FIXD

As of 9/28/18

First Trust TCW Opportunistic Fixed Income ETF

» Fund Objective

This exchange-traded fund seeks to maximize long-term total return.

» Fund Facts

Fund Ticker	FIXD
CUSIP	33740F805
Intraday NAV	FIXDIV
Fund Inception Date	2/14/17
Gross Expense Ratio^	0.65%
Net Expense Ratio	0.55%
30-Day SEC Yield†	2.77%
Unsubsidized 30-Day SEC Yield#	2.67%
Primary Listing	Nasdaq

» Fund Description

- The First Trust TCW Opportunistic Fixed Income ETF is an actively managed exchange-traded fund.
- Under normal market conditions, the fund will seek to achieve its investment objective by investing at least 80% of its net assets (including investment borrowings) in fixed income securities. The fund may invest up to 35% of its net assets in securities rated below investment grade.
- The fund's sub-advisor, TCW Investment Management Company LLC ("TCW") will attempt to focus the portfolio holdings in areas of the fixed income market, based on quality, sector, coupon or maturity, that they believe to be relatively undervalued.
- The investment process uses a combination of top-down business cycle analysis and bottom-up fundamental research, focusing on these strategies:
  - **Duration:** At the core of the investment process is TCW's long-term economic outlook, which drives the duration strategy. Portfolio risk is addressed through the limitation of duration to within one year of the fund's benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index.
  - **Yield Curve:** Yield curve positioning is based on TCW's fundamental outlook, evaluation of yield spread relationships and total return analysis.
  - **Sector Allocation:** The portfolio is allocated across domestic and international fixed income sectors. Shifts in sector allocations are based on relative value decisions, seeking to overweight the most attractive sectors at pronounced, though generally infrequent, turning points in market cycles.
  - **Issue Selection:** Security selection involves evaluation of credit discipline and intensive fundamental credit analysis considering factors such as cash flow consistency, liquidity, collateral coverage, capital structure analysis and management quality.
  - **Trading:** Diligent pursuit of best execution and opportunistic trading opportunities are essential to the investment process.

» Fund Sub-Advisor

- TCW Investment Management Company LLC is the sub-advisor to the fund and will manage the fund's portfolio.
  - TCW is a wholly owned subsidiary of The TCW Group, Inc. ("TCW Group"), which is a leading global asset management firm with nearly five decades of investment experience.
  - TCW Group manages a broad range of products across fixed income, equities, emerging markets and alternative investments.
  - Through the TCW, MetWest and TCW Alternative Fund Families, TCW manages one of the largest mutual fund complexes in the U.S.

» Performance Summary (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance*							
Net Asset Value (NAV)	-0.05	-1.35	-0.88	–	–	–	1.18
After Tax Held	-0.33	-2.18	-1.96	–	–	–	0.13
After Tax Sold	-0.03	-0.80	-0.53	–	–	–	0.45
Market Price	0.07	-1.55	-1.10	–	–	–	1.19
Index Performance**							
Bloomberg Barclays U.S. Aggregate Bond Index	0.02	-1.60	-1.22	–	–	–	1.03

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.

^First Trust has contractually agreed to waive management fees of 0.10% of average daily net assets until February 13, 2019.

†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 and includes the effects of fee waivers and expense reimbursements.

#The unsubsidized 30-day SEC yield is calculated the same as the 30-day SEC yield, however it excludes contractual fee waivers and expense reimbursements.

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

**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.

First Trust TCW Opportunistic Fixed Income ETF

As of 9/28/18

» Portfolio Information

Number Of Holdings	557
Weighted Average Effective Duration[1]	6.15 Years
Weighted Average Maturity	7.94 Years

» Maturity Exposure (%)

0-1 Years	5.44
1-3 Years	13.22
3-5 Years	17.37
5-7 Years	13.58
7-10 Years	31.35
10-20 Years	7.95
>20 Years	11.09

[1]A measure of a security's sensitivity to interest rate changes that reflects the change in a security's price given a change in yield.
[2]The credit quality and ratings information presented reflect the ratings assigned by one or more nationally recognized statistical rating organizations (NRSROs), including Standard & Poor's Rating Group, a division of the McGraw Hill Companies, Inc., Moody's Investors Service, Inc., Fitch Ratings, or a comparably rated NRSRO. For situations in which a security is rated by more than one NRSRO and the ratings are not equivalent, the lowest ratings are used. Sub-investment grade ratings are those rated BB+/Ba1 or lower. Investment grade ratings are those rated BBB-/Baa3 or higher. The credit ratings shown relate to the creditworthiness of the issuers of the underlying securities in the fund, and not to the fund or its shares. U.S. Treasury, U.S. Agency and U.S. Agency mortgage-backed securities appear under "Government/Agency". Credit ratings are subject to change.

