

This exchange-traded fund (ETF) seeks investment results that correspond generally to the price and yield (before the fund's fees and expenses) of an index called the Nasdaq Dorsey Wright People's Portfolio Index (the "index").

## DORSEY, WRIGHT & ASSOCIATES

Dorsey, Wright & Associates (DWA) is a registered investment advisory firm whose business includes two areas:

- Professional management of equity portfolios for investors.
- Investment research services for numerous broker/dealers and large institutions around the world.

The cornerstone of their approach is technical analysis, and in particular, the law of supply and demand, which gives them the discipline to make timely investment decisions. In their analysis, relative strength plays a very important role.

### Fund Facts

Fund Ticker	DWPP
Fund Inception Date <sup>1</sup>	8/29/12
CUSIP	33733E880
Intraday NAV	DWPPIV
Rebalance Frequency	Periodic
Primary Listing	NASDAQ

### Index Facts

Index Ticker	NQDWAPPT
Index Inception Date <sup>1</sup>	7/24/17

<sup>1</sup>On August 18, 2017, the fund's underlying index changed from the CBOE® VIX® Tail Hedge Index to the Nasdaq Dorsey Wright People's Portfolio Index.

## INDEX CONSTRUCTION PROCESS

- The closing price of the cap-weighted Nasdaq US 500 Large Cap Index is compared to the closing price of the Nasdaq US 500 Equal Weight Index, using point and figure charts.<sup>2</sup>
- The equity index which exhibits the best point and figure relative strength is then compared to a cash-like proxy based on the 13-week T-bill.
- The position with stronger relative strength is then included in the index.
- The point and figure relative strength analysis between these indexes and T-bills is conducted daily. This may result in a high portfolio turnover rate. The equity indexes and T-bill index rebalance on a semi-annual and weekly basis, respectively. The fund rebalances when the index in which it is currently invested rebalances.

## RELATIVE STRENGTH

To put it simply, relative strength is a ranking system used to measure a security's performance relative to its peers. DWA believes it has refined its relative strength investment approach, creating a valuable and robust tool for portfolio selection that relies on unbiased, unemotional and objective data.

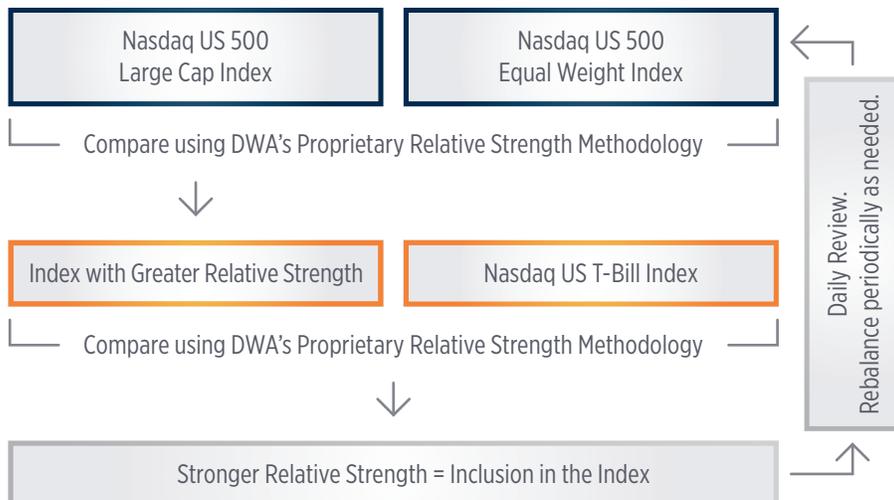
The First Trust Dorsey Wright People's Portfolio ETF will invest in either U.S. equities or U.S. Treasury bills ("T-bills"), as identified by DWA's proprietary relative strength methodology. This methodology seeks to limit exposure to downturns in the U.S. equity market while offering exposure to large-cap U.S. stocks when they are performing well.

## DORSEY WRIGHT PEOPLE'S PORTFOLIO INDEX

The index is owned and was developed by Nasdaq, Inc. The index is designed to provide exposure to either the U.S. equity market or T-bills, based upon daily relative strength readings resulting from a wholly-quantitative process. The index always holds exactly one of the three possible positions: all the component securities in the Nasdaq US 500 Large Cap Index (the Cap Weight Index), all the component securities in the Nasdaq US 500 Large Cap Equal Weight Index (the Equal Weight Index) or all the component securities in the Nasdaq US T-bill Index (the T-Bill Index).

