
Semiconductors & Semiconductor Equipment — 6.2%		
98,307	Linear Technology Corp.	4,574,224
74,969	Texas Instruments, Inc.	4,696,808
96,021	Xilinx, Inc.	4,429,449
		<u>13,700,481</u>
Software — 2.0%		
107,702	Oracle Corp.	4,408,243
Specialty Retail — 5.7%		
71,953	Foot Locker, Inc.	3,947,342
32,723	Home Depot (The), Inc.	4,178,400
57,153	TJX (The) Cos., Inc.	4,413,926
		<u>12,539,668</u>
Textiles, Apparel & Luxury Goods — 1.9%		
74,251	NIKE, Inc., Class B	4,098,655
Tobacco — 4.4%		
71,627	Altria Group, Inc.	4,939,398
90,643	Reynolds American, Inc.	4,888,377
		<u>9,827,775</u>

First Trust Capital Strength ETF (FTCS)

Portfolio of Investments (Continued)

June 30, 2016 (Unaudited)

Description	Value
Total Investments — 100.0% (Cost \$205,106,598) (b)	\$ 221,133,854
Net Other Assets and Liabilities — 0.0%	2,571
Net Assets — 100.0%	<u>\$ 221,136,425</u>

- (a) Non-income producing security.
- (b) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of June 30, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$19,181,795 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$3,154,539.

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of June 30, 2016 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

Level 1 - Quoted Prices

Level 2 - Other Significant Observable Inputs

Level 3 - Significant Unobservable Inputs

	Level 1	Level 2	Level 3
Common Stocks*	<u>\$221,133,854</u>	<u>\$ —</u>	<u>\$ —</u>

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at June 30, 2016.

First Trust Value Line® Dividend Index Fund (FVD)
Portfolio of Investments
June 30, 2016 (Unaudited)

Shares	Description	Value	Shares	Description	Value
Common Stocks — 100.0%			Commercial Services & Supplies		
Aerospace & Defense — 2.6%			— 1.1%		
82,296	Boeing (The) Co.	\$ 10,687,781	220,933	Republic Services, Inc.	\$ 11,336,072
77,525	General Dynamics Corp.	10,794,581	174,593	Waste Management, Inc.	11,570,278
45,780	Lockheed Martin Corp.	11,361,223			<u>22,906,350</u>
81,039	Raytheon Co.	11,017,252	Communications Equipment		
107,424	United Technologies Corp.	11,016,331	— 1.5%		
		<u>54,877,168</u>	379,338	Cisco Systems, Inc.	10,883,207
Air Freight & Logistics — 1.1%			131,355	Harris Corp.	10,960,261
150,599	C.H. Robinson Worldwide, Inc.	11,181,976	159,836	Motorola Solutions, Inc.	10,544,381
102,965	United Parcel Service, Inc., Class B	11,091,390			<u>32,387,849</u>
		<u>22,273,366</u>	Containers & Packaging — 1.1%		
Automobiles — 0.5%			214,286	Bemis Co., Inc.	11,033,586
103,253	Toyota Motor Corp., ADR	10,324,268	226,603	Sonoco Products Co.	11,253,105
					<u>22,286,691</u>
Banks — 7.1%			Distributors — 0.5%		
160,252	Bank of Hawaii Corp.	11,025,338	111,929	Genuine Parts Co.	11,332,811
170,729	Bank of Montreal	10,822,511	Diversified Financial Services		
215,057	Bank of Nova Scotia (The)	10,539,944	— 0.5%		
305,501	BB&T Corp.	10,878,891	116,175	CME Group, Inc.	11,315,445
137,116	Canadian Imperial Bank of Commerce	10,293,298	Diversified Telecommunication Services — 1.6%		
170,834	Cullen/Frost Bankers, Inc.	10,887,251	267,889	AT&T, Inc.	11,575,484
93,060	M&T Bank Corp.	11,002,484	336,262	TELUS Corp.	10,827,636
120,251	Park National Corp.	11,036,637	203,205	Verizon Communications, Inc.	11,346,967
713,112	People's United Financial, Inc.	10,454,222			<u>33,750,087</u>
130,021	PNC Financial Services Group (The), Inc.	10,582,409	Electric Utilities — 11.3%		
179,236	Royal Bank of Canada	10,591,055	176,810	ALLETE, Inc.	11,427,230
250,221	Toronto-Dominion (The) Bank	10,741,987	280,926	Alliant Energy Corp.	11,152,762
265,047	U.S. Bancorp	10,689,345	163,561	American Electric Power Co., Inc.	11,463,991
232,786	Wells Fargo & Co.	11,017,761	244,284	Brookfield Infrastructure Partners L.P. (a)	11,056,294
		<u>150,563,133</u>	133,225	Duke Energy Corp.	11,429,373
Beverages — 2.7%			147,763	Edison International	11,476,752
86,404	Anheuser-Busch InBev S.A./N.V., ADR	11,377,679	239,518	El Paso Electric Co.	11,322,016
242,892	Coca-Cola (The) Co.	11,010,294	323,707	Empire District Electric (The) Co.	10,996,327
102,489	Diageo PLC, ADR	11,568,958	192,280	Eversource Energy	11,517,572
118,784	Dr Pepper Snapple Group, Inc.	11,478,098	322,365	Hawaiian Electric Industries, Inc.	10,570,348
105,690	PepsiCo, Inc.	11,196,799	145,624	IDACORP, Inc.	11,846,512
		<u>56,631,828</u>	199,322	MGE Energy, Inc.	11,264,683
Biotechnology — 0.5%			87,943	NextEra Energy, Inc.	11,467,767
72,521	Amgen, Inc.	11,034,070	352,530	OGE Energy Corp.	11,545,358
Capital Markets — 1.6%			343,970	Otter Tail Corp.	11,519,555
31,358	BlackRock, Inc.	10,741,056	140,999	Pinnacle West Capital Corp.	11,429,379
323,611	Franklin Resources, Inc.	10,798,899	257,604	Portland General Electric Co.	11,365,488
151,300	T. Rowe Price Group, Inc.	11,040,361	275,322	PPL Corp.	10,393,406
		<u>32,580,316</u>	214,473	Southern (The) Co.	11,502,187
Chemicals — 1.5%			195,790	Westar Energy, Inc.	10,981,861
75,846	Air Products and Chemicals, Inc.	10,773,166	255,561	Xcel Energy, Inc.	11,444,022
161,725	E.I. du Pont de Nemours and Co.	10,479,780			<u>237,172,883</u>
96,998	Praxair, Inc.	10,901,605	Electrical Equipment — 1.5%		
		<u>32,154,551</u>	175,389	Eaton Corp. PLC	10,475,985
			204,728	Emerson Electric Co.	10,678,613
			107,164	Hubbell, Inc.	11,302,587
					<u>32,457,185</u>

First Trust Value Line® Dividend Index Fund (FVD)
Portfolio of Investments (Continued)
June 30, 2016 (Unaudited)

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)					
Energy Equipment & Services			Industrial Conglomerates — 0.5%		
— 0.5%			63,794	3M Co.	\$ 11,171,605
140,802	Schlumberger Ltd.	\$ 11,134,622	Insurance — 6.5%		
Food & Staples Retailing — 1.6%			233,445	Arthur J. Gallagher & Co.	11,111,982
218,710	Sysco Corp.	11,097,345	127,413	Assurant, Inc.	10,997,016
153,652	Wal-Mart Stores, Inc.	11,219,669	207,030	Axis Capital Holdings Ltd.	11,386,650
220,034	Weis Markets, Inc.	11,122,719	87,600	Chubb Ltd.	11,450,196
		33,439,733	156,717	Cincinnati Financial Corp.	11,736,536
Food Products — 3.3%			167,055	Endurance Specialty Holdings Ltd.	11,219,414
257,364	Archer-Daniels-Midland Co.	11,038,342	113,220	Erie Indemnity Co., Class A	11,247,275
232,055	ConAgra Foods, Inc.	11,094,549	62,385	Everest Re Group, Ltd.	11,395,868
165,833	General Mills, Inc.	11,827,210	132,191	Hanover Insurance Group (The), Inc.	11,186,002
113,036	Hershey (The) Co.	12,828,456	212,967	Mercury General Corp.	11,321,326
142,142	Kellogg Co.	11,605,894	343,012	Progressive (The) Corp.	11,490,902
127,781	Kraft Heinz (The) Co.	11,306,063	97,008	Travelers (The) Cos., Inc.	11,547,832
		69,700,514	IT Services — 1.6%		
Gas Utilities — 4.9%			122,705	Automatic Data Processing, Inc.	11,272,908
143,415	Atmos Energy Corp.	11,662,508	71,122	International Business Machines Corp.	10,794,897
297,435	New Jersey Resources Corp.	11,466,119	197,699	Paychex, Inc.	11,763,091
180,719	Northwest Natural Gas Co.	11,714,206			33,830,896
182,558	Piedmont Natural Gas Co., Inc.	10,975,387	Leisure Products — 0.5%		
436,987	Questar Corp.	11,086,360	336,978	Mattel, Inc.	10,544,042
362,822	South Jersey Industries, Inc.	11,472,432	Machinery — 2.0%		
161,866	Spire, Inc.	11,466,587	142,931	Caterpillar, Inc.	10,835,599
251,493	UGI Corp.	11,380,058	127,649	Deere & Co.	10,344,675
161,606	WGL Holdings, Inc.	11,440,089	153,332	Dover Corp.	10,628,975
		102,663,746	96,024	Parker-Hannifin Corp.	10,375,393
Health Care Equipment & Supplies — 0.5%					42,184,642
289,400	Abbott Laboratories	11,376,314	Media — 2.0%		
Health Care Providers & Services			131,697	Omnicom Group, Inc.	10,731,988
— 1.1%			575,898	Shaw Communications, Inc., Class B	11,057,242
142,839	Cardinal Health, Inc.	11,142,870	263,951	Thomson Reuters Corp.	10,668,899
297,196	Owens & Minor, Inc.	11,109,187	97,144	WPP PLC, ADR	10,153,491
		22,252,057	Multiline Retail — 1.1%		
Hotels, Restaurants & Leisure			298,156	Kohl's Corp.	11,306,076
— 1.0%			160,692	Target Corp.	11,219,515
65,407	Cracker Barrel Old Country Store, Inc.	11,215,338			22,525,591
88,518	McDonald's Corp.	10,652,256	Multi-Utilities — 6.5%		
		21,867,594	212,742	Ameren Corp.	11,398,716
Household Durables — 1.0%			257,783	Avista Corp.	11,548,678
256,924	Garmin Ltd.	10,898,716	175,250	Black Hills Corp.	11,047,760
216,508	Leggett & Platt, Inc.	11,065,724	250,810	CMS Energy Corp.	11,502,147
		21,964,440	141,598	Consolidated Edison, Inc.	11,390,143
Household Products — 2.1%			146,921	Dominion Resources, Inc.	11,449,554
82,560	Clorox (The) Co.	11,425,479	116,342	DTE Energy Co.	11,531,819
152,487	Colgate-Palmolive Co.	11,162,048	465,083	MDU Resources Group, Inc.	11,161,992
82,216	Kimberly-Clark Corp.	11,303,056	246,229	Public Service Enterprise Group, Inc.	11,476,734
131,557	Procter & Gamble (The) Co.	11,138,931	153,099	SCANA Corp.	11,583,470
		45,029,514			

First Trust Value Line® Dividend Index Fund (FVD)
Portfolio of Investments (Continued)
June 30, 2016 (Unaudited)

