WHAT IS A TARGET OUTCOME ETF®?

The First Trust Target Outcome ETFs® (the “ETFs”) are actively managed and seek to provide shareholders with returns that match the price return of an underlying reference asset, such as the SPDR® S&P 500® ETF Trust (“SPY”), up to a predetermined cap, while also providing a buffer against potential losses in the price return of the reference asset over a Target Outcome Period of approximately one year. The ETFs seek to achieve their investment objectives by investing primarily in FLEXible EXchange® Options (“FLEX Options”) that reflect the price return of the underlying reference asset.

HOW DO THESE ETFs DELIVER TARGET OUTCOMES?

There are three components to the ETFs that seek to provide investors with a Target Outcome: the buffer, the cap and the Target Outcome Period. The buffer seeks to limit downside losses (for example, 10% or 25%), while providing upside participation in the return of the underlying reference asset up to a predetermined cap. The buffer and cap are provided if the funds are held for the Target Outcome Period of approximately one year. Once the Target Outcome Period expires, new FLEX Options will be purchased and the buffer, cap and Target Outcome Period will be reset. The outcome may only be realized for an investor who holds shares on the first day of the Target Outcome Period and continues to hold them on the last day of the Target Outcome Period.

WHAT ARE FLEX OPTIONS?

FLEX Options allow for customized terms of an option, including strike prices, underlying reference assets and expiration dates. The Options Clearing Corporation (OCC) issues and guarantees settlement of the FLEX Options, becoming the “buyer for every seller and the seller for every buyer,” avoiding counterparty risk.

WHAT ARE THE UNDERLYING HOLDINGS IN THE ETFs?

Each fund will generally hold FLEX Options that reflect the price return of an underlying reference asset, such as SPY. The Target Outcome values will be set on the annual “roll date” using a bundle of FLEX Options outlined below. The FLEX Options are fully funded and covered by the bundle including purchased and written put and call options. The table below details the FLEX Options used to construct a sample portfolio with an upside cap of 15%, exposure to SPY and a buffer against the first 10% of losses.

<table>
<thead>
<tr>
<th>Sample Portfolio</th>
<th>Option Position</th>
<th>Type</th>
<th>Strike Price</th>
<th>Expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set U.S. Equity Exposure</td>
<td>Purchase</td>
<td>Call</td>
<td>(SPY Price at Close on Purchase Date) * low strike call (near 0%)</td>
<td>12 month expiration dates</td>
</tr>
<tr>
<td>Set Buffer Limit</td>
<td>Write</td>
<td>Put</td>
<td>(SPY Price at Close on Purchase Date) * (90%)</td>
<td>12 month expiration dates</td>
</tr>
<tr>
<td></td>
<td>Purchase</td>
<td>Put</td>
<td>SPY Price at Close on Purchase Date</td>
<td>12 month expiration dates</td>
</tr>
<tr>
<td>Set Upside Cap</td>
<td>Write</td>
<td>Call</td>
<td>(SPY Price at Close on Purchase Date) * (115%)</td>
<td>12 month expiration dates</td>
</tr>
</tbody>
</table>

This example is for illustrative purposes only and not indicative of any actual investment.

Risk Considerations

The funds have characteristics unlike many other traditional investment products and may not be suitable for all investors.

If the underlying ETF experiences gains during a target outcome period, the funds will not participate in those gains beyond the cap. Similarly, in the event an investor purchases fund shares after the first day of a target outcome period, the buffer the fund seeks to provide may not be available. The fund does not provide principal protection and an investor may experience significant losses on their investment, including loss of their entire investment.

See last page for definitions and additional risk considerations.

The information in the prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. The prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.
HOW MIGHT THE TARGET OUTCOME ETFs® FIT IN A PORTFOLIO?

- **Equity Complement (Mitigate Risk):** A common way to reduce downside risk is to reduce an allocation to equities; however, this creates the risk of missing out on potential upside. The ETFs offer an alternative approach that seeks to deliver upside potential linked to equity market performance with reduced downside risk, allowing investors to stay fully invested.