## EXAMPLES OF INDEX SELECTION BASED ON RELATIVE STRENGTH READING

Evaluation Period	Cap Weight Index	vs.	Equal Weight Index	Favored Equity Index	vs.	T-Bill Index	Index Selection
1	Strong		Weak	Cap Weight		Weak	Cap Weight
2	Weak		Strong	Equal Weight		Weak	Equal Weight
3	Strong		Weak	Cap Weight		Weak	Cap Weight
4	Strong		Weak	Cap Weight		Weak	Cap Weight
5	Weak		Strong	Equal Weight		Weak	Equal Weight
6	Strong		Weak	Cap Weight		Weak	Cap Weight
7	Strong		Weak	Cap Weight		Stronger	T-Bills
8	Weak		Strong	Equal Weight		Weak	Equal Weight
9	Weak		Strong	Equal Weight		Stronger	T-Bills
10	Strong		Weak	Cap Weight		Weak	Cap Weight



*You should consider the fund's investment objectives, risks, and charges and expenses carefully before investing. Contact First Trust Portfolios L.P. at 1-800-621-1675 to obtain a prospectus or summary prospectus which contains this and other information about the fund. The prospectus or summary prospectus should be read carefully before investing.*

## ETF CHARACTERISTICS

The fund lists and principally trades its shares on The Nasdaq Stock Market LLC.

The fund's return may not match the return of the Nasdaq Dorsey Wright People's Portfolio Index. The fund will generally not be bought or sold in response to market fluctuations.

Investors buying or selling fund shares on the secondary market may incur customary brokerage commissions. Market prices may differ to some degree from the net asset value of the shares. Investors who sell fund shares may receive less than the share's net asset value. Shares may be sold throughout the day on the exchange through any brokerage account. However, unlike mutual funds, shares may only be redeemed directly from the fund by authorized participants, in very large creation/redemption units. If a fund's authorized participants are unable to proceed with creation/redemption orders and no other authorized participant is able to step forward to create or redeem, fund shares may trade at a discount to the fund's net asset value and possibly face delisting.

## RISKS

The fund's shares will change in value, and you could lose money by investing in the fund. One of the principal risks of investing in the fund is market risk. Market risk is the risk that a particular stock owned by the fund, fund shares or stocks in general may fall in value. Equity securities prices fluctuate for a variety of reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market. There can be no assurance that the fund's investment objective will be achieved.

The fund may be concentrated in securities issued by companies concentrated in a particular industry sector. This may result in greater risk than a more diversified portfolio.

The fund currently has fewer assets than larger funds, and like other relatively new funds, large inflows and outflows may impact the fund's market exposure for limited periods of time.

As the use of Internet technology has become more prevalent in the course of business, the fund has become more susceptible to potential operational risks through breaches in cyber security.

The index employs a "momentum" style methodology to determine if the portfolio is allocated to T-bills. During periods of positive stock market performance, the returns of the fund may be lower if the fund's net assets are allocated to T-bills. Momentum can turn quickly and cause significant variation from other types of investments.

The fund's strategy may frequently involve buying and selling portfolio securities to rebalance the fund's exposure to equity securities or T-Bills, which may result in the fund paying higher levels of transaction costs and generating greater tax liabilities for shareholders.

The fund is subject to income risk and interest rate risk. Income risk is the risk that the fund's investment in T-bills could decline during periods of falling interest rates. Interest rate risk is the risk that the value of the T-Bills in the fund's portfolio will decline because of rising market interest rates.

The fund may invest in U.S. government obligations. U.S. Treasury obligations are backed by the "full faith and credit" of the U.S. government. Securities issued or guaranteed by federal agencies and U.S. government sponsored instrumentalities may or may not be backed by the full faith and credit of the U.S. government.

If the fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the fund's net asset value and the price at which the fund's shares are trading. Although the shares are listed on the exchange, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares may be halted due to market conditions or other factors.

The fund is classified as "non-diversified" and may invest a relatively high percentage of its assets in a limited number of issuers. As a result, the fund may be more susceptible to a single adverse economic or regulatory occurrence affecting one or more of these issuers, experience increased volatility and be highly concentrated in certain issuers.

First Trust Advisors L.P. is the adviser to the fund. First Trust Advisors L.P. is an affiliate of First Trust Portfolios L.P., the fund's distributor.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA and the Internal Revenue Code. First Trust has no knowledge of and has not been provided any information regarding any investor. Financial advisors must determine whether particular investments are appropriate for their clients. First Trust believes the financial advisor is a fiduciary, is capable of evaluating investment risks independently and is responsible for exercising independent judgment with respect to its retirement plan clients.

The fund is not sponsored, endorsed, sold or promoted by Nasdaq, Inc. or its affiliates (Nasdaq, with its affiliates, are referred to as the "Corporations"). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the fund. The Corporations make 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 securities generally or in the fund particularly, or the ability of the index to track general stock performance.

<sup>2</sup>Point and figure charts plot supply and demand within a security by focusing on its price movements and ignore small price fluctuations, trading volume and time to filter out insignificant price movements.