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)			Semiconductors & Semiconductor Equipment (Continued)		
Multi-Utilities (Continued)					
212,967	Vectren Corp.	\$ 11,216,972	414,292	Taiwan Semiconductor Manufacturing Co., Ltd., ADR	\$ 10,866,879
173,581	WEC Energy Group, Inc.	11,334,839	176,170	Texas Instruments, Inc.	11,037,051
		<u>136,642,824</u>			<u>76,372,748</u>
Oil, Gas & Consumable Fuels — 3.2%			Software — 1.1%		
106,463	Chevron Corp.	11,160,516	330,654	CA, Inc.	10,855,371
260,044	Enbridge, Inc.	11,015,464	218,192	Microsoft Corp.	11,164,885
119,899	Exxon Mobil Corp.	11,239,332			<u>22,020,256</u>
202,758	Royal Dutch Shell PLC, Class B, ADR	11,354,448	Specialty Retail — 0.5%		
227,743	TOTAL S.A., ADR	10,954,439	85,602	Home Depot (The), Inc.	10,930,519
249,431	TransCanada Corp.	11,279,270	Technology Hardware, Storage & Peripherals — 1.0%		
		<u>67,003,469</u>	114,886	Apple, Inc.	10,983,101
Personal Products — 0.6%			376,203	Canon, Inc., ADR	10,763,168
241,051	Unilever PLC, ADR	11,548,753			<u>21,746,269</u>
Pharmaceuticals — 5.4%			Textiles, Apparel & Luxury Goods — 0.5%		
384,405	AstraZeneca PLC, ADR	11,605,187	169,324	VF Corp.	10,411,733
153,950	Bristol-Myers Squibb Co.	11,323,022	Thrifts & Mortgage Finance — 1.1%		
149,078	Eli Lilly and Co.	11,739,893	814,676	Capitol Federal Financial, Inc.	11,364,730
263,302	GlaxoSmithKline PLC, ADR	11,411,509	760,783	Northwest Bancshares, Inc.	11,282,412
93,738	Johnson & Johnson	11,370,419			<u>22,647,142</u>
194,599	Merck & Co., Inc.	11,210,848	Tobacco — 2.2%		
138,874	Novartis AG, ADR	11,458,494	165,833	Altria Group, Inc.	11,435,844
316,657	Pfizer, Inc.	11,149,493	88,667	British American Tobacco PLC, ADR	11,480,603
279,415	Sanofi, ADR	11,693,518	107,580	Philip Morris International, Inc.	10,943,038
210,216	Teva Pharmaceutical Industries Ltd., ADR	10,559,150	214,079	Reynolds American, Inc.	11,545,280
		<u>113,521,533</u>			<u>45,404,765</u>
Professional Services — 1.0%			Trading Companies & Distributors — 2.1%		
203,825	Nielsen Holdings PLC	10,592,785	242,550	Fastenal Co.	10,766,794
276,996	Robert Half International, Inc.	10,570,168	149,988	MSC Industrial Direct Co., Inc., Class A	10,583,153
		<u>21,162,953</u>	49,027	W.W. Grainger, Inc.	11,141,386
Real Estate Investment Trusts — 2.7%			81,046	Watsco, Inc.	11,402,362
62,793	AvalonBay Communities, Inc.	11,327,229			<u>43,893,695</u>
69,730	Federal Realty Investment Trust	11,543,801	Water Utilities — 0.6%		
45,347	Public Storage	11,590,240	267,114	American States Water Co.	11,704,936
171,363	Realty Income Corp.	11,885,738	Total Investments — 100.0%		
52,779	Simon Property Group, Inc.	11,447,765	(Cost \$1,888,546,941) (b)		
		<u>57,794,773</u>	Net Other Assets and Liabilities — 0.0%		
Road & Rail — 1.0%			Net Assets — 100.0%		
127,560	Norfolk Southern Corp.	10,859,183	<u>\$2,107,724,956</u>		
124,010	Union Pacific Corp.	10,819,872			
		<u>21,679,055</u>			
Semiconductors & Semiconductor Equipment — 3.6%					
192,380	Analog Devices, Inc.	10,896,403			
339,603	Intel Corp.	11,138,979			
233,889	Linear Technology Corp.	10,882,855			
210,615	Microchip Technology, Inc.	10,690,817			
202,721	QUALCOMM, Inc.	10,859,764			

First Trust Value Line® Dividend Index Fund (FVD)

Portfolio of Investments (Continued)

June 30, 2016 (Unaudited)

- (a) Master Limited Partnership (“MLP”).
- (b) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of June 30, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$231,488,752 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$13,114,340.

ADR – American Depositary Receipt

Valuation Inputs

A summary of the inputs used to value the Fund’s investments as of June 30, 2016 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

Level 1 - Quoted Prices

Level 2 - Other Significant Observable Inputs

Level 3 - Significant Unobservable Inputs

	Level 1	Level 2	Level 3
Common Stocks*	\$2,106,921,353	\$ —	\$ —

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at June 30, 2016.

First Trust Value Line® 100 Exchange-Traded Fund (FVL)
**Portfolio of Investments
June 30, 2016 (Unaudited)**

Shares	Description	Value
Common Stocks — 100.0%		
Aerospace & Defense — 2.0%		
7,470	HEICO Corp.	\$ 499,071
4,198	Honeywell International, Inc.	488,311
		<u>987,382</u>
Airlines — 1.0%		
12,932	Hawaiian Holdings, Inc. (a)	490,899
Automobiles — 1.0%		
7,986	Thor Industries, Inc.	517,014
Banks — 1.0%		
10,428	Commerce Bancshares, Inc.	499,501
Beverages — 4.1%		
3,185	Constellation Brands, Inc., Class A	526,799
4,864	Molson Coors Brewing Co., Class B	491,896
16,428	National Beverage Corp. (a)	1,031,843
		<u>2,050,538</u>
Building Products — 3.0%		
17,276	AAON, Inc.	475,263
7,701	American Woodmark Corp. (a)	511,192
5,560	Universal Forest Products, Inc.	515,357
		<u>1,501,812</u>
Chemicals — 0.9%		
3,102	Air Products and Chemicals, Inc.	440,608
Commercial Services & Supplies — 3.2%		
10,869	Copart, Inc. (a)	532,690
6,297	G&K Services, Inc., Class A	482,161
8,265	Waste Management, Inc.	547,721
		<u>1,562,572</u>
Containers & Packaging — 2.1%		
6,910	Avery Dennison Corp.	516,523
10,194	Sonoco Products Co.	506,234
		<u>1,022,757</u>
Distributors — 1.0%		
4,737	Genuine Parts Co.	479,621
Diversified Telecommunication Services — 1.1%		
12,051	AT&T, Inc.	520,724
Electric Utilities — 2.1%		
13,312	Alliant Energy Corp.	528,486
11,824	Xcel Energy, Inc.	529,479
		<u>1,057,965</u>
Electrical Equipment — 1.0%		
1,972	Acuity Brands, Inc.	488,977
Electronic Equipment, Instruments & Components — 4.7%		
4,837	Coherent, Inc. (a)	443,940
11,311	Itron, Inc. (a)	487,504
19,071	Orbotech Ltd. (a)	487,264
6,282	Tech Data Corp. (a)	451,362

Shares	Description	Value
Electronic Equipment, Instruments & Components (Continued)		
18,407	Trimble Navigation Ltd. (a)	\$ 448,394
		<u>2,318,464</u>
Food & Staples Retailing — 1.0%		
9,914	Sysco Corp.	503,036
Food Products — 3.1%		
7,405	Calavo Growers, Inc.	496,135
7,520	Campbell Soup Co.	500,306
4,920	McCormick & Co., Inc.	524,816
		<u>1,521,257</u>
Gas Utilities — 3.4%		
7,499	Southwest Gas Corp.	590,246
8,123	Spire, Inc.	575,434
11,748	UGI Corp.	531,597
		<u>1,697,277</u>
Health Care Equipment & Supplies — 9.9%		
2,925	Becton, Dickinson and Co.	496,051
2,305	C. R. Bard, Inc.	542,044
6,915	Cantel Medical Corp.	475,268
40,819	CryoLife, Inc.	482,072
6,872	Edwards Lifesciences Corp. (a)	685,345
4,629	Stryker Corp.	554,693
3,200	Teleflex, Inc.	567,392
6,965	West Pharmaceutical Services, Inc.	528,504
4,650	Zimmer Biomet Holdings, Inc.	559,767
		<u>4,891,136</u>
Health Care Providers & Services — 3.1%		
10,049	Amedisys, Inc. (a)	507,274
10,226	Patterson Cos., Inc.	489,723
7,840	VCA, Inc. (a)	530,062
		<u>1,527,059</u>
Hotels, Restaurants & Leisure — 0.9%		
17,183	Sonic Corp.	464,800
Household Durables — 1.1%		
7,846	Universal Electronics, Inc. (a)	567,109
Household Products — 3.0%		
22,258	Central Garden & Pet Co. (a)	508,150
3,797	Clorox (The) Co.	525,467
3,334	Kimberly-Clark Corp.	458,358
		<u>1,491,975</u>
Industrial Conglomerates — 1.0%		
2,944	3M Co.	515,553
Insurance — 1.0%		
5,093	Erie Indemnity Co., Class A	505,939
IT Services — 6.1%		
4,349	Accenture PLC, Class A	492,698
5,453	Automatic Data Processing, Inc.	500,967
13,992	CSG Systems International, Inc.	564,018

First Trust Value Line® 100 Exchange-Traded Fund (FVL)

Portfolio of Investments (Continued)

June 30, 2016 (Unaudited)

Shares	Description	Value
Common Stocks (Continued)		
IT Services (Continued)		
6,742	Fidelity National Information Services, Inc.	\$ 496,751
6,759	Global Payments, Inc.	482,457
9,271	Total System Services, Inc.	492,383
		<u>3,029,274</u>
Life Sciences Tools & Services — 3.8%		
4,430	Bio-Techne Corp.	499,571
16,077	Bruker Corp.	365,591
5,988	Charles River Laboratories International, Inc. (a)	493,651
3,403	Thermo Fisher Scientific, Inc.	502,827
		<u>1,861,640</u>
Machinery — 2.1%		
8,825	Astec Industries, Inc.	495,524
11,642	Xylem, Inc.	519,815
		<u>1,015,339</u>
Media — 0.9%		
5,496	Omnicom Group, Inc.	447,869
Metals & Mining — 2.1%		
24,871	Barrick Gold Corp.	530,996
7,280	Royal Gold, Inc.	524,305
		<u>1,055,301</u>
Multi-Utilities — 2.2%		
12,165	Avista Corp.	544,992
8,289	WEC Energy Group, Inc.	541,272
		<u>1,086,264</u>
Oil, Gas & Consumable Fuels — 1.0%		
10,674	ONEOK, Inc.	506,481
Pharmaceuticals — 2.0%		
4,044	Johnson & Johnson	490,537
14,245	Pfizer, Inc.	501,567
		<u>992,104</u>
Professional Services — 2.1%		
3,957	Equifax, Inc.	508,079
7,125	Insperty, Inc.	550,264
		<u>1,058,343</u>
Real Estate Investment Trusts — 5.3%		
5,403	Digital Realty Trust, Inc.	588,873
3,278	Federal Realty Investment Trust	542,673
18,155	Mack-Cali Realty Corp.	490,185
23,381	Pennsylvania Real Estate Investment Trust	501,522
7,610	Realty Income Corp.	527,830
		<u>2,651,083</u>

Shares	Description	Value
Semiconductors & Semiconductor Equipment — 4.1%		
20,798	Applied Materials, Inc.	\$ 498,528
3,079	Broadcom Ltd.	478,477
18,236	CEVA, Inc. (a)	495,472
11,427	NVIDIA Corp.	537,183
		<u>2,009,660</u>
Software — 4.1%		
5,290	Adobe Systems, Inc. (a)	506,729
19,286	Cadence Design Systems, Inc. (a)	468,650
4,938	Fair Isaac Corp.	558,043
6,051	salesforce.com, Inc. (a)	480,510
		<u>2,013,932</u>
Specialty Retail — 1.0%		
2,046	Ulta Salon, Cosmetics & Fragrance, Inc. (a)	498,487
Technology Hardware, Storage & Peripherals — 1.0%		
36,485	3D Systems Corp. (a)	499,480
Tobacco — 2.3%		
8,046	Altria Group, Inc.	554,852
10,903	Reynolds American, Inc.	587,999
		<u>1,142,851</u>
Water Utilities — 3.2%		
15,392	California Water Service Group	537,642
9,374	Connecticut Water Service, Inc.	526,819
12,544	Middlesex Water Co.	544,159
		<u>1,608,620</u>
Wireless Telecommunication Services — 1.0%		
17,391	Telephone and Data Systems, Inc.	515,817
		<u>49,616,520</u>
Total Investments — 100.0%		
(Cost \$46,931,492) (b)		
Net Other Assets and Liabilities — (0.0)%		(18,081)
Net Assets — 100.0%		<u>\$ 49,598,439</u>

(a) Non-income producing security.

(b) Aggregate cost for financial reporting purposes, which approximates the aggregate cost for federal income tax purposes. As of June 30, 2016, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$3,103,729 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$418,701.

First Trust Value Line® 100 Exchange-Traded Fund (FVL)

Portfolio of Investments (Continued)

June 30, 2016 (Unaudited)

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of June 30, 2016 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

Level 1 - Quoted Prices

Level 2 - Other Significant Observable Inputs

Level 3 - Significant Unobservable Inputs

	Level 1	Level 2	Level 3
Common Stocks*	<u>\$49,616,520</u>	<u>\$ —</u>	<u>\$ —</u>

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at June 30, 2016.

