

### » Fund Objective

This exchange-traded fund seeks to provide current income, consistent with preservation of capital and daily liquidity. There can be no guarantee that the fund will meet its investment objective.

### » Fund Facts

Fund Ticker	FTSM
CUSIP	33739Q408
Intraday NAV	FTSMIV
Fund Inception Date	8/5/14
Gross Expense Ratio	0.45%
Net Expense Ratio*	0.35%
30-Day SEC Yield†	2.22%
Unsubsidized 30-Day SEC Yield‡	2.12%
Primary Listing	Nasdaq

### » Portfolio Managers

Todd Larson, CFA; Vice President  
 Jeremiah Charles, Vice President  
 James Snyder, Vice President  
 Eric R. Maisel, CFA; Vice President

### » Fund Description

» The First Trust Enhanced Short Maturity ETF uses an actively managed strategy that invests in short-duration securities, which are primarily U.S. dollar-denominated, investment-grade securities.

- The fund will be invested across a broad range of asset classes to maintain diversification and at least 80% of the fund's assets will be investment-grade securities at the time of purchase.
- The fund will utilize a short-duration strategy, which for those who are willing to take on some additional risk, may offer the potential for enhanced income, while focusing on preservation of capital and daily liquidity.

### » Fund Advisor

» The portfolio is selected and managed by a team at First Trust Advisors L.P.

- Our professional managers build the portfolio from the bottom up. It is a broadly flexible, multi-sector portfolio that may benefit from active portfolio allocation and the flexibility to vary the portfolio composition to seek opportunities in the current environment.
- The portfolio managers have the ability to add higher yielding securities relative to traditional cash management investments such as those in money market funds and may position the portfolio for a changing interest rate environment using several tactical approaches.

### » Performance Summary (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
<b>Fund Performance*</b>							
Net Asset Value (NAV)	0.61	1.53	1.91	1.42	—	—	1.12
After Tax Held	0.36	0.89	1.11	0.84	—	—	0.64
After Tax Sold	0.36	0.90	1.12	0.83	—	—	0.64
Market Price	0.62	1.58	1.93	1.44	—	—	1.12
<b>Index Performance**</b>							
ICE BofAML 0-1 Year US Treasury Index	0.49	1.28	1.50	0.89	—	—	0.69

### » Calendar Year Total Returns (%)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD
FTSM	—	—	—	—	—	—	—	0.33	1.13	1.54	1.53
ICE BofAML 0-1 Year US Treasury Index	—	—	—	—	—	—	—	0.16	0.61	0.83	1.28

### » 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FTSM	0.18	0.58	0.38	5.17	0.77
ICE BofAML 0-1 Year US Treasury Index	0.20	—	1.00	0.76	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](http://www.ftportfolios.com).*

\*First Trust has contractually agreed to waive management fees of 0.10% of average daily net assets until March 1, 2019. 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.

‡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.

\*\*The ICE BofAML 0-1 Year US Treasury Index is the fund's benchmark. 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<sup>1</sup>

Number Of Holdings	683
Weighted Average Effective Duration <sup>2</sup>	0.26 Years
Weighted Average Maturity	0.87 Years

## » Credit Quality (%)<sup>1,3</sup>

Govt	6.24
Cash	0.01
AAA	5.32
AA+	0.31
AA	0.45
AA-	3.74
A+	5.97
A	18.54
A-	0.31
A-1+ (short-term)	2.94
A-1 (short-term)	1.08
A-2 (short-term)	20.61
A-3 (short term)	9.85
BBB+	10.99
BBB	9.25
BBB-	0.45
NR	3.94

## » Top Holdings (%)<sup>1</sup>

U.S. Treasury Note, 0.875%, due 06/15/2019	1.36
U.S. Treasury Note, 1.125%, due 01/31/2019	1.31
U.S. Treasury Note, 0.75%, due 02/15/2019	1.24
U.S. Treasury Note, 0.875%, due 05/15/2019	0.75
U.S. Treasury Note, 0.875%, due 04/15/2019	0.73
ENABLE MIDST PARTNERS LP 0%, due 10/25/2018	0.56
WILLIAMS COMPANIES INC 0%, due 10/22/2018	0.56
Chrysler Capital Auto Receivables Trust Series 2016-BA, Class A3, 1.64%, due 07/15/2021	0.53
Hyundai Auto Lease Securitization Trust Series 2018-B, Class A2, 3.08%, due 12/15/2020	0.53
Ford Credit Auto Lease Trust Series 2017-A, Class A3, 1.88%, due 04/15/2020	0.49

## » Fund Composition (%)<sup>1</sup>

Floating-Rate Corporate Bonds	35.06
Commercial Paper	31.55
Fixed-Rate Corporate Bonds	16.62
Asset Backed Securities	10.51
Government Bonds and Notes	5.53
Agency Collateralized Mortgage Obligation	0.62
Mortgage Backed Securities	0.10
Cash	0.01
Commercial Mortgage Backed Securities	0.00

## » Maturity Exposure (%)<sup>1</sup>

0-1 year	67.36
1-2 years	13.44
2-3 years	13.61
>3 years	5.59

<sup>1</sup>Calculated based on market value of invested assets plus settled cash position.

<sup>2</sup>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.

<sup>3</sup>The 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 highest to lowest on a scale that generally ranges from AAA to D for long-term ratings and A-1+ to C for short-term ratings. Investment grade is defined as those issuers that have a long-term credit rating of BBB- or higher or a short-term credit rating of A-3 or higher. "NR" indicates no rating. 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". 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](http://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 market price and net asset value of the fund's shares and the fund's yield will change daily. There may be instances when the fund will experience large in-flows and out-flows, which will significantly alter the fund's size. At times, these fluctuations may negatively impact the fund's yield, result in increased transaction costs for the fund and contribute to the overall volatility of the fund. The risk will be more prevalent when the fund is smaller in size, such as during the fund's invest-up period. An investor may lose money by investing in this fund because this fund is not a money market fund and may experience significant fluctuations in its net asset value.

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.

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.

The fund is subject to credit risk, call risk, income risk and interest rate 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.

The risk of investing in mortgage-related and other asset-backed securities include 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, the fund holds mortgage-related securities and such securities exhibit additional volatility. Prepayments can reduce the returns of the fund because the fund may have to reinvest that money at the lower prevailing interest rates. The fund'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.

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. 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.

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.

Investments in debt securities issued by foreign governments ("Sovereign Debt") 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.

The fund may invest in the shares of other investment companies, and therefore, the fund's investment performance and risks may be related to the investment performance and risks of the underlying funds.

Some of the securities held by the fund may be illiquid. Lower-quality debt tends to be less liquid than higher-quality debt.

The fund invests in securities of non-U.S. issuers. Such securities are subject to higher volatility than securities of domestic issuers.

The fund will, under most circumstances, effect a 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.

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.

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 **ICE BofAML 0-1 Year US Treasury Index** is comprised of U.S. dollar denominated sovereign debt securities publicly issued by the U.S. Treasury in its domestic market with at least one month and less than one year remaining term to final maturity.