» Top Holdings (%)

U.S. Treasury Note, 2.75%, due 07/31/2023	5.74
U.S. Treasury Bond, 3%, due 08/15/2048	4.72
U.S. Treasury Note, 2.875%, due 08/15/2028	3.93
U.S. Treasury Bond, 3.125%, due 05/15/2048	3.12
U.S. Treasury Note, 2.625%, due 07/31/2020	1.61
Freddie Mac FG G08791, 3%, due 12/01/2047	1.24
Freddie Mac FG G67706, 3.50%, due 12/01/2047	1.23
U.S. Treasury Bill, 0%, due 01/24/2019	1.11
U.S. Treasury Bill, 0%, due 01/31/2019	1.09
Freddie Mac FG G67707, 3.50%, due 01/01/2048	0.97

» Fund Composition (%)

Investment Grade Credit	29.08
Agency MBS	26.86
US Government/Agency	19.53
Non-Agency MBS	9.67
CMBS	6.31
ABS	5.51
High Yield Credit	3.47
Emerging Market Credit	1.53
Bank Loans	0.06
Other	0.00

» Credit Quality (%)[2]

Government/Agency	48.74
AAA	3.80
AA+	2.60
AA	0.85
AA-	0.64
A+	2.66
A	1.80
A-	4.54
BBB+	6.09
BBB	9.10
BBB-	6.52
BB+	1.90
BB	1.36
BB-	1.40
B+	1.27
B	2.37
B-	0.69
CCC+	0.05
CCC	1.36
CCC-	1.19
CC	0.39
D	0.68

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. One of the principal risks of investing in the fund is market risk. Market risk is the risk that a particular security owned by the fund, fund shares or securities in general may fall in value.

The fund is subject to credit risk, call risk, income risk, interest rate 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 is heightened for the floating rate loans in which the fund invests because companies that issue such loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. Call risk is the risk that if an issuer calls higher-yielding debt instruments held by the fund, performance could be adversely impacted. Income risk is the risk that income from the fund's fixed income investments could decline during periods of falling interest rates. Interest rate risk is the risk that the value of the fixed income securities in the fund will decline because of rising market interest rates. Prepayment risk is the risk that during periods of falling interest rates, an issuer may exercise its right to pay principal on an obligation earlier than expected. This may result in a decline in the fund's income.

Certain of the fixed-income securities in the fund may not have the benefit of covenants which could reduce the ability of the issuer to meet its payment obligations and might result in increased credit risk.

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. Lower quality debt tends to be less liquid than higher quality debt.

The risks associated with senior loans are similar to the risks of high-yield fixed income instruments. The loans are usually rated below investment grade but may also be unrated. Upon a prepayment, either in part or in full, the actual outstanding debt on which the fund derives interest income will be reduced. The fund may not be able to reinvest the proceeds received on terms as favorable as the prepaid loan.

Mortgage-related securities, including mortgage-backed securities, are more susceptible to adverse economic, political or regulatory events that affect the value of real estate. Mortgage-related securities are subject to the risk that the rate of mortgage prepayments decreases, which extends the average life of a security and increases the interest rate exposure.

In a falling inflationary environment, both interest payments and the value of Treasury Inflation Protected Securities ("TIPS") will decline.

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.

Collateralized loan obligations ("CLOs") carry additional risks, including, the possibility that distributions from collateral securities will not be adequate to make interest or other payments, the quality of the collateral may decline in value or default, the possibility that the investments in CLOs are subordinate to other classes or tranches, and the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

If a counterparty defaults on its payment obligations, the fund will lose money and the value of an investment in fund shares may decrease.

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.

Non-U.S. securities are subject to higher volatility than securities of domestic issuers due to possible adverse political, social or economic developments; restrictions on foreign investment or exchange of securities; lack of liquidity; currency exchange rates; excessive taxation; government seizure of assets; different legal or accounting standards and less government supervision and regulation of exchanges in foreign countries. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market countries. Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of the fund's investment and the value of fund shares. Because the fund's net asset value is determined on the basis of U.S. dollars, you may lose money if the local currency of a foreign market depreciates against the U.S. dollar.

Investments in sovereign bonds involve special risks because the governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due. In times of economic uncertainty, the prices of these securities may be more volatile than those of corporate debt obligations or of other government debt obligations.

Illiquid securities involve the risk that the securities will not be able to be sold at the time desired by the fund or at prices approximately the value at which the fund is carrying the securities on its books.

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.

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

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

The fund is subject to management risk because it is an actively managed portfolio. In managing the fund's investment portfolio, the sub-advisor will apply investment techniques and risk analyses that may not have the desired result. There can be no guarantee that the fund will meet its investment objectives.

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

The **Bloomberg Barclays U.S. Aggregate Bond Index** covers the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS, ABS, and CMBS.