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First Trust Exchange-Traded Fund

Statements of Assets and Liabilities

June 30, 2016 (Unaudited)

	First Trust Dow Jones Select MicroCap Index Fund (FDM)	First Trust Morningstar Dividend Leaders Index Fund (FDL)	First Trust US IPO Index Fund (FPX)
ASSETS:			
Investments, at value	\$ 45,414,517	\$ 1,580,367,103	\$ 564,268,401
Repurchase agreements, at value	90,021	—	9,797,594
Cash	—	—	—
Receivables:			
Capital shares sold	—	1,301,569	—
Investment securities sold	227,262	3,064,350	—
Dividends	130,640	3,890,751	672,416
Securities lending income	1,397	—	49,829
Interest	—	—	—
Reclaims	—	—	6,391
Prepaid expenses	13,196	6,350	4,475
Total Assets	<u>45,877,033</u>	<u>1,588,630,123</u>	<u>574,799,106</u>
LIABILITIES:			
Due to custodian	169,771	848,625	98,615
Payables:			
Capital shares redeemed	—	—	—
Investment securities purchased	152,367	5,874,930	—
Investment advisory fees	9,188	307,094	163,339
Collateral for securities on loan	121,640	—	13,238,846
Audit and tax fees	17,108	17,109	17,109
Printing fees	3,381	37,426	37,371
Trustees' fees	53	—	73
Licensing fees	—	333,874	132,036
Other liabilities	10,340	242,905	133,356
Total Liabilities	<u>483,848</u>	<u>7,661,963</u>	<u>13,820,745</u>
NET ASSETS	<u>\$ 45,393,185</u>	<u>\$ 1,580,968,160</u>	<u>\$ 560,978,361</u>
NET ASSETS consist of:			
Paid-in capital	\$ 66,522,708	\$ 1,446,922,350	\$ 567,276,823
Par value	13,550	589,500	111,000
Accumulated net investment income (loss)	98,127	1,854,528	50,687
Accumulated net realized gain (loss) on investments and foreign currency transactions	(22,267,198)	1,836,554	(43,907,415)
Net unrealized appreciation (depreciation) on investments	1,025,998	129,765,228	37,447,266
NET ASSETS	<u>\$ 45,393,185</u>	<u>\$ 1,580,968,160</u>	<u>\$ 560,978,361</u>
NET ASSET VALUE, per share	<u>\$ 33.50</u>	<u>\$ 26.82</u>	<u>\$ 50.54</u>
Number of shares outstanding (unlimited number of shares authorized, par value \$0.01 per share)	1,355,000	58,950,002	11,100,002
Investments, at cost	\$ 44,388,519	\$ 1,450,601,875	\$ 526,821,135
Repurchase agreements, at cost	\$ 90,021	\$ —	\$ 9,797,594
Securities on loan, at value	\$ 119,083	\$ —	\$ 12,991,750

First Trust NYSE Arca Biotechnology Index Fund (FBT)	First Trust Dow Jones Internet Index Fund (FDN)	First Trust Capital Strength ETF (FTCS)	First Trust Value Line® Dividend Index Fund (FVD)	First Trust Value Line® 100 Exchange-Traded Fund (FVL)
\$ 844,746,890	\$ 3,105,517,853	\$ 221,133,854	\$ 2,106,921,353	\$ 49,616,520
85,456,817	99,870,900	—	—	—
485,463	—	—	—	—
—	—	—	53,368,194	—
—	10,517,727	—	21,307,694	—
—	171,477	274,146	4,156,181	57,379
49,602	70,924	—	—	—
—	55	—	—	—
69,324	—	—	191,918	911
14,115	16,698	508	6,978	2,700
<u>930,822,211</u>	<u>3,216,165,634</u>	<u>221,408,508</u>	<u>2,185,952,318</u>	<u>49,677,510</u>
—	938	95,541	583,497	1,078
—	10,510,447	—	—	—
—	—	—	75,920,913	—
277,822	1,030,429	98,050	692,697	10,385
115,472,195	134,949,001	—	—	—
17,109	17,109	17,108	17,109	17,108
110,025	156,236	8,091	46,202	3,453
102	49	42	—	55
170,463	470,571	8,844	670,058	19,178
269,530	701,345	44,407	296,886	27,814
<u>116,317,246</u>	<u>147,836,125</u>	<u>272,083</u>	<u>78,227,362</u>	<u>79,071</u>
<u>\$ 814,504,965</u>	<u>\$ 3,068,329,509</u>	<u>\$ 221,136,425</u>	<u>\$ 2,107,724,956</u>	<u>\$ 49,598,439</u>
\$ 1,560,928,956	\$ 3,054,408,245	\$ 234,041,803	\$ 1,934,369,944	\$ 131,237,063
91,000	425,500	55,500	782,380	24,400
(1,881,283)	(5,560,966)	42,454	1,681,622	12,085
(510,198,273)	83,944,968	(29,030,588)	(47,483,402)	(84,360,137)
<u>(234,435,435)</u>	<u>(64,888,238)</u>	<u>16,027,256</u>	<u>218,374,412</u>	<u>2,685,028</u>
<u>\$ 814,504,965</u>	<u>\$ 3,068,329,509</u>	<u>\$ 221,136,425</u>	<u>\$ 2,107,724,956</u>	<u>\$ 49,598,439</u>
<u>\$ 89.51</u>	<u>\$ 72.11</u>	<u>\$ 39.84</u>	<u>\$ 26.94</u>	<u>\$ 20.33</u>
9,100,002	42,550,002	5,550,002	78,237,986	2,439,982
<u>\$ 1,079,182,325</u>	<u>\$ 3,170,406,091</u>	<u>\$ 205,106,598</u>	<u>\$ 1,888,546,941</u>	<u>\$ 46,931,492</u>
<u>\$ 85,456,817</u>	<u>\$ 99,870,900</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
<u>\$ 110,128,123</u>	<u>\$ 133,060,299</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

First Trust Exchange-Traded Fund

Statements of Operations

For the Six Months Ended June 30, 2016 (Unaudited)

	First Trust Dow Jones Select MicroCap Index Fund (FDM)	First Trust Morningstar Dividend Leaders Index Fund (FDL)	First Trust US IPO Index Fund (FPX)
INVESTMENT INCOME:			
Dividends	\$ 570,281	\$ 23,213,502	\$ 4,038,872
Securities lending income (net of fees)	1,397	—	507,144
Interest	—	—	—
Foreign tax withholding	—	—	(22,125)
Total investment income	<u>571,678</u>	<u>23,213,502</u>	<u>4,523,891</u>
EXPENSES:			
Investment advisory fees	117,047	1,857,711	1,197,139
Licensing fees	14,233	562,905	299,285
Accounting and administration fees	14,035	283,126	136,528
Audit and tax fees	12,394	12,395	12,395
Custodian fees	6,374	73,780	47,105
Trustees' fees and expenses	4,353	5,385	4,736
Listing fees	3,669	4,913	4,184
Printing fees	3,104	35,586	39,478
Legal fees	2,435	72,838	28,087
Transfer agent fees	1,170	27,637	14,964
Expenses previously waived or reimbursed	—	—	—
Registration and filing fees	(285)	—	2,300
Other expenses	1,508	11,437	10,084
Total expenses	<u>180,037</u>	<u>2,947,713</u>	<u>1,796,285</u>
Less fees waived and expenses reimbursed by the investment advisor	(39,581)	(161,147)	(576)
Net expenses	<u>140,456</u>	<u>2,786,566</u>	<u>1,795,709</u>
NET INVESTMENT INCOME (LOSS)	<u>431,222</u>	<u>20,426,936</u>	<u>2,728,182</u>
REALIZED AND UNREALIZED GAIN (LOSS):			
Net realized gain (loss) on:			
Investments	141,295	(14,367,543)	(23,506,050)
In-kind redemptions	407,081	76,667,757	25,198,491
Net realized gain (loss)	<u>548,376</u>	<u>62,300,214</u>	<u>1,692,441</u>
Net change in unrealized appreciation (depreciation) on investments	<u>106,832</u>	<u>90,636,818</u>	<u>(26,938,803)</u>
NET REALIZED AND UNREALIZED GAIN (LOSS)	<u>655,208</u>	<u>152,937,032</u>	<u>(25,246,362)</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 1,086,430</u>	<u>\$ 173,363,968</u>	<u>\$ (22,518,180)</u>

First Trust NYSE Arca Biotechnology Index Fund (FBT)	First Trust Dow Jones Internet Index Fund (FDN)	First Trust Capital Strength ETF (FTCS)	First Trust Value Line® Dividend Index Fund (FVD)	First Trust Value Line® 100 Exchange-Traded Fund (FVL)
\$ 1,273,168	\$ 2,633,514	\$ 2,210,368	\$ 25,783,455	\$ 323,761
496,827	525,712	—	—	—
—	1,660	—	—	—
(77,181)	—	—	(512,766)	(1,570)
<u>1,692,814</u>	<u>3,160,886</u>	<u>2,210,368</u>	<u>25,270,689</u>	<u>322,191</u>
2,517,504	6,428,691	466,205	3,814,472	119,635
503,501	929,270	13,032	1,155,951	38,204
248,255	612,827	45,452	337,929	12,308
12,395	12,395	12,394	12,395	12,394
83,495	224,542	12,415	87,755	4,249
4,341	10,640	4,565	5,602	4,346
4,913	6,156	404	12,886	10,939
102,658	213,568	10,466	46,654	3,339
24,382	158,080	10,617	85,559	2,334
27,009	52,611	4,662	31,504	1,196
—	—	21,771	—	—
5,564	36,333	1,586	(1,957)	—
40,080	36,739	2,499	15,102	1,618
<u>3,574,097</u>	<u>8,721,852</u>	<u>606,068</u>	<u>5,603,852</u>	<u>210,562</u>
—	—	—	(263,592)	(43,073)
<u>3,574,097</u>	<u>8,721,852</u>	<u>606,068</u>	<u>5,340,260</u>	<u>167,489</u>
<u>(1,881,283)</u>	<u>(5,560,966)</u>	<u>1,604,300</u>	<u>19,930,429</u>	<u>154,702</u>
(131,688,674)	(31,308,566)	(5,453,278)	(2,845,306)	(426,558)
(207,680,894)	228,412,675	1,305,758	27,158,849	90,795
<u>(339,369,568)</u>	<u>197,104,109</u>	<u>(4,147,520)</u>	<u>24,313,543</u>	<u>(335,763)</u>
(501,667,546)	(533,812,934)	12,588,930	167,872,418	1,665,773
(841,037,114)	(336,708,825)	8,441,410	192,185,961	1,330,010
<u>\$ (842,918,397)</u>	<u>\$ (342,269,791)</u>	<u>\$ 10,045,710</u>	<u>\$ 212,116,390</u>	<u>\$ 1,484,712</u>

First Trust Exchange-Traded Fund
Statements of Changes in Net Assets

	First Trust Dow Jones Select MicroCap Index Fund (FDM)		First Trust Morningstar Dividend Leaders Index Fund (FDL)	
	For the Six Months Ended 6/30/2016 (Unaudited)	For the Year Ended 12/31/2015	For the Six Months Ended 6/30/2016 (Unaudited)	For the Year Ended 12/31/2015
OPERATIONS:				
Net investment income (loss)	\$ 431,222	\$ 759,114	\$ 20,426,936	\$ 31,928,966
Net realized gain (loss)	548,376	3,694,341	62,300,214	11,749,117
Net increase from payment by the advisor	—	—	—	—
Net change in unrealized appreciation (depreciation)	106,832	(4,419,000)	90,636,818	(26,130,013)
Net increase (decrease) in net assets resulting from operations	<u>1,086,430</u>	<u>34,455</u>	<u>173,363,968</u>	<u>17,548,070</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	<u>(333,095)</u>	<u>(743,446)</u>	<u>(18,510,381)</u>	<u>(32,145,837)</u>
SHAREHOLDER TRANSACTIONS:				
Proceeds from shares sold	—	31,352,476	1,180,830,777	141,457,821
Cost of shares redeemed	<u>(4,911,532)</u>	<u>(32,739,987)</u>	<u>(630,009,799)</u>	<u>(236,717,928)</u>
Net increase (decrease) in net assets resulting from shareholder transactions	<u>(4,911,532)</u>	<u>(1,387,511)</u>	<u>550,820,978</u>	<u>(95,260,107)</u>
Total increase (decrease) in net assets	<u>(4,158,197)</u>	<u>(2,096,502)</u>	<u>705,674,565</u>	<u>(109,857,874)</u>
NET ASSETS:				
Beginning of period	49,551,382	51,647,884	875,293,595	985,151,469
End of period	<u>\$ 45,393,185</u>	<u>\$ 49,551,382</u>	<u>\$ 1,580,968,160</u>	<u>\$ 875,293,595</u>
Accumulated net investment income (loss) at end of period	<u>\$ 98,127</u>	<u>\$ —</u>	<u>\$ 1,854,528</u>	<u>\$ (62,027)</u>
CHANGES IN SHARES OUTSTANDING:				
Shares outstanding, beginning of period	1,505,000	1,555,000	36,950,002	41,150,002
Shares sold	—	950,000	45,900,000	6,000,000
Shares redeemed	<u>(150,000)</u>	<u>(1,000,000)</u>	<u>(23,900,000)</u>	<u>(10,200,000)</u>
Shares outstanding, end of period	<u>1,355,000</u>	<u>1,505,000</u>	<u>58,950,002</u>	<u>36,950,002</u>

First Trust US IPO Index Fund (FPX)		First Trust NYSE Arca Biotechnology Index Fund (FBT)		First Trust Dow Jones Internet Index Fund (FDN)	
For the Six Months		For the Six Months		For the Six Months	
Ended 6/30/2016 (Unaudited)	For the Year Ended 12/31/2015	Ended 6/30/2016 (Unaudited)	For the Year Ended 12/31/2015	Ended 6/30/2016 (Unaudited)	For the Year Ended 12/31/2015
\$ 2,728,182	\$ 4,415,039	\$ (1,881,283)	\$ 2,588,933	\$ (5,560,966)	\$ (9,194,381)
1,692,441	(3,584,153)	(339,369,568)	326,617,811	197,104,109	189,050,659
—	—	—	—	—	—
(26,938,803)	(7,795,816)	(501,667,546)	(147,075,543)	(533,812,934)	375,900,470
(22,518,180)	(6,964,930)	(842,918,397)	182,131,201	(342,269,791)	555,756,748
(2,677,495)	(4,530,346)	—	(3,747,095)	—	—
2,542,299	372,941,483	388,543,667	2,367,869,339	273,904,945	3,428,956,816
(206,061,112)	(107,696,610)	(2,168,144,720)	(1,235,810,318)	(1,778,127,040)	(1,046,685,047)
(203,518,813)	265,244,873	(1,779,601,053)	1,132,059,021	(1,504,222,095)	2,382,271,769
(228,714,488)	253,749,597	(2,622,519,450)	1,310,443,127	(1,846,491,886)	2,938,028,517
789,692,849	535,943,252	3,437,024,415	2,126,581,288	4,914,821,395	1,976,792,878
<u>\$ 560,978,361</u>	<u>\$ 789,692,849</u>	<u>\$ 814,504,965</u>	<u>\$ 3,437,024,415</u>	<u>\$ 3,068,329,509</u>	<u>\$ 4,914,821,395</u>
<u>\$ 50,687</u>	<u>\$ —</u>	<u>\$ (1,881,283)</u>	<u>\$ —</u>	<u>\$ (5,560,966)</u>	<u>\$ —</u>
15,450,002	10,650,002	30,400,002	20,850,002	65,850,002	32,250,002
50,000	6,900,000	4,450,000	20,350,000	4,100,000	49,100,000
(4,400,000)	(2,100,000)	(25,750,000)	(10,800,000)	(27,400,000)	(15,500,000)
<u>11,100,002</u>	<u>15,450,002</u>	<u>9,100,002</u>	<u>30,400,002</u>	<u>42,550,002</u>	<u>65,850,002</u>