- **Hedged Equity Alternative:** The risk/return characteristics of the ETFs provide a limited downside buffer while capping some upside potential, similar to alternative investments such as structured investments. As a result, the ETFs may be used as daily liquid, potentially cost-competitive replacements to traditional structured investments while also eliminating counterparty risk.

- **Fixed Income Complement:** With the predetermined downside buffer, the ETFs may provide non-correlated returns to equities as well as fixed income securities over a full outcome period. In addition, the ETFs may reduce interest rate risk associated with traditional fixed income securities due to their underlying exposure to the U.S. equity markets.

WHAT HAPPENS IF I BUY AN ETF IN THE MIDDLE OF THE TARGET OUTCOME PERIOD?

The First Trust Target Outcome ETFs® can be purchased or sold on any day that they are traded on an exchange. Although the cap and buffer levels are fixed at the start of each Target Outcome Period, investors may make intra-period purchases after the start of a Target Outcome Period. Investors acquiring shares of a fund intra-period will likely have a different return potential (i.e. cap and buffer level) than an investor who purchased shares at the start of a Target Outcome Period (initial fund launch date or subsequent annual rebalance date). Potential Target Outcome values are updated daily and available on the First Trust website, which provides a tool that shows detailed information about each fund’s current NAV and remaining cap and buffer levels in relation to the initial outcome period values and days remaining in the outcome period. This provides a convenient way to inform investors of their potential Target Outcome values before they invest.

WILL I HAVE CREDIT OR COUNTERPARTY RISK?

By owning FLEX Options rather than credit instruments, the ETFs do not carry the credit risk of an issuing bank like structured investments or annuities. In addition, FLEX Options are issued and guaranteed for settlement by the OCC. The OCC becomes the buyer for every seller and the seller for every buyer, thus avoiding counterparty risk and allowing the settlement of trades in the event a clearing member fails to meet its obligations. Founded in 1973, the OCC is the world’s largest equity derivatives clearing organization. It is one of only eight institutions in the United States designated by the government as a Systemically Important Financial Market Utility (SIFMU). This designation requires the company to meet prescribed risk management standards and subjects it to heightened oversight by U.S. regulatory authorities including the SEC, CFTC and Federal Reserve.

DO THESE ETFs MATURE?

No, these ETFs do not mature. The ETFs reset annually on the first day of each new outcome period by investing in a new set of FLEX Options that provide the buffer and cap for the new outcome period. However, the funds may be held indefinitely, providing investors a buy and hold investment opportunity.

WILL INTRA-PERIOD CREATIONS OR REDEMPTIONS IMPACT AN EXISTING SHAREHOLDER’S OUTCOME?

An existing shareholder’s outcome will not be impacted by other investors since the strike price of each FLEX Option will remain the same throughout the life of the Target Outcome Period, regardless of the timing or size of creations or redemptions. Additionally, creations and redemptions occur at NAV, therefore not affecting the existing shareholders when intra-period trading occurs.

ARE THE ETFs LIQUID?

The ETFs offer the convenience and trading flexibility of a typical ETF, with daily liquidity.

You should consider a 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 a fund. The prospectus or summary prospectus should be read carefully before investing.
WHAT ARE SOME KEY TERMS I SHOULD KNOW?

Target Outcome Period — Refers to the amount of time between when the FLEX Options were purchased and when they will expire. In the case of these ETFs, the Target Outcome Period is about one year.

Reference Asset — The underlying asset which the FLEX Option prices are based on. The reference asset can be a common stock, stock market index, or another ETF.

Cap — A limit on the possible return that an ETF can provide at the end of an outcome period. This is also referred to as the "maximum return potential". This means that if the performance of the reference asset is above the cap at the end of an outcome period, the return an ETF provides will not reflect this full performance. Instead, only the reference asset's performance up to the cap is used to determine an ETF’s return.

Buffer — The buffer is a cushion that, at the end of the outcome period, absorbs downside loss of the reference asset up to the buffer level (before fees and expenses).

Remaining Cap — Based on an ETF's current bid/ask spread midpoint, the best potential return if held until the end of the outcome period.

Remaining Buffer — The difference between the return of an ETF and the return of the reference asset, if shares are purchased at the current price and the reference asset value is at the lower buffer value at the end of the outcome period.

Downside Before Buffer — The amount of loss that can be incurred by an ETF prior to buffer taking effect.

