

>> Fund Objective

This exchange-traded fund seeks to provide high current income by investing primarily in a diversified portfolio of first lien senior floating-rate bank loans ("Senior Loans"). Capital preservation is a secondary objective.

>> Fund Facts

Fund Ticker	FTSL
CUSIP	33738D309
Intraday NAV	FTSLIV
Fund Inception Date	5/1/13
Expense Ratio	0.88%
30-Day SEC Yield†	4.05%
Primary Listing	Nasdaq

>> Portfolio Managers

William Housey, CFA; Senior Vice President
Scott D. Fries, CFA; Senior Vice President

>> Fund Description

- >> The First Trust Senior Loan Fund is an actively managed exchange-traded fund. Under normal market conditions, the fund will invest in at least 80% of its net assets in Senior Loans that are made predominantly to businesses operating in North America and may also invest up to 20% of its net assets in non-Senior Loan debt securities, warrants, equity securities and securities of other investment companies.
- >> Senior loans are generally secured by the assets of a given company. Senior loans' secured position within a capital structure can mitigate losses in the event of a default.
- >> Consider these factors about the fund:
 - The fund has the potential to provide high current income, while potentially limiting interest rate risk.
 - The fund may provide an element of protection against rising interest rates because of the floating-rate feature of the senior loans in which the fund invests.
 - The fund offers a potential diversification benefit because of the historically low correlation of senior loans to other asset classes.
 - The First Trust Senior Loan Fund is an actively managed senior loan ETF, providing credit risk management, enhanced liquidity and transparency for senior loan investors.

>> Fund Advisor

- >> The portfolio is selected and managed by the First Trust Advisors' Leveraged Finance Investment Team.
 - The team uses a combination of a rigorous fundamental credit selection process with relative value analysis. The portfolio managers believe that an evolving investment environment offers varying degrees of investment opportunities in the bank loan market.
 - In order to capitalize on attractive investments and effectively manage potential risk, the team believes that the combination of thorough and continuous credit analysis, market evaluation, diversification, and the ability to reallocate investments among senior loans or other debt is critical to achieving higher risk-adjusted returns.
 - Fundamental analysis involves the evaluation of industry trends, management quality, collateral adequacy, and the consistency of corporate cash flows. Through fundamental credit analysis, the Leveraged Finance Investment Team can position the portfolio in securities that they believe will provide the most attractive relative value in the market.

>> Performance Summary (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance*							
Net Asset Value (NAV)	0.36	1.25	2.62	2.98	3.28	—	2.89
After Tax Held	-0.05	0.46	0.99	1.33	1.63	—	1.24
After Tax Sold	0.21	0.74	1.49	1.52	1.75	—	1.45
Market Price	0.42	1.35	2.66	3.01	3.33	—	2.92
Index Performance**							
Markit iBoxx USD Liquid Leveraged Loan Index	0.44	1.91	3.41	2.77	2.85	—	2.57
S&P/LSTA U.S. Leveraged Loan 100 Index	0.44	1.85	3.72	3.68	3.37	—	3.10

>> Calendar Year Total Returns (%)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD
FTSL	—	—	—	—	—	—	1.90	0.31	7.09	2.85	1.25
Markit iBoxx USD Liquid Leveraged Loan Index	—	—	—	—	—	—	1.40	-2.69	9.18	2.00	1.91
S&P/LSTA U.S. Leveraged Loan 100 Index	—	—	—	—	—	—	0.99	-2.75	10.87	3.30	1.85

>> 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FTSL	2.19	0.25	0.69	1.06	0.94
Markit iBoxx USD Liquid Leveraged Loan Index	3.05	-0.86	0.99	0.70	0.98
S&P/LSTA U.S. Leveraged Loan 100 Index	3.00	—	1.00	1.01	1.00

Performance data quoted represents past performance. Past performance is not a guarantee of future results and current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and shares when sold or redeemed, may be worth more or less than their original cost. You can obtain performance information which is current through the most recent month-end by visiting www.ftportfolios.com.

†30-day SEC yield is calculated by dividing the net investment income per share earned during the most recent 30-day period by the maximum offering price per share on the last day of the period.
*NAV returns are based on the fund's net asset value which represents the fund's net assets (assets less liabilities) divided by the fund's outstanding shares. **After Tax Held** returns represent return after taxes on distributions. Assumes shares have not been sold. **After Tax Sold** returns represent the return after taxes on distributions and the sale of fund shares. Returns do not represent the returns you would receive if you traded shares at other times. **Market Price** returns are based on the midpoint of the bid/ask spread on the stock exchange on which shares of the fund are listed for trading as of the time that the fund's NAV is calculated. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

**Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. Indexes are unmanaged and an investor cannot invest directly in an index.