First Trust Exchange-Traded Fund

Statements of Changes in Net Assets (Continued)

	First Trust Capital Strength ETF (FTCS)		First Trust Value Line® Dividend Index Fund (FVD)	
	For the Six Months Ended 6/30/2016 (Unaudited)	For the Year Ended 12/31/2015	For the Six Months Ended 6/30/2016 (Unaudited)	For the Year Ended 12/31/2015
OPERATIONS:				
Net investment income (loss)	\$ 1,604,300	\$ 1,863,793	\$ 19,930,429	\$ 27,999,971
Net realized gain (loss)	(4,147,520)	7,692,653	24,313,543	70,182,866
Net increase from payment by the advisor	—	—	—	—
Net change in unrealized appreciation (depreciation)	12,588,930	(7,484,967)	167,872,418	(85,527,963)
Net increase (decrease) in net assets resulting from operations	<u>10,045,710</u>	<u>2,071,479</u>	<u>212,116,390</u>	<u>12,654,874</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	<u>(1,561,846)</u>	<u>(1,868,316)</u>	<u>(18,248,807)</u>	<u>(28,470,161)</u>
SHAREHOLDER TRANSACTIONS:				
Proceeds from shares sold	59,730,679	146,883,652	905,464,824	703,563,120
Cost of shares redeemed	<u>(12,892,781)</u>	<u>(66,958,092)</u>	<u>(179,638,517)</u>	<u>(589,015,540)</u>
Net increase (decrease) in net assets resulting from shareholder transactions	46,837,898	79,925,560	725,826,307	114,547,580
Total increase (decrease) in net assets	55,321,762	80,128,723	919,693,890	98,732,293
NET ASSETS:				
Beginning of period	165,814,663	85,685,940	1,188,031,066	1,089,298,773
End of period	<u>\$ 221,136,425</u>	<u>\$ 165,814,663</u>	<u>\$2,107,724,956</u>	<u>\$1,188,031,066</u>
Accumulated net investment income (loss) at end of period	<u>\$ 42,454</u>	<u>\$ —</u>	<u>\$ 1,681,622</u>	<u>\$ —</u>
CHANGES IN SHARES OUTSTANDING:				
Shares outstanding, beginning of period	4,350,002	2,250,002	49,787,986	45,137,986
Shares sold	1,550,000	3,850,000	35,450,000	29,150,000
Shares redeemed	<u>(350,000)</u>	<u>(1,750,000)</u>	<u>(7,000,000)</u>	<u>(24,500,000)</u>
Shares outstanding, end of period	<u>5,550,002</u>	<u>4,350,002</u>	<u>78,237,986</u>	<u>49,787,986</u>

**First Trust
Value Line® 100
Exchange-Traded Fund
(FVL)**

For the Six Months	For the Year
Ended 6/30/2016 (Unaudited)	Ended 12/31/2015
\$ 154,702	\$ 188,382
(335,763)	(464,240)
—	95,996
1,665,773	(1,386,028)
1,484,712	(1,565,890)
(142,617)	(184,307)
—	5,252,525
(4,756,616)	(10,497,440)
(4,756,616)	(5,244,915)
(3,414,521)	(6,995,112)
53,012,960	60,008,072
\$ 49,598,439	\$ 53,012,960
\$ 12,085	\$ —
2,689,982	2,939,982
—	250,000
(250,000)	(500,000)
2,439,982	2,689,982

First Trust Exchange-Traded Fund

Financial Highlights

For a share outstanding throughout each period

First Trust Dow Jones Select MicroCap Index Fund (FDM)

	Six Months Ended 6/30/2016 (Unaudited)	Year Ended December 31,				
		2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 32.92	\$ 33.21	\$ 32.47	\$ 22.87	\$ 20.09	\$ 22.17
Income from investment operations:						
Net investment income (loss)	0.31	0.49	0.23	0.25	0.35	0.10
Net realized and unrealized gain (loss)	0.51	(0.30)	0.76	9.62	2.83	(2.02)
Total from investment operations	0.82	0.19	0.99	9.87	3.18	(1.92)
Distributions paid to shareholders from:						
Net investment income	(0.24)	(0.48)	(0.25)	(0.27)	(0.40)	(0.16)
Net asset value, end of period	\$ 33.50	\$ 32.92	\$ 33.21	\$ 32.47	\$ 22.87	\$ 20.09
TOTAL RETURN (a)	2.50%	0.55%	3.08%	43.32%	15.86%	(8.69)%
RATIOS/SUPPLEMENTAL DATA:						
Net assets, end of period (in 000's)	\$ 45,393	\$ 49,551	\$ 51,648	\$ 91,080	\$ 41,281	\$ 52,328
Ratios to average net assets:						
Ratio of total expenses to average net assets	0.77% (b)	0.73%	0.70%	0.72%	0.76%	0.71%
Ratio of net expenses to average net assets	0.60% (b)	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	1.84% (b)	1.46%	0.71%	0.93%	1.38%	0.40%
Portfolio turnover rate (c)	6%	63%	49%	70%	71%	59%

First Trust Morningstar Dividend Leaders Index Fund (FDL)

	Six Months Ended 6/30/2016 (Unaudited)	Year Ended December 31,				
		2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 23.69	\$ 23.94	\$ 21.93	\$ 18.46	\$ 17.57	\$ 15.92
Income from investment operations:						
Net investment income (loss)	0.38	0.86	0.80	0.69	0.71	0.61
Net realized and unrealized gain (loss)	3.10	(0.25)	2.01	3.47	0.89	1.65
Total from investment operations	3.48	0.61	2.81	4.16	1.60	2.26
Distributions paid to shareholders from:						
Net investment income	(0.35)	(0.86)	(0.80)	(0.69)	(0.71)	(0.61)
Net asset value, end of period	\$ 26.82	\$ 23.69	\$ 23.94	\$ 21.93	\$ 18.46	\$ 17.57
TOTAL RETURN (a)	14.72%	2.73%	12.96%	22.71%	9.14%	14.44%
RATIOS/SUPPLEMENTAL DATA:						
Net assets, end of period (in 000's)	\$1,580,968	\$ 875,294	\$ 985,151	\$ 687,437	\$ 545,517	\$ 447,030
Ratios to average net assets:						
Ratio of total expenses to average net assets	0.48% (b)	0.48%	0.49%	0.49%	0.51%	0.56%
Ratio of net expenses to average net assets	0.45% (b)	0.45%	0.45%	0.45%	0.45%	0.45%
Ratio of net investment income (loss) to average net assets	3.30% (b)	3.59%	3.55%	3.61%	3.88%	3.98%
Portfolio turnover rate (c)	52%	61%	40%	35%	31%	27%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Annualized.

(c) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

First Trust Exchange-Traded Fund

Financial Highlights (Continued)

For a share outstanding throughout each period

First Trust US IPO Index Fund (FPX)

	Six Months Ended 6/30/2016 (Unaudited)	Year Ended December 31,				
		2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 51.11	\$ 50.32	\$ 45.34	\$ 30.82	\$ 23.99	\$ 23.51
Income from investment operations:						
Net investment income (loss)	0.24	0.31	0.41	0.22	0.31	0.18
Net realized and unrealized gain (loss)	(0.58)	0.80	4.97	14.53	6.87	0.55
Total from investment operations	(0.34)	1.11	5.38	14.75	7.18	0.73
Distributions paid to shareholders from:						
Net investment income	(0.23)	(0.32)	(0.40)	(0.23)	(0.35)	(0.25)
Net asset value, end of period	\$ 50.54	\$ 51.11	\$ 50.32	\$ 45.34	\$ 30.82	\$ 23.99
TOTAL RETURN (a)	(0.65)%	2.19%	11.91%	47.98%	30.01%	3.11%
RATIOS/SUPPLEMENTAL DATA:						
Net assets, end of period (in 000's)	\$ 560,978	\$ 789,693	\$ 535,943	\$ 351,376	\$ 24,659	\$ 15,594
Ratios to average net assets:						
Ratio of total expenses to average net assets	0.60% (b)	0.60%	0.60%	0.66%	1.01%	1.01%
Ratio of net expenses to average net assets	0.60% (b)	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	0.91% (b)	0.61%	0.89%	0.69%	1.27%	0.70%
Portfolio turnover rate (c)	26%	41%	46%	30%	48%	44%

First Trust NYSE Arca Biotechnology Index Fund (FBT)

	Six Months Ended 6/30/2016 (Unaudited)	Year Ended December 31,				
		2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 113.06	\$ 101.99	\$ 69.12	\$ 46.05	\$ 32.68	\$ 39.07
Income from investment operations:						
Net investment income (loss)	(0.21)	0.09	0.04	(0.10)	(0.22)	(0.30)
Net realized and unrealized gain (loss)	(23.34)	11.11	32.88	23.17	13.59	(6.09)
Total from investment operations	(23.55)	11.20	32.92	23.07	13.37	(6.39)
Distributions paid to shareholders from:						
Net investment income	—	(0.13)	(0.05)	—	—	—
Net asset value, end of period	\$ 89.51	\$ 113.06	\$ 101.99	\$ 69.12	\$ 46.05	\$ 32.68
TOTAL RETURN (a)	(20.82)%	10.97%	47.63%	50.10%	40.91%	(16.36)%
RATIOS/SUPPLEMENTAL DATA:						
Net assets, end of period (in 000's)	\$ 814,505	\$3,437,024	\$2,126,581	\$ 953,910	\$ 239,445	\$ 183,030
Ratios to average net assets:						
Ratio of total expenses to average net assets	0.57% (b)	0.55%	0.58%	0.60%	0.61%	0.61%
Ratio of net expenses to average net assets	0.57% (b)	0.55%	0.58%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	(0.30)% (b)	0.08%	0.06%	(0.26)%	(0.48)%	(0.54)%
Portfolio turnover rate (c)	21%	30%	58%	48%	39%	44%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Annualized.

(c) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

First Trust Exchange-Traded Fund

Financial Highlights (Continued)

For a share outstanding throughout each period

First Trust Dow Jones Internet Index Fund (FDN)

	Six Months Ended 6/30/2016 (Unaudited)	Year Ended December 31,				
		2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 74.64	\$ 61.30	\$ 59.84	\$ 39.01	\$ 32.28	\$ 34.27
Income from investment operations:						
Net investment income (loss)	(0.13)	(0.14)	(0.08)	(0.11)	(0.08)	(0.10)
Net realized and unrealized gain (loss)	(2.40)	13.48	1.54	20.94	6.81	(1.87)
Total from investment operations	(2.53)	13.34	1.46	20.83	6.73	(1.97)
Distributions paid to shareholders from:						
Net investment income	—	—	—	—	—	(0.02)
Net asset value, end of period	\$ 72.11	\$ 74.64	\$ 61.30	\$ 59.84	\$ 39.01	\$ 32.28
TOTAL RETURN (a)	(3.38)%	21.77%	2.42%	53.40%	20.85%	(5.74)%
RATIOS/SUPPLEMENTAL DATA:						
Net assets, end of period (in 000's)	\$3,068,330	\$4,914,821	\$1,976,793	\$1,929,852	\$ 557,882	\$ 519,683
Ratios to average net assets:						
Ratio of total expenses to average net assets	0.54% (b)	0.54%	0.54%	0.57%	0.60%	0.60%
Ratio of net expenses to average net assets	0.54% (b)	0.54%	0.54%	0.57%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	(0.35)% (b)	(0.29)%	(0.13)%	(0.28)%	(0.23)%	(0.25)%
Portfolio turnover rate (c)	7%	28%	27%	17%	33%	18%

First Trust Capital Strength ETF (FTCS)

	Six Months Ended 6/30/2016 (Unaudited)	Year Ended December 31,				
		2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 38.12	\$ 38.08	\$ 33.70	\$ 25.16	\$ 21.82	\$ 22.90
Income from investment operations:						
Net investment income (loss)	0.32	0.57	0.72	0.45	0.45	0.35
Net realized and unrealized gain (loss)	1.71	0.04	4.43	8.54	3.34	(1.01)
Total from investment operations	2.03	0.61	5.15	8.99	3.79	(0.66)
Distributions paid to shareholders from:						
Net investment income	(0.31)	(0.57)	(0.77)	(0.45)	(0.45)	(0.42)
Net asset value, end of period	\$ 39.84	\$ 38.12	\$ 38.08	\$ 33.70	\$ 25.16	\$ 21.82
TOTAL RETURN (a)	5.34%	1.64%	15.46%	35.90%	17.45%	(2.94)%
RATIOS/SUPPLEMENTAL DATA:						
Net assets, end of period (in 000's)	\$ 221,136	\$ 165,815	\$ 85,686	\$ 65,706	\$ 32,707	\$ 31,643
Ratios to average net assets:						
Ratio of total expenses to average net assets	0.65% (b)	0.65%	0.66%	0.76%	0.83%	0.82%
Ratio of net expenses to average net assets	0.65% (b)	0.65%	0.65%	0.65%	0.65%	0.65%
Ratio of net investment income (loss) to average net assets	1.72% (b)	1.59%	2.07%	1.59%	1.84%	1.51%
Portfolio turnover rate (c)	40%	96%	89%	156%	84%	114%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Annualized.

