First Trust has contractually agreed to reduce management fees earned by the fund for management fees due to be paid to the underlying investment companies advised by First Trust. The agreement is expected to remain in place until at least April 10, 2021, or until its termination at the direction of the Trust's Board of Trustees, or the termination of the Investment Management Agreement. Please see the Fees and Expenses of the Fund section in the fund's prospectus for more details.

**Current through the most recent month-end by visiting www.ftportfolios.com.**

The Hedge Fund Research HFRI Equity Hedge Index returns are published as estimates and updated three times per month, therefore returns shown are subject to change. Returns for the index cannot invest directly in an index.

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

Their investment strategies are based on the fundamental, technical and behavioral insights gleaned from years of empirical research.

EquityCompass offers a broad range of portfolio strategies based on their systematic, research-driven investment process. Their investment strategies are focused on delivering superior returns.

EquityCompass is an equity investment management firm and a wholly owned subsidiary of Stifel Financial Corp.

**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 reduce management fees earned by the fund for management fees due to be paid to the underlying investment companies advised by First Trust. The agreement is expected to remain in place until at least April 10, 2021, or until its termination at the direction of the Trust’s Board of Trustees, or the termination of the Investment Management Agreement. Please see the Fees and Expenses of the Fund section in the fund’s prospectus for more details.

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.

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 Sold 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 index performance shown. Indexes are unmanaged and an investor cannot invest directly in an index.**

The Hedge Fund Research HFRI Equity Hedge Index returns are published as estimates and updated three times per month, therefore returns shown are subject to change. Returns for the index are not available since the fund’s inception as the index is calculated monthly. Unlike most asset class indexes, the Hedge Fund Research HFRI Equity Hedge Index returns reflect the fees and expenses of the funds it tracks, but the index itself does not assess a fee.
ETF Characteristics
The fund lists and principally trades its shares on the NYSE Arca, 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 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 sub-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. The fund may invest in small or mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies. The fund may invest in ETFs that are subject to credit risk, income risk, interest rate risk and call 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. Income risk is the risk that income from an ETF's fixed-income investments could decline during periods of falling interest rates. The fund's overall performance or cause it to sustain losses, particularly in a sharply rising market. The use of short sales may also cause the underlying ETF to have higher expenses than other funds. The fund may invest in ETFs that are subject to the risk of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk and prepayment risk. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. In an ETF's overall performance or cause it to sustain losses, particularly in a sharply rising market. The use of short sales may also cause the underlying ETF to have higher expenses than other funds. The fund may invest in ETFs that are subject to the risk of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk and prepayment risk. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. Extension risk is prevalent when in a period of rising interest rates, an ETF holds mortgage-related securities and such securities exhibit additional volatility. Prepayments can reduce the returns of an ETF because the ETF may have to reinvest the proceeds at lower prevailing interest rates. If an ETF's investments in asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets. Certaint of the fixed-income securities in an underlying ETF 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. Senior floating-rate loans are usually rated below investment grade and are investment terms used to describe ownership of securities. To buy securities is to “go long.” The opposite of going long is “selling short.” Short selling is an advanced trading strategy that involves selling a borrowed security. If the price of the security goes down and they are able to buy the security at a lower amount than the price at which they sold the security short.

Definitions
The Hedge Fund Research HFR Ipes Equity Hedge Index tracks the performance of equity hedge strategies that maintain positions both long and short in primarily equity and equity derivative securities. The S&P 500 Index is a price-weighted average of 500 stocks used to measure large-cap U.S. stock market performance. The Dow Jones Industrial Average® is a price-weighted average of 30 U.S. blue-chip companies. "Long" and "short" are investment terms used to describe ownership of securities. To buy securities is to “go long.” The opposite of going long is “selling short.” Short selling is an advanced trading strategy that involves selling a borrowed security. Short sellers make a profit if the price of the security goes down and they are able to buy the security at a lower amount than the price at which they sold the security short.