» Portfolio Information

Number Of Holdings	244
Weighted Average Effective Duration ¹	0.49 Years
Weighted Average Maturity	5.44 Years
Weighted Average Price	\$98.98
Days to Reset ²	39.20 Days
3-Month LIBOR ³	2.34%
Percent of Assets with LIBOR Floors	44.76%

» Top Industry Exposure (%)

Health Care Providers & Services	13.50
Hotels, Restaurants & Leisure	12.83
Software	10.71
Media	7.26
Pharmaceuticals	7.19
Life Sciences Tools & Services	5.24
Insurance	4.44
Diversified Financial Services	4.26
Professional Services	3.54
Food & Staples Retailing	2.97

» Top Issuers (%)

Valeant Pharmaceuticals International, Inc.	3.70
MultiPlan, Inc. (MPH Acquisition Holdings LLC)	2.90
Reynolds Group Holdings, Inc.	2.54
AlixPartners LLP	2.46
Amaya Holdings B.V.	2.44
Tenet Healthcare Corp.	1.80
Caesars Resort Collection	1.75
BJ's Wholesale Club, Inc.	1.72
Vistra Energy Corp. (TXU)	1.68
Sinclair Television Group, Inc.	1.57

» Composition by Asset Class (%)

Loan	91.91
Bond	8.09
Equity	0.00

» Credit Quality (%)⁴

BBB+	0.22
BBB-	8.44
BB+	6.19
BB	7.76
BB-	17.12
B+	24.96
B	21.23
B-	12.05
CCC+	1.20
CCC	0.22
CC	0.24
D	0.29
NR	0.08

¹A measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield. Given that senior loans typically pay a floating rate of interest, they tend to have an effective duration of almost zero. As such, we estimate the duration for senior loans to be approximately 0.25 years.

²Days to Reset is the average number of days until the floating component of a loan resets.

³A short-term funding rate estimated by banks in London that they would be charged if borrowing from other banks assuming a three month maturity.

⁴The ratings are by Standard & Poor's. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of the creditworthiness of an issuer with respect to debt obligations. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Investment grade is defined as those issuers that have a long-term credit rating of BBB- or higher. "NR" indicates no rating. The credit ratings shown relate to the credit worthiness of the issuers of the underlying securities in the Fund, and not to the Fund or its shares. Credit ratings are subject to change.

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

ETF Characteristics

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

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

Risk Considerations

The fund's shares will change in value and you could lose money by investing in the fund. The fund is subject to management risk because it is an actively managed portfolio. In managing the fund's investment portfolio, the advisor will apply investment techniques and risk analyses that may not have the desired result. There can be no assurance that the fund's investment objectives will be achieved.

The fund is subject to market risk. Market risk is the risk that a particular security owned by the fund or shares of the fund in general may fall in value.

Senior floating-rate loans are usually rated below investment grade but may also be unrated. As a result, the risks associated with these loans are similar to the risks of high-yield fixed income instruments. High-yield securities, or "junk" bonds, are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, may be highly speculative. These securities are issued by companies that may have limited operating history, narrowly focused operations, and/or other impediments to the timely payment of periodic interest and principal at maturity. The market for high-yield securities is smaller and less liquid than that for investment grade securities.

Senior Loan securities are subject to numerous risks, including credit risk, interest rate risk, income risk and prepayment risk. Credit risk is the risk that an issuer of a security will be unable or unwilling to make dividend, interest and/or principal payments when due and that the value of a security may decline as a result. Credit risk may be heightened for senior loans because companies that issue loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. Interest rate risk is the risk that if interest rates rise, the prices of the fixed-rate instruments held by the fund may fall. Income risk is the risk that if interest rates fall, the income from the fund's portfolio will decline as the

fund intends to hold floating-rate debt that will adjust lower with falling interest rates. Loans are subject to pre-payment risk. The degree to which borrowers prepay loans may be affected by general business conditions, the financial condition of the borrower and competitive conditions among loan investors, among others. The fund may not be able to reinvest the proceeds received on terms as favorable as the prepaid loan.

The fund invests in securities of non-U.S. issuers which are subject to higher volatility than securities of U.S. issuers. Because the fund's NAV is determined on the basis of U.S. dollars and the fund invests in non-U.S. securities, you may lose money if the local currency of a non-U.S. market depreciates against the U.S. dollar.

The fund will, under most circumstances, effect a significant portion of creations and redemptions for cash, rather than in-kind securities. As a result, the fund may be less tax-efficient.

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.

Definitions

Standard Deviation is a measure of price variability (risk). **Alpha** is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. **Beta** is a measure of price variability relative to the market. **Sharpe Ratio** is a measure of excess reward per unit of volatility. **Correlation** is a measure of the similarity of performance. The **S&P/LSTA U.S. Leveraged Loan 100 Index** is a market value-weighted index designed to measure the performance of the largest segment of the U.S. syndicated leveraged loan market. The **Markit iBoxx USD Liquid Leveraged Loan Index** selects the 100 most liquid senior loans in the market.