(c) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

First Trust Exchange-Traded Fund

Financial Highlights (Continued)

For a share outstanding throughout each period

First Trust Value Line® Dividend Index Fund (FVD)

	Six Months Ended 6/30/2016 (Unaudited)	Year Ended December 31,				
		2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 23.86	\$ 24.13	\$ 21.36	\$ 17.29	\$ 16.01	\$ 15.08
Income from investment operations:						
Net investment income (loss)	0.29	0.55	0.58	0.50	0.50	0.42
Net realized and unrealized gain (loss)	3.06	(0.26)	2.78	4.06	1.28	0.93
Total from investment operations	3.35	0.29	3.36	4.56	1.78	1.35
Distributions paid to shareholders from:						
Net investment income	(0.27)	(0.56)	(0.59)	(0.49)	(0.50)	(0.42)
Net asset value, end of period	\$ 26.94	\$ 23.86	\$ 24.13	\$ 21.36	\$ 17.29	\$ 16.01
TOTAL RETURN (a)	14.08%	1.26%	15.94%	26.57%	11.17%	9.03%
RATIOS/SUPPLEMENTAL DATA:						
Net assets, end of period (in 000's)	\$2,107,725	\$1,188,031	\$1,089,299	\$ 796,361	\$ 508,103	\$ 366,399
Ratios to average net assets:						
Ratio of total expenses to average net assets	0.73% (b)	0.74%	0.75%	0.76%	0.78%	0.79%
Ratio of net expenses to average net assets	0.70% (b)	0.70%	0.70%	0.70%	0.70%	0.70%
Ratio of net investment income (loss) to average net assets	2.61% (b)	2.40%	2.63%	2.57%	3.03%	2.84%
Portfolio turnover rate (c)	30%	82%	63%	71%	54%	53%

First Trust Value Line® 100 Exchange-Traded Fund (FVL)

	Six Months Ended 6/30/2016 (Unaudited)	Year Ended December 31,				
		2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 19.71	\$ 20.41	\$ 18.44	\$ 13.27	\$ 12.37	\$ 13.52
Income from investment operations:						
Net investment income (loss)	0.06	0.07	0.11	0.06	0.15	0.08
Net realized and unrealized gain (loss)	0.62	(0.71) (d)	1.98	5.17	0.90	(1.15)
Total from investment operations	0.68	(0.64)	2.09	5.23	1.05	(1.07)
Distributions paid to shareholders from:						
Net investment income	(0.06)	(0.06)	(0.12)	(0.06)	(0.15)	(0.08)
Net asset value, end of period	\$ 20.33	\$ 19.71	\$ 20.41	\$ 18.44	\$ 13.27	\$ 12.37
TOTAL RETURN (a)	3.44%	(3.13)% (d)	11.33%	39.44%	8.53%	(7.92)%
RATIOS/SUPPLEMENTAL DATA:						
Net assets, end of period (in 000's)	\$ 49,598	\$ 53,013	\$ 60,008	\$ 56,058	\$ 45,635	\$ 55,543
Ratios to average net assets:						
Ratio of total expenses to average net assets	0.88% (b)	0.84%	0.84%	0.87%	0.87%	0.82%
Ratio of net expenses to average net assets	0.70% (b)	0.70%	0.70%	0.70%	0.70%	0.70%
Ratio of net investment income (loss) to average net assets	0.65% (b)	0.32%	0.57%	0.35%	1.03%	0.47%
Portfolio turnover rate (c)	206%	404%	325%	350%	304%	202%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Annualized.

(c) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

(d) The Fund received a payment from the Advisor in the amount of \$95,996 in connection with a trade error. The payment from the Advisor represents \$0.03 per share. Since the Advisor reimbursed the Fund, there was no effect on the Fund's total return.

**First Trust Exchange-Traded Fund
June 30, 2016 (Unaudited)**

1. Organization

First Trust Exchange-Traded Fund (the “Trust”) is an open-end management investment company organized as a Massachusetts business trust on August 8, 2003, and is registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended (the “1940 Act”).

The Trust currently consists of nineteen exchange-traded funds. This report covers the eight funds listed below:

First Trust Dow Jones Select MicroCap Index Fund – (NYSE Arca, Inc. (“NYSE Arca”) ticker “FDM”)
 First Trust Morningstar Dividend Leaders Index Fund – (NYSE Arca ticker “FDL”)
 First Trust US IPO Index Fund – (NYSE Arca ticker “FPX”)
 First Trust NYSE Arca Biotechnology Index Fund – (NYSE Arca ticker “FBT”)
 First Trust Dow Jones Internet Index Fund – (NYSE Arca ticker “FDN”)
 First Trust Capital Strength ETF – (The Nasdaq Stock Market LLC (“Nasdaq”) ticker “FTCS”)
 First Trust Value Line® Dividend Index Fund – (NYSE Arca ticker “FVD”)
 First Trust Value Line® 100 Exchange-Traded Fund – (NYSE Arca ticker “FVL”)

Each fund represents a separate series of shares of beneficial interest in the Trust (each a “Fund” and collectively, the “Funds”). Unlike conventional mutual funds, each Fund issues and redeems shares on a continuous basis, at net asset value (“NAV”), only in large specified blocks consisting of 50,000 shares called a “Creation Unit.” Creation Units are issued and redeemed principally in-kind for securities included in a Fund’s relevant index. Except when aggregated in Creation Units, each Fund’s shares are not redeemable securities. The investment objective of each Fund is to seek investment results that correspond generally to the price and yield (before the Fund’s fees and expenses) of the following indices:

Fund

First Trust Dow Jones Select MicroCap Index Fund
 First Trust Morningstar Dividend Leaders Index Fund
 First Trust US IPO Index Fund
 First Trust NYSE Arca Biotechnology Index Fund
 First Trust Dow Jones Internet Index Fund
 First Trust Capital Strength ETF
 First Trust Value Line® Dividend Index Fund
 First Trust Value Line® 100 Exchange-Traded Fund

Index

Dow Jones Select MicroCap IndexSM
 Morningstar® Dividend Leaders IndexSM
 IPOX®-100 U.S. Index
 NYSE Arca Biotechnology IndexSM
 Dow Jones Internet Composite IndexSM
 The Capital Strength IndexTM
 Value Line® Dividend Index
 Value Line® 100 Index

2. Significant Accounting Policies

The Funds, each of which is an investment company within the scope of Financial Accounting Standards Board (“FASB”) Accounting Standards Update 2013-08, follow accounting and reporting guidance under FASB Accounting Standards Codification Topic 946, “Financial Services-Investment Companies.” The following is a summary of significant accounting policies consistently followed by the Funds in the preparation of the financial statements. The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

A. Portfolio Valuation

Each Fund’s NAV is determined daily as of the close of regular trading on the New York Stock Exchange (“NYSE”), normally 4:00 p.m. Eastern time, on each day the NYSE is open for trading. If the NYSE closes early on a valuation day, the NAV is determined as of that time. Foreign securities are priced using data reflecting the earlier closing of the principal markets for those securities. Each Fund’s NAV is calculated by dividing the value of all assets of each Fund (including accrued interest and dividends), less all liabilities (including accrued expenses and dividends declared but unpaid), by the total number of shares outstanding.

Each Fund’s investments are valued daily at market value or, in the absence of market value with respect to any portfolio securities, at fair value. Market value prices represent last sale or official closing prices from a national or foreign exchange (i.e., a regulated market) and are primarily obtained from third-party pricing services. Fair value prices represent any prices not considered market value prices and are either obtained from a third-party pricing service or are determined by the Pricing Committee of the Funds’ investment advisor, First Trust Advisors L.P. (“First Trust” or the “Advisor”), in accordance with valuation procedures adopted by the Trust’s Board of Trustees and in accordance with provisions of the 1940 Act. Investments valued by the Advisor’s Pricing Committee, if any, are footnoted as such in the footnotes to the Portfolio of Investments. Each Fund’s investments are valued as follows:

Common stocks and other equity securities listed on any national or foreign exchange (excluding Nasdaq and the London Stock Exchange Alternative Investment Market (“AIM”)) are valued at the last sale price on the exchange on which they are

**First Trust Exchange-Traded Fund
June 30, 2016 (Unaudited)**

principally traded or, for Nasdaq and AIM securities, the official closing price. Securities traded on more than one securities exchange are valued at the last sale price or official closing price, as applicable, at the close of the securities exchange representing the principal market for such securities.

Shares of open-end funds are valued at fair value which is based on NAV per share.

Securities traded in an over-the-counter market are fair valued at the mean of their most recent bid and asked price, if available, and otherwise at their closing bid price.

Overnight repurchase agreements are valued at amortized cost when it represents the best estimate of fair value.

Certain securities may not be able to be priced by pre-established pricing methods. Such securities may be valued by the Trust's Board of Trustees or its delegate, the Advisor's Pricing Committee, at fair value. These securities generally include, but are not limited to, restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; a security whose market or fair value price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of a Fund's NAV or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, does not reflect the security's fair value. As a general principle, the current fair value of a security would appear to be the amount which the owner might reasonably expect to receive for the security upon its current sale. When fair value prices are used, generally they will differ from market quotations or official closing prices on the applicable exchanges. A variety of factors may be considered in determining the fair value of such securities, including, but not limited to, the following:

- 1) the type of security;
- 2) the size of the holding;
- 3) the initial cost of the security;
- 4) transactions in comparable securities;
- 5) price quotes from dealers and/or pricing services;
- 6) relationships among various securities;
- 7) information obtained by contacting the issuer, analysts, or the appropriate stock exchange;
- 8) an analysis of the issuer's financial statements; and
- 9) the existence of merger proposals or tender offers that might affect the value of the security.

In addition, differences between the prices used to calculate a Fund's NAV and the prices used by such Fund's corresponding index could result in a difference between a Fund's performance and the performance of its underlying index.

The Funds are subject to fair value accounting standards that define fair value, establish the framework for measuring fair value and provide a three-level hierarchy for fair valuation based upon the inputs to the valuation as of the measurement date. The three levels of the fair value hierarchy are as follows:

- Level 1 – Level 1 inputs are quoted prices in active markets for identical investments. An active market is a market in which transactions for the investment occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Level 2 inputs are observable inputs, either directly or indirectly, and include the following:
 - o Quoted prices for similar investments in active markets.
 - o Quoted prices for identical or similar investments in markets that are non-active. A non-active market is a market where there are few transactions for the investment, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
 - o Inputs other than quoted prices that are observable for the investment (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
 - o Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Level 3 inputs are unobservable inputs. Unobservable inputs may reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the investment.

The inputs or methodologies used for valuing investments are not necessarily an indication of the risk associated with investing in those investments. A summary of the inputs used to value each Fund's investments as of June 30, 2016, is included with each Fund's Portfolio of Investments.

**First Trust Exchange-Traded Fund
June 30, 2016 (Unaudited)**

B. Securities Transactions and Investment Income

Securities transactions are recorded as of the trade date. Realized gains and losses from securities transactions are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date. Interest income, if any, is recorded on the accrual basis.

Distributions received from a Fund's investments in real estate investment trust ("REITs") may be comprised of return of capital, capital gains and income. The actual character of the amounts received during the year is not known until after the REITs' fiscal year end. A Fund records the character of distributions received from REITs during the year based on estimates available. The characterization of distributions received by a Fund may be subsequently revised based on information received from the REITs after their tax reporting periods conclude.

C. Offsetting on the Statements of Assets and Liabilities

Offsetting Assets and Liabilities requires entities to disclose both gross and net information about instruments and transactions eligible for offset on the Statements of Assets and Liabilities, and disclose instruments and transactions subject to master netting or similar agreements. These disclosure requirements are intended to help investors and other financial statement users better assess the effect or potential effect of offsetting arrangements on a fund's financial position. The transactions subject to offsetting disclosures are derivative instruments, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions.

This disclosure, if applicable, is included within each Fund's Portfolio of Investments under the heading "Offsetting Assets and Liabilities." For financial reporting purposes, the Funds do not offset financial assets and financial liabilities that are subject to master netting arrangements ("MNAs") or similar agreements on the Statements of Assets and Liabilities. MNAs provide the right, in the event of default (including bankruptcy and insolvency) for the non-defaulting counterparty to liquidate the collateral and calculate the net exposure to the defaulting party or request additional collateral.

