**First Trust TCW Opportunistic Fixed Income ETF**

As of 9/30/19

**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 and MetWest Fund Families, TCW manages one of the largest mutual fund complexes in the U.S.

**Performance Summary (%)**

<table>
<thead>
<tr>
<th>Fund Performance*</th>
<th>3 Month</th>
<th>YTD</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>Since Fund Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Asset Value (NAV)</td>
<td>2.28</td>
<td>8.76</td>
<td>10.50</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>4.63</td>
</tr>
<tr>
<td>After Tax Held</td>
<td>2.00</td>
<td>7.82</td>
<td>9.22</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>3.50</td>
</tr>
<tr>
<td>After Tax Sold</td>
<td>1.35</td>
<td>5.16</td>
<td>6.18</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>3.04</td>
</tr>
<tr>
<td>Market Price</td>
<td>2.34</td>
<td>8.96</td>
<td>10.66</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>4.70</td>
</tr>
<tr>
<td>Index Performance**</td>
<td>Bloomberg Barclays U.S. Aggregate Bond Index</td>
<td>2.27</td>
<td>8.52</td>
<td>10.30</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

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 December 31, 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.

*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."
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.

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- or lower. Interest rate risk is the risk that the value of a security may decline as a result. Credit risk is the risk that the issuer of a security will be unable or unwilling to make interest and principal payments, and if the issuer defaults, the possibility that the investments in CLOs are not adequate to make interest or other payments. Prepayment risk is the risk that mortgage-backed securities may be prepaid during periods of falling interest rates, which extends the average life of a security and increases the interest rate exposure.

The fund is subject to management risk because it is an actively managed portfolio, the sub-advisor will apply investment strategies that are consistent with the fund's investment objectives.

Investments in sovereign bonds involve special risks because the governmental authority that controls the repayment of 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 its investments in securities that are illiquid. The fund's market exposure may fluctuate at a faster pace and decrease more volatility than those of corporate securities.

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 fund's shares.

Call risk is the risk that if an issuer calls higher-yielding debt instruments, 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") may be adversely affected. 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 of 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 be reduced.

As the use of Internet technology has become more prevalent, the fund lists and principally trades its shares on The Nasdaq Stock Market LLC. As the use of Internet technology has become more prevalent, the fund lists and principally trades its shares on The Nasdaq Stock Market LLC.

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