Remaining Outcome Period — The remaining number of days until the end of the outcome period.

Option — An option is a contractual obligation between a buyer and a seller. There are two types of options known as “calls” and “puts.” The buyer of a call option has the right, but not the obligation, to purchase an agreed upon quantity of an underlying asset from the writer (seller) of the option at a predetermined price (the strike price) within a certain window of time (until the option's expiration), creating a long position. “Long” is an investment term used to describe ownership of the securities. A put option is the opposite of a call option and gives the buyer the right to sell to the writer (seller) the underlying asset at the strike price until the option's expiration. If the strike price is reached, the buyer has the right to exercise the option. For this right, the buyer pays a fee to the seller, called a premium.

ETF Characteristics
The funds list and principally trade their shares on Cboe BZX Exchange, Inc.
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 funds by authorized participants, in very large creation/redemption units. If the funds' 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 funds' net asset value and possibly face delisting.

Risk Considerations (continued from first page)
The funds have characteristics unlike many other traditional investment products and may not be suitable for all investors. The funds' shares will change in value, and you could lose money by investing in the funds. One of the principal risks of investing in the funds is market risk. Market risk is the risk that a particular security owned by the funds, fund shares or securities in general may fall in value. The funds are subject to management risk because they are actively managed portfolios. In managing the funds' investment portfolios, the advisor will apply investment techniques and risk analyses that may not have the desired result. There can be no assurance that the funds' investment objectives will be achieved. A fund may be a constituent of one or more indices which could greatly affect a fund's trading activity, size and volatility. The use of options and other derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives.

Because the funds may hold FLEX Options that reference the index and/or reference ETFs, the funds have exposure to the equity securities markets.
If the reference asset experiences gains during a target outcome period, the funds will not participate in those gains beyond the cap. In the event an investor purchases fund shares after the first day of a target outcome period and the funds have risen in value to a level near to the cap, there may be little or no ability for that investor to experience an investment gain on their fund shares. FLEX Options held by the funds will be exercisable at the strike price only on their expiration date. Prior to the expiration date, the value of the FLEX Options will be determined based upon market quotations or other recognized pricing methods. There can be no guarantee that a liquid secondary trading market will exist for the FLEX Options and FLEX Options may be less liquid than exchange-traded options. The 'funds' investment strategy is designed to deliver returns that maximize the return to the investor if a fund's shares are bought on the day on which the fund enters into the FLEX Options (i.e., the first day of a target outcome period) and held for the entire target outcome period, subject to a pre-determined cap, or until those FLEX Options expire at the end of the target outcome period. If an investor does not hold fund shares for the entire outcome period, the returns realized by that investor may not match those a fund seeks to achieve. In the event an investor purchases fund shares after the first day of a target outcome period or sells shares prior to the expiration of the target outcome period, the value of that investor's investment in fund shares may not be buffered against a decline in the value of the reference asset and may not participate in a gain in the value of the reference asset up to the cap for the investor's investment period.
A new cap is established at the beginning of each target outcome period and is dependent on prevailing market conditions. As a result, the cap may rise or fall from one target outcome period to the next and is unlikely to remain the same for consecutive target outcome periods. The funds may, under certain circumstances, effect a significant portion of creations and redemptions for cash rather than in-kind securities. As a result, the funds may be less tax-efficient. High portfolio turnover may cause a fund's performance to be less than expected. A fund may be subject to the risk that a counterparty will not fulfill its obligations which may result in significant financial loss to a fund.
As the use of Internet technology has become more prevalent in the course of business, the funds have become more susceptible to potential operational risks through breaches in cybersecurity. The funds currently have fewer assets than larger funds, and like other relatively new funds, large inflows and outflows may impact the funds' market exposure for limited periods of time.
The funds intend to qualify as "regulated investment companies" ("RICs"), however, the federal income tax treatment of certain aspects of the proposed operations of the funds are not entirely clear. If, in any year, the funds fail to qualify as RICs under the applicable tax laws, the funds' income tax liability would be increased relative to the funds' net income. The funds are classified as "non-diversified" and may invest in a relatively high percentage of its assets in a limited number of issuers. As a result, the funds 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.
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