D. Securities Lending

The Funds may lend securities representing up to 33 1/3% of the value of their total assets to broker-dealers, banks and other institutions to generate additional income. When a Fund loans its portfolio securities, it will receive, at the inception of each loan, collateral equal to at least 102% (for domestic securities) or 105% (for international securities) of the market value of the loaned securities. The collateral amount is valued at the beginning of each business day and is compared to the market value of the loaned securities from the prior business day to determine if additional collateral is required. If additional collateral is required, a request is sent to the borrower. Securities lending involves the risk that the Fund may lose money because the borrower of the Fund's loaned securities fails to return the securities in a timely manner or at all. The Fund could also lose money in the event of (i) a decline in the value of the collateral provided for the loaned securities, (ii) a decline in the value of any investments made with cash collateral or (iii) an increase in the value of the loaned securities if the borrower does not increase the collateral accordingly and the borrower fails to return the securities. These events could also trigger adverse tax consequences for the Funds.

Under the Funds' Securities Lending Agency Agreement, the securities lending agent will generally bear the risk that a borrower may default on its obligation to return loaned securities. Brown Brothers Harriman & Co. ("BBH") acts as the Funds' securities lending agent and is responsible for executing the lending of the portfolio securities to creditworthy borrowers. The Funds, however, will be responsible for the risks associated with the investment of cash collateral. A Fund may lose money on its investment of cash collateral, which may affect its ability to repay the collateral to the borrower without the use of other Fund assets. Each Fund that engages in securities lending receives compensation (net of any rebate and securities lending agent fees) for lending its securities. Compensation can be in the form of fees received from the securities lending agent or dividends or interest earned from the investment of cash collateral. The dividend and interest earned on the securities loaned is accounted for in the same manner as other dividend and interest income. At June 30, 2016, only FDM, FPX, FBT and FDN have securities in the securities lending program.

In the event of a default by a borrower with respect to any loan, BBH will exercise any and all remedies provided under the applicable borrower agreement to make the Funds whole. These remedies include purchasing replacement securities by applying the collateral held from the defaulting broker against the purchase cost of the replacement securities. If, despite such efforts by BBH to exercise these remedies, a Fund sustains losses as a result of a borrower's default, BBH will indemnify the Fund by purchasing replacement securities at its own expense, or paying the Fund an amount equal to the market value of the replacement securities, subject to certain limitations which are set forth in detail in the Securities Lending Agency Agreement between the Trust on behalf of the Funds and BBH.

First Trust Exchange-Traded Fund
June 30, 2016 (Unaudited)

E. Repurchase Agreements

Repurchase agreements involve the purchase of securities subject to the seller's agreement to repurchase the securities at a mutually agreed upon date and price, under the terms of a Master Repurchase Agreement ("MRA"). During the term of a repurchase agreement, the value of the underlying securities held as collateral on behalf of a Fund, including accrued interest, is required to exceed the value of the repurchase agreement, including accrued interest. The underlying securities for all repurchase agreements are held at the Funds' custodian or designated sub-custodians under tri-party repurchase agreements.

MRAs govern transactions between a Fund and select counterparties. The MRAs contain provisions for, among other things, initiation, income payments, events of default, and maintenance of collateral for repurchase agreements.

Repurchase agreements received for lending securities are collateralized by U.S. Treasury Notes. The U.S. Treasury Notes are held in a joint custody account at BBH on behalf of the Funds participating in the securities lending program. In the event the counterparty defaults on the repurchase agreement, the U.S. Treasury Notes can either be maintained as part of a Fund's portfolio or sold for cash. A Fund could suffer a loss to the extent that the proceeds from the sale of the underlying collateral held by the Fund is less than the repurchase price and the Fund's costs associated with the delay and enforcement of the MRA.

While the Funds may invest in repurchase agreements, any repurchase agreements held by the Funds during the six months ended June 30, 2016, were received as collateral for lending securities.

F. Dividends and Distributions to Shareholders

Dividends from net investment income of each Fund, if any, are declared and paid quarterly or as the Board of Trustees may determine from time to time. Distributions of net realized gains earned by each Fund, if any, are distributed at least annually.

Distributions from income and capital gains are determined in accordance with income tax regulations, which may differ from U.S. GAAP. Certain capital accounts in the financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These permanent differences are primarily due to the varying treatment of income and gain/loss on significantly modified portfolio securities held by the Funds and have no impact on net assets or NAV per share. Temporary differences, which arise from recognizing certain items of income, expense and gain/loss in different periods for financial statement and tax purposes, will reverse at some time in the future.

The tax character of distributions paid by each Fund during the fiscal year ended December 31, 2015 was as follows:

	Distributions paid from Ordinary Income	Distributions paid from Capital Gains	Distributions paid from Return of Capital
First Trust Dow Jones Select MicroCap Index Fund	\$ 743,446	\$ —	\$ —
First Trust Morningstar Dividend Leaders Index Fund	32,145,837	—	—
First Trust US IPO Index Fund	4,530,346	—	—
First Trust NYSE Arca Biotechnology Index Fund	3,747,095	—	—
First Trust Dow Jones Internet Index Fund	—	—	—
First Trust Capital Strength ETF	1,868,316	—	—
First Trust Value Line® Dividend Index Fund	28,470,161	—	—
First Trust Value Line® 100 Exchange-Traded Fund	184,307	—	—

**First Trust Exchange-Traded Fund
June 30, 2016 (Unaudited)**

As of December 31, 2015, the components of distributable earnings on a tax basis for each Fund were as follows:

	Undistributed Ordinary Income	Accumulated Capital and Other Gain (Loss)	Net Unrealized Appreciation (Depreciation)
First Trust Dow Jones Select MicroCap Index Fund	\$ —	\$ (21,847,201)	\$ (49,207)
First Trust Morningstar Dividend Leaders Index Fund	(58,812)	(55,945,417)	34,606,952
First Trust US IPO Index Fund	—	(41,646,138)	60,432,351
First Trust NYSE Arca Biotechnology Index Fund	—	(141,896,651)	238,300,057
First Trust Dow Jones Internet Index Fund	—	(49,380,673)	405,146,228
First Trust Capital Strength ETF	—	(24,133,781)	2,689,039
First Trust Value Line® Dividend Index Fund	—	(36,814,938)	15,519,987
First Trust Value Line® 100 Exchange-Traded Fund	—	(83,967,724)	962,605

G. Income Taxes

Each Fund intends to continue to qualify as a regulated investment company by complying with the requirements under Subchapter M of the Internal Revenue Code of 1986, as amended, which includes distributing substantially all of its net investment income and net realized gains to shareholders. Accordingly, no provision has been made for federal and state income taxes. However, due to the timing and amount of distributions, each Fund may be subject to an excise tax of 4% of the amount by which approximately 98% of the Fund's taxable income exceeds the distributions from such taxable income for the calendar year.

The Funds are subject to accounting standards that establish a minimum threshold for recognizing, and a system for measuring, the benefits of a tax position taken or expected to be taken in a tax return. Taxable years ending 2012, 2013, 2014 and 2015 remain open to federal and state audit. As of June 30, 2016, management has evaluated the application of these standards to the Funds, and has determined that no provision for income tax is required in the Funds' financial statements for uncertain tax positions.

Under the Regulated Investment Company Modernization Act of 2010 (the "Act"), net capital losses arising in taxable years after December 22, 2010, may be carried forward indefinitely, and their character is retained as short-term and/or long-term losses. Previously, net capital losses were carried forward for up to eight years and treated as short-term losses. As a transition rule, the Act requires that post-enactment net capital losses be used before pre-enactment net capital losses. At December 31, 2015, the Funds had pre-enactment and post-enactment net capital losses for federal income tax purposes as shown in the following table. To the extent that these loss carryforwards are used to offset future capital gains, it is probable that the capital gains so offset will not be distributed to Fund shareholders. The Funds are subject to certain limitations, under U.S. tax rules, on the use of capital loss carryforwards and net unrealized built-in losses. These limitations apply when there has been a 50% change in ownership.

	Capital Loss Available Through 2016	Capital Loss Available Through 2017	Capital Loss Available Through 2018	Post- Enactment – No Expiration	Total Capital Loss Available
First Trust Dow Jones Select MicroCap Index Fund	\$ 902,807	\$ 3,227,616	\$ 5,096,533	\$ 12,620,245	\$ 21,847,201
First Trust Morningstar Dividend Leaders Index Fund	14,962,284	16,831,977	473,435	23,677,721	55,945,417
First Trust US IPO Index Fund	2,682,788	1,127,563	65,058	37,770,729	41,646,138
First Trust NYSE Arca Biotechnology Index Fund	2,061,136	5,787,577	1,039,054	133,008,884	141,896,651
First Trust Dow Jones Internet Index Fund	6,295,170	1,163,966	—	41,921,537	49,380,673
First Trust Capital Strength ETF	11,401,861	11,336,270	1,367,556	28,094	24,133,781
First Trust Value Line® Dividend Index Fund	16,730,748	19,646,203	437,987	—	36,814,938
First Trust Value Line® 100 Exchange-Traded Fund	47,805,834	29,477,928	—	6,683,962	83,967,724

During the taxable year ended December 31, 2015, the following Funds utilized capital loss carryforwards in the following amounts:

	Pre-Enactment Capital Loss Carryforward Utilized	Post-Enactment Capital Loss Carryforward Utilized
First Trust Capital Strength ETF	\$ —	\$ 140,681
First Trust Value Line® Dividend Index Fund	2,184,539	—

**First Trust Exchange-Traded Fund
June 30, 2016 (Unaudited)**

Certain losses realized during the current fiscal year may be deferred and treated as occurring on the first day of the following fiscal year for Federal income tax purposes. For the fiscal year ended December 31, 2015, the following Fund incurred and elected to defer net ordinary losses as follows:

	<u>Qualified Late Year Losses</u>	
	<u>Ordinary Losses</u>	<u>Capital Losses</u>
First Trust Morningstar Dividend Leaders Index Fund	\$ 58,812	\$ —

H. Expenses

Expenses that are directly related to one of the Funds are charged directly to the respective Fund. General expenses of the Trust are allocated to all the Funds based upon the net assets of each Fund.

First Trust has entered into licensing agreements with each of the following “Licensors” for the respective Funds:

Fund	Licensor
First Trust Dow Jones Select MicroCap Index Fund	S&P Dow Jones Indices LLC
First Trust Morningstar Dividend Leaders Index Fund	Morningstar, Inc.
First Trust US IPO Index Fund	IPOX [®] Schuster LLC
First Trust NYSE Arca Biotechnology Index Fund	NYSE Euronext
First Trust Dow Jones Internet Index Fund	S&P Dow Jones Indices LLC
First Trust Capital Strength ETF	Nasdaq, Inc.
First Trust Value Line [®] Dividend Index Fund	Value Line Publishing, Inc. [®]
First Trust Value Line [®] 100 Exchange-Traded Fund	Value Line Publishing, Inc. [®]

The respective license agreements allow for the use by First Trust of certain trademarks and trade names of the respective Licensors. The Funds are sub-licensees to the applicable license agreement. The respective Funds are required to pay licensing fees, which are shown on the Statements of Operations.

3. Investment Advisory Fee, Affiliated Transactions and Other Fee Arrangements

First Trust, the investment advisor to the Funds, is a limited partnership with one limited partner, Grace Partners of DuPage L.P., and one general partner, The Charger Corporation. The Charger Corporation is an Illinois corporation controlled by James A. Bowen, Chief Executive Officer of First Trust. First Trust is responsible for the selection and ongoing monitoring of the securities in each Fund’s portfolio, managing the Funds’ business affairs and providing certain administrative services necessary for the management of the Funds.

For these services, First Trust is entitled to receive monthly fees from each Fund calculated at the following annual rates:

	<u>% of Average Daily Net Assets</u>
First Trust Dow Jones Select MicroCap Index Fund	0.50%
First Trust Morningstar Dividend Leaders Index Fund	0.30%
First Trust US IPO Index Fund	0.40%
First Trust NYSE Arca Biotechnology Index Fund	0.40%
First Trust Dow Jones Internet Index Fund	0.40%
First Trust Capital Strength ETF	0.50%
First Trust Value Line [®] Dividend Index Fund	0.50%
First Trust Value Line [®] 100 Exchange-Traded Fund	0.50%

**First Trust Exchange-Traded Fund
June 30, 2016 (Unaudited)**

The Trust and First Trust have entered into an Expense Reimbursement, Fee Waiver and Recovery Agreement (“Recovery Agreement”) in which First Trust has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of each Fund (excluding interest expense, brokerage commissions and other trading expenses, acquired fund fees and expenses, taxes and extraordinary expenses) exceed the below amount as a percentage of average daily net assets per year (the “Expense Cap”). The Expense Cap will be in effect until at least April 30, 2018.

	<u>Expense Cap</u>
First Trust Dow Jones Select MicroCap Index Fund	0.60%
First Trust Morningstar Dividend Leaders Index Fund	0.45%
First Trust US IPO Index Fund	0.60%
First Trust NYSE Arca Biotechnology Index Fund	0.60%
First Trust Dow Jones Internet Index Fund	0.60%
First Trust Capital Strength ETF	0.65%
First Trust Value Line® Dividend Index Fund	0.70%
First Trust Value Line® 100 Exchange-Traded Fund	0.70%

Expenses reimbursed and fees waived by First Trust under the Recovery Agreement are subject to recovery by First Trust for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by a Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by First Trust. These amounts are included in “Expenses previously waived or reimbursed” on the Statements of Operations.

The advisory fee waivers and expense reimbursements for the six months ended June 30, 2016 and the fees waived or expenses borne by First Trust subject to recovery from the applicable Fund for the periods indicated were as follows:

	Advisory Fee Waivers	Expense Reimbursement	Fees Waived or Expenses Borne by First Trust Subject to Recovery				
			Year Ended 12/31/2013	Year Ended 12/31/2014	Year Ended 12/31/2015	Six Months Ended 6/30/2016	Total
First Trust Dow Jones Select MicroCap Index Fund	\$ 39,581	\$ —	\$ 72,007	\$ 66,284	\$ 69,191	\$ 39,581	\$ 247,063
First Trust Morningstar Dividend Leaders Index Fund	161,147	—	115,157	273,147	260,965	161,147	810,416
First Trust US IPO Index Fund	576	—	56,005	23,043	—	576	79,624
First Trust NYSE Arca Biotechnology Index Fund	—	—	—	—	—	—	—
First Trust Dow Jones Internet Index Fund	—	—	—	—	—	—	—
First Trust Capital Strength ETF	—	—	15,252	4,069	—	—	19,321
First Trust Value Line® Dividend Index Fund	263,592	—	198,684	408,933	464,054	263,592	1,335,263
First Trust Value Line® 100 Exchange-Traded Fund	43,073	—	40,707	85,675	83,472	43,073	252,927

During the six months ended June 30, 2016, First Trust recovered fees that were previously waived from First Trust Capital Strength ETF of \$21,771.

During the fiscal year ended December 31, 2015, the First Trust Value Line® 100 Exchange-Traded Fund received a payment from the Advisor of \$95,996 in connection with a trade error.

The Trust has multiple service agreements with The Bank of New York Mellon (“BNYM”). Under the service agreements, BNYM performs custodial, fund accounting, certain administrative services, and transfer agency services for each Fund. As custodian, BNYM is responsible for custody of each Fund’s assets. As fund accountant and administrator, BNYM is responsible for maintaining the books and records of each Fund’s securities and cash. As transfer agent, BNYM is responsible for maintaining shareholder records for each Fund. BNYM is a subsidiary of The Bank of New York Mellon Corporation, a financial holding company.

Each Trustee who is not an officer or employee of First Trust, any sub-advisor or any of their affiliates (“Independent Trustees”) is paid a fixed annual retainer that is allocated equally among each fund in the First Trust Fund Complex. Each Independent Trustee is also paid an annual per fund fee that varies based on whether the fund is a closed-end or other actively managed fund or is an index fund.

**First Trust Exchange-Traded Fund
June 30, 2016 (Unaudited)**

Additionally, the Lead Independent Trustee and the Chairmen of the Audit Committee, Nominating and Governance Committee and Valuation Committee are paid annual fees to serve in such capacities, with such compensation allocated pro rata among each fund in the First Trust Fund Complex based on net assets. Independent Trustees are reimbursed for travel and out-of-pocket expenses in connection with all meetings. The Lead Independent Trustee and Committee Chairmen rotate every three years. The officers and “Interested” Trustee receive no compensation from the Trust for acting in such capacities.

4. Purchases and Sales of Securities

For the six months ended June 30, 2016, the cost of purchases and proceeds from sales of investments for each Fund, excluding short-term investments and in-kind transactions, were as follows:

	Purchases	Sales
First Trust Dow Jones Select MicroCap Index Fund	\$ 2,849,455	\$ 2,659,348
First Trust Morningstar Dividend Leaders Index Fund	647,353,456	640,949,990
First Trust US IPO Index Fund	159,123,241	159,326,857
First Trust NYSE Arca Biotechnology Index Fund	306,864,062	305,443,428
First Trust Dow Jones Internet Index Fund	251,372,472	253,788,024
First Trust Capital Strength ETF	76,864,579	76,681,081
First Trust Value Line® Dividend Index Fund	472,794,698	469,153,968
First Trust Value Line® 100 Exchange-Traded Fund	100,910,286	100,928,439

For the six months ended June 30, 2016, the cost of in-kind purchases and proceeds from in-kind sales for each Fund were as follows:

	Purchases	Sales
First Trust Dow Jones Select MicroCap Index Fund	\$ —	\$ 4,906,288
First Trust Morningstar Dividend Leaders Index Fund	1,176,037,617	627,491,376
First Trust US IPO Index Fund	2,541,203	205,925,264
First Trust NYSE Arca Biotechnology Index Fund	388,654,655	2,171,444,125
First Trust Dow Jones Internet Index Fund	273,976,110	1,777,928,161
First Trust Capital Strength ETF	59,557,271	12,879,947
First Trust Value Line® Dividend Index Fund	903,293,025	179,209,585
First Trust Value Line® 100 Exchange-Traded Fund	—	4,757,191

5. Creation, Redemption and Transaction Fees

Shares are created and redeemed by each Fund only in Creation Unit size aggregations of 50,000 shares in transactions with broker-dealers or large institutional investors that have entered into a participation agreement (an “Authorized Participant”). Such transactions are generally permitted on an in-kind basis, with a balancing cash component to equate the transaction to the daily NAV per Share of each Fund on the transaction date times the number of Shares in a Creation Unit. Authorized Participants purchasing Creation Units must pay to BNYM, as transfer agent, a standard creation transaction fee (the “Creation Transaction Fee”), which is based on the number of different securities in a Creation Unit of each Fund according to the fee schedule set forth below:

Number of Securities in a Creation Unit	Creation Transaction Fee
1-100	\$ 500
101-499	\$1,000
500 or more	\$1,500

The Creation Transaction Fee is applicable to each purchase transaction regardless of the number of Creation Units purchased in the transaction. An additional variable fee of up to three times the Creation Transaction Fee may be charged to approximate additional expenses incurred by a Fund with respect to transactions effected outside of the clearing process (i.e., through a DTC Participant) or to the extent that cash is used in lieu of securities to purchase Creation Units. The price for each Creation Unit will equal the daily NAV per Share of a Fund on the transaction date times the number of Shares in a Creation Unit plus the fees described above and, if applicable, any transfer taxes.

**First Trust Exchange-Traded Fund
June 30, 2016 (Unaudited)**

Authorized Participants redeeming Creation Units must pay to BNYM, as transfer agent, a standard redemption transaction fee (the “Redemption Transaction Fee”), which is based on the number of different securities in a Creation Unit of each Fund according to the fee schedule set forth below:

<u>Number of Securities in a Creation Unit</u>	<u>Redemption Transaction Fee</u>
1-100	\$ 500
101-499	\$1,000
500 or more	\$1,500

The Redemption Transaction Fee is applicable to each redemption transaction regardless of the number of Creation Units redeemed in the transaction. An additional variable fee of up to three times the Redemption Transaction Fee may be charged to approximate additional expenses incurred by a Fund with respect to redemptions effected outside of the clearing process or to the extent that redemptions are for cash. Each Fund reserves the right to effect redemptions in cash. A shareholder may request cash redemption in lieu of securities; however, a Fund may, in its discretion, reject any such request.

6. Distribution Plan

The Board of Trustees adopted a Distribution and Service Plan pursuant to Rule 12b-1 under the 1940 Act. In accordance with the Rule 12b-1 plan, the Funds are authorized to pay an amount up to 0.25% of their average daily net assets each year to reimburse First Trust Portfolios L.P. (“FTP”), the distributor of the Funds, for amounts expended to finance activities primarily intended to result in the sale of Creation Units or the provision of investor services. FTP may also use this amount to compensate securities dealers or other persons that are Authorized Participants for providing distribution assistance, including broker-dealer and shareholder support and educational and promotional services.

No 12b-1 fees are currently paid by the Funds, and pursuant to a contractual arrangement, no 12b-1 fees will be paid any time before June 30, 2017.

7. Indemnification

The Trust, on behalf of the Funds, has a variety of indemnification obligations under contracts with its service providers. The Trust’s maximum exposure under these arrangements is unknown. However, the Trust has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

8. Subsequent Events

Management has evaluated the impact of all subsequent events on the Funds through the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements that have not already been disclosed.

**First Trust Exchange-Traded Fund
June 30, 2016 (Unaudited)**

Proxy Voting Policies and Procedures

A description of the policies and procedures that the Trust uses to determine how to vote proxies and information on how each Fund voted proxies relating to its portfolio securities during the most recent 12-month period ended June 30 is available (1) without charge, upon request, by calling (800) 988-5891; (2) on the Funds' website located at <http://www.ftportfolios.com>; and (3) on the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

Portfolio Holdings

The Trust files its complete schedule of each Fund's portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Trust's Form N-Qs are available (1) by calling (800) 988-5891; (2) on the Funds' website located at <http://www.ftportfolios.com>; (3) on the SEC's website at <http://www.sec.gov>; and (4) for review and copying at the SEC's Public Reference Room ("PRR") in Washington, DC. Information regarding the operation of the PRR may be obtained by calling (800) SEC-0330.

Risk Considerations

Risks are inherent in all investing. You should consider each Fund's investment objective, risks, charges and expenses carefully before investing. You can download each Fund's prospectus at <http://www.ftportfolios.com> or contact First Trust Portfolios L.P. at (800) 621-1675 to request a prospectus, which contains this and other information about each Fund. For additional information about the risks associated with investing in the Funds, please see the Funds' statement of additional information, as well as other regulatory filings. Read these documents carefully before you invest. First Trust Portfolios L.P. is the distributor of the First Trust Exchange-Traded Fund.

The following summarizes some of the risks that should be considered for the Funds.

Each Fund's shares will change in value, and you could lose money by investing in a Fund. Shares are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in stock prices. Overall stock values could decline generally or could underperform other investments. Overall stock market values could decline generally or could underperform other investments.

An investment in a Fund involves risks similar to those of investing in any fund of equity securities traded on an exchange. Investors buying or selling Fund shares on the secondary market may incur brokerage commissions. In addition, investors who sell Fund shares may receive less than the Fund shares' net asset value. Unlike shares of open-end funds, investors are generally not able to purchase exchange-traded fund ("ETF") shares directly from a Fund and individual ETF shares are not redeemable. However, specified large blocks of ETF shares called creation units can be purchased from, or redeemed to, a Fund.

Each Fund is subject to index tracking risk. You should anticipate that the value of Fund shares will decline, more or less, in correlation with any decline in the value of the index that the Fund seeks to track.

Each Fund's return may not match the return of the index it seeks to track for a number of reasons. While First Trust seeks to have a correlation of 0.95 or better, before expenses, between a Fund's performance and the performance of its corresponding index, there can be no assurance that a Fund will be able to achieve such a correlation. Accordingly, each Fund's performance may correlate to a lesser extent and may possibly vary substantially from the performance of its corresponding index.

Each Fund is also exposed to additional market risk due to a policy of investing principally in the securities included in its corresponding index. As a result of such policies, securities held by each Fund will generally not be bought or sold in response to market fluctuations and the securities may be issued by companies concentrated in a particular industry. As a result, each Fund will generally not sell a stock because the stock's issuer is in financial trouble, unless that stock is removed or is anticipated to be removed from the index the Fund seeks to track.

Each Fund relies on a license from an index provider that permits the Fund to use its corresponding index and associated trade names and trademarks in connection with the name and investment strategies of the Fund. Such licenses may be terminated by the respective index provider and, as a result, each Fund may lose its ability to use such intellectual property. There is also no guarantee that the index provider has all rights to license the respective intellectual property to First Trust, on behalf of the Fund. Accordingly, in the event the license is terminated or the index provider does not have rights to license the particular intellectual property, it may have a significant effect on the operation of the related Fund.

Each Fund is subject to issuer specific changes risk. The value of an individual security or a particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

**First Trust Exchange-Traded Fund
June 30, 2016 (Unaudited)**

Each Fund will be concentrated in the securities of companies of a given industry if the Fund's corresponding index is concentrated in such industry. A concentration makes a Fund more susceptible to any single occurrence affecting the related industry and may subject a Fund to greater market risk than less concentrated funds.

With the exception of First Trust Dow Jones Select MicroCap Index Fund, First Trust Value Line® Dividend Index Fund and First Trust Value Line® 100 Exchange-Traded Fund, each Fund is considered to be non-diversified. As a result, those Funds are exposed to additional market risk. A non-diversified fund may invest a relatively high percentage of its assets in a limited number of issuers. As a result, changes in the market value of a single portfolio security could cause greater fluctuations in share price than would occur in a diversified fund. Furthermore, non-diversified funds are more susceptible to any single political, regulatory or economic occurrence.

The Funds are not actively managed. The Funds may be affected by a general decline in certain market segments relating to their corresponding index. The Funds invest in securities included in or representative of their corresponding index regardless of their investment merit. The Funds generally will not attempt to take defensive positions in declining markets.

The First Trust Dow Jones Select MicroCap Index Fund invests in micro-capitalization companies. Such companies may be more vulnerable to adverse general market or economic developments, may be less liquid, and may experience greater price volatility than larger, more established companies.

The First Trust Dow Jones Internet Index Fund invests in stocks of companies in the technology sector. You should be aware that an investment in a portfolio which invests in a particular sector involves additional risks, including limited diversification. The companies engaged in the technology sector are subject to fierce competition and high research and development costs, and their products and services may be subject to rapid obsolescence.

The First Trust NYSE Arca Biotechnology Index Fund is concentrated in stocks of companies in the biotechnology sector. You should be aware that an investment in a portfolio which is concentrated in a particular sector involves additional risks, including limited diversification. The companies engaged in the biotechnology sector are subject to fierce competition, substantial research and development costs, governmental regulations and pricing constraints, and their products and services may be subject to rapid obsolescence.

The First Trust NYSE Arca Biotechnology Index Fund invests in the securities of companies in the health care sector. Because companies in the health care sector are involved in medical services or health care including biotechnology research and production, drugs and pharmaceuticals and health care facilities and services, general problems of these companies include extensive competition, generic drug sales or the loss of patent protection, product liability litigation and increased government regulations.

The First Trust US IPO Index Fund invests in companies that have recently conducted an initial public offering. The stocks of such companies are often subject to extreme price volatility and speculative trading.

The First Trust Dow Jones Select Micro Cap Index Fund and First Trust Capital Strength ETF invest in securities of companies in the financials sector. Banks, thrifts and their holding companies are especially subject to the adverse effects of economic recession; volatile interest rates; portfolio concentrations in geographic markets and in commercial and residential real estate loans; and competition from new entrants in their fields of business. Although recently enacted legislation repealed most of the barriers which separated the banking, insurance and securities industries, these industries are still extensively regulated at both the federal and state level and may be adversely affected by increased regulations. The downturn in the U.S. and world economies has adversely affected banks, thrifts and other companies in the financials sector.

The First Trust Dow Jones Internet Index Fund invests in securities of companies in the information technology industry. Information technology companies are generally subject to the risks of rapidly changing technologies; short product life cycles; fierce competition; and aggressive pricing and reduced profit margins. The First Trust Dow Jones Internet Index Fund invests in the securities of Internet companies. Internet companies are subject to rapid changes in technology, worldwide competition, rapid obsolescence of products and services, loss of patent protections, cyclical market patterns, evolving industry standards and frequent new product introductions. The Fund's investment in Internet companies may also be subject to the risk of owning small capitalization companies that have recently begun operations.

The First Trust US IPO Index Fund, First Trust Value Line® 100 Exchange-Traded Fund and First Trust Dow Jones Internet Index Fund invest in the securities of companies in the consumer discretionary sector. Because companies in the consumer discretionary sector manufacture products and provide discretionary services directly to the consumer, the success of these companies is tied closely to the performance of the overall domestic and international economy, interest rates, competition and consumer confidence. Success depends heavily on disposable household income and consumer spending. Changes in demographics and consumer tastes can also affect the demand for, and success of, consumer discretionary products in the marketplace.

**First Trust Exchange-Traded Fund
June 30, 2016 (Unaudited)**

The First Trust Morningstar Dividend Leaders Index Fund and First Trust Value Line® Dividend Index Fund invest in the securities of utilities companies. Utilities companies are subject to the imposition of rate caps, increased competition due to deregulation, the difficulty in obtaining an adequate return on invested capital or in financing large construction projects, the limitations on operations and increased costs and delays attributable to environmental considerations, and the capital market's ability to absorb utility debt. In addition, taxes, government regulation, international politics, price and supply fluctuations, volatile interest rates and energy conservation may cause difficulties for utilities. Utilities issuers have been experiencing certain of these problems to varying degrees.

With the exception of First Trust Capital Strength ETF and First Trust Dow Jones Select MicroCap Index Fund, the Funds may invest in small capitalization and mid-capitalization companies. Such companies' securities may be less liquid and may experience greater price volatility than securities of larger, more established companies.

Because a Fund's corresponding index may include American Depositary Receipts ("ADRs"), American Depositary Shares ("ADSs") and/or stocks of non-U.S. companies, the investments of certain Funds, including but not limited to, the First Trust Value Line® 100 Exchange-Traded Fund, involves risks of investing in non-U.S. securities that are in addition to the risk associated with domestic securities. Non-U.S. companies, in general, are not subject to the regulatory requirements of U.S. companies and, as such, there may be less publicly available information about these companies. Moreover, non-U.S. accounting, auditing and financial reporting standards generally are different from those applicable to U.S. companies. In addition, non-U.S. companies are exposed to additional economic, political, social or diplomatic events. ADRs and ADSs also involve substantially identical risks to those associated with investments in non-U.S. securities. In addition, the issuers of certain depositary receipts, particularly unsponsored or unregistered depositary receipts, are under no obligation to distribute shareholder communications to the holders of such receipts, or to pass through to them any voting rights with respect to the deposited securities.

NOT FDIC INSURED**NOT BANK GUARANTEED****MAY LOSE VALUE****Board Considerations Regarding Approval of Continuation of Investment Management Agreement**

The Board of Trustees (the "Board") of the First Trust Exchange-Traded Fund (the "Trust"), including the Independent Trustees, unanimously approved the continuation of the Investment Management Agreement (the "Agreement") with First Trust Advisors L.P. (the "Advisor" or "First Trust") on behalf of the following eight series of the Trust (each a "Fund" and collectively, the "Funds"):

- First Trust Value Line® 100 Exchange-Traded Fund (FVL)
- First Trust Value Line® Dividend Index Fund (FVD)
- First Trust Dow Jones Select MicroCap Index Fund (FDM)
- First Trust Morningstar Dividend Leaders Index Fund (FDL)
- First Trust US IPO Index Fund (FPX)
- First Trust NYSE Arca Biotechnology Index Fund (FBT)
- First Trust Dow Jones Internet Index Fund (FDN)
- First Trust Capital Strength ETF (FTCS)

The Board approved the continuation of the Agreement for each Fund for a one-year period ending June 30, 2017 at a meeting held on June 13, 2016. The Board determined for each Fund that the continuation of the Agreement is in the best interests of the Fund in light of the extent and quality of the services provided and such other matters as the Board considered to be relevant in the exercise of its reasonable business judgment.

To reach this determination for each Fund, the Board considered its duties under the Investment Company Act of 1940, as amended (the "1940 Act"), as well as under the general principles of state law in reviewing and approving advisory contracts; the requirements of the 1940 Act in such matters; the fiduciary duty of investment advisors with respect to advisory agreements and compensation; the standards used by courts in determining whether investment company boards have fulfilled their duties; and the factors to be considered by the Board in voting on such agreements. At meetings held on April 22, 2016 and June 13, 2016, the Board, including the Independent Trustees, reviewed materials provided by the Advisor responding to requests for information from counsel to the Independent Trustees that, among other things, outlined the services provided by the Advisor to each Fund (including the relevant personnel responsible for these services and their experience); the advisory fee rate payable by each Fund as compared to fees charged to a peer group of funds (all of which were exchange-traded funds ("ETFs")) compiled by Management Practice, Inc. ("MPI"), an independent source (the "MPI Peer Group"), and as compared to fees charged to other clients of the Advisor, including other ETFs managed by the Advisor; expenses of each Fund as compared to expense ratios of the funds in the Fund's MPI Peer Group; performance information for each Fund; the nature of expenses incurred in providing services to each Fund and the potential for economies of scale, if any; financial data on the Advisor; any fall-out benefits to the Advisor and its affiliate, First Trust Portfolios L.P. ("FTP"); and information on the Advisor's compliance program. The Board reviewed initial materials with the Advisor at a special

**First Trust Exchange-Traded Fund
June 30, 2016 (Unaudited)**

meeting held on April 22, 2016, prior to which the Independent Trustees and their counsel met separately to discuss the information provided by the Advisor. Following the April meeting, independent legal counsel on behalf of the Independent Trustees requested certain clarifications and supplements to the materials provided, and the information provided in response to those requests was considered at an executive session of the Independent Trustees and independent legal counsel held prior to the June 13, 2016 meeting, as well as at the meeting held that day. The Board applied its business judgment to determine whether the arrangement between the Trust and the Advisor continues to be a reasonable business arrangement from each Fund's perspective as well as from the perspective of shareholders. The Board determined that, given the totality of the information provided with respect to the Agreement, the Board had received sufficient information to renew the Agreement. The Board considered that shareholders chose to invest or remain invested in a Fund knowing that the Advisor manages the Fund and knowing the Fund's advisory fee.

In reviewing the Agreement for each Fund, the Board considered the nature, extent and quality of the services provided by the Advisor under the Agreement. The Board considered that the Advisor is responsible for the overall management and administration of the Trust and each Fund and reviewed all of the services provided by the Advisor to the Funds. The Board considered the background and experience of the persons responsible for the day-to-day management of the Funds. In reviewing the services provided, the Board noted the compliance program that had been developed by the Advisor and considered that it includes a robust program for monitoring the Advisor's and each Fund's compliance with the 1940 Act, as well as each Fund's compliance with its investment objective and policies. In addition, as part of the Board's consideration of the Advisor's services, the Advisor, in its written materials and at the April 22, 2016 meeting, described to the Board the scope of its ongoing investment in additional infrastructure and personnel to maintain and improve the quality of services provided to the Funds and the other funds in the First Trust Fund Complex. In light of the information presented and the considerations made, the Board concluded that the nature, extent and quality of the services provided to the Trust and each Fund by the Advisor under the Agreement have been and are expected to remain satisfactory and that the Advisor has managed each Fund consistent with the Fund's investment objective and policies.

The Board considered the advisory fee rate payable by each Fund under the Agreement for the services provided. The Board considered that the Advisor agreed to extend the current expense cap for each Fund through April 30, 2018. For each Fund, the Board noted that expenses borne or fees waived by the Advisor are to be subject to reimbursement by the Fund for up to three years from the date the expense was incurred or fee was waived, but no reimbursement payment would be made by the Fund if it would result in the Fund exceeding an expense ratio equal to the expense cap in place at the time the expenses were borne or fees were waived by the Advisor. The Board received and reviewed information showing the advisory or unitary fee rates and expense ratios of the peer funds in the MPI Peer Groups, as well as advisory fee rates charged by the Advisor to other fund (including ETFs) and non-fund clients, as applicable. Because each Fund's MPI Peer Group included peer funds that pay a unitary fee, the Board determined that expense ratios were the most relevant comparative data point. Based on the information provided, the Board noted that the total (net) expense ratio of FDN was below the median total (net) expense ratio of the peer funds in its MPI Peer Group, the total (net) expense ratio of FDM was equal to the median total (net) expense ratio of the peer funds in its MPI Peer Group and that the total (net) expense ratios of FDL, FVD, FBT, FTCS, FVL and FPX were above the median total (net) expense ratio of the peer funds in each Fund's respective MPI Peer Group. With respect to the MPI Peer Groups, the Board discussed with representatives of the Advisor limitations in creating peer groups for index ETFs, including differences in underlying indexes and index-tracking methodologies that can result in greater management complexities across seemingly comparable ETFs, and different business models that may affect the pricing of services among ETF sponsors. The Board took these limitations and differences into account in considering the peer data. With respect to fees charged to other clients, the Board considered differences between the Funds and other clients that limited their comparability. In considering the advisory fee rates overall, the Board also considered the Advisor's statement that it seeks to meet investor needs through innovative and value-added investment solutions and the Advisor's description of its long-term commitment to each Fund.

The Board considered performance information for each Fund. The Board noted the process it has established for monitoring each Fund's performance and portfolio risk on an ongoing basis, which includes quarterly performance reporting from the Advisor for the Funds. The Board determined that this process continues to be effective for reviewing each Fund's performance. The Board received and reviewed information for periods ended December 31, 2015 regarding the performance of each Fund's underlying index, the correlation between each Fund's performance and that of its underlying index, each Fund's tracking difference and each Fund's excess return as compared to its benchmark index. Based on the information provided and its ongoing review of performance, the Board concluded that each Fund was correlated to its underlying index and that the tracking difference for each Fund was consistent with the Fund's prospectus. In addition, the Board reviewed data prepared by MPI comparing each Fund's performance to its respective MPI Peer Group and to a broad-based benchmark, but given each Fund's objective of seeking investment results that correspond generally to the performance of its underlying index, the Board placed more emphasis on its review of correlation and tracking difference.

On the basis of all the information provided on the fees, expenses and performance of each Fund and the ongoing oversight by the Board, the Board concluded that the advisory fee for each Fund continues to be reasonable and appropriate in light of the nature, extent and quality of the services provided by the Advisor to each Fund under the Agreement.

**First Trust Exchange-Traded Fund
June 30, 2016 (Unaudited)**

The Board considered information and discussed with the Advisor whether there were any economies of scale in connection with providing advisory services to the Funds and noted the Advisor's statement that it expects its expenses to increase over the next twelve months as the Advisor continues to make investments in personnel and infrastructure. The Board considered the revenues and allocated costs (including the allocation methodology) of the Advisor in serving as investment advisor to each Fund for the twelve months ended December 31, 2015 and the estimated profitability level for each Fund calculated by the Advisor based on such data, as well as complex-wide and product-line profitability data for the same period. The Board noted the inherent limitations in the profitability analysis, and concluded that, based on the information provided, the Advisor's profitability level for each Fund was not unreasonable. The Board considered that the Advisor had identified as a fall-out benefit to the Advisor and FTP their exposure to investors and brokers who, absent their exposure to the Funds, may have had no dealings with the Advisor or FTP, and noted that the Advisor does not utilize soft dollars in connection with its management of the Funds' portfolios.

Based on all of the information considered and the conclusions reached, the Board, including the Independent Trustees, unanimously determined that the terms of the Agreement continue to be fair and reasonable and that the continuation of the Agreement is in the best interests of the Trust and each Fund. No single factor was determinative in the Board's analysis.

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First Trust Exchange-Traded Fund

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