First Trust Morningstar Dividend Leaders Index Fund

As of 9/30/19

**Fund Facts**

- **Fund Ticker:** FDL
- **CUSIP:** 336917109
- **Intraday NAV:** FDLV
- **Fund Inception Date:** 3/9/06
- **Gross Expense Ratio:** 0.47%
- **Net Expense Ratio:** 0.45%
- **30-Day SEC Yield:** 4.34%
- **Unsubsidized 30-Day SEC Yield:** 4.30%
- **Rebalance Frequency:** Quarterly
- **Primary Listing:** NYSE Arca

**Index Facts**

- **Index Ticker:** MDLTR
- **Index Inception Date:** 2/10/06
- **Index Yield:** 4.68%

**Fund Performance**

<table>
<thead>
<tr>
<th>Period</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>Morningstar® Dividend Leaders Index™</td>
<td>2.49</td>
<td>17.12</td>
<td>8.37</td>
<td>8.23</td>
<td>9.58</td>
<td>12.92</td>
<td>7.27</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
<td>1.70</td>
<td>20.55</td>
<td>4.25</td>
<td>13.39</td>
<td>10.84</td>
<td>13.24</td>
<td>8.73</td>
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</tbody>
</table>

**Calendar Year Total Returns (%)**

|------|------|------|------|------|------|------|------|------|------|------|-----|

**3-Year Statistics**

- **Standard Deviation (%):**
  - FDL: 11.38
  - S&P 500 Index: 12.18
- **Alpha:**
  - FDL: -2.25
  - S&P 500 Index: -0.26
- **Beta:**
  - FDL: 0.78
  - S&P 500 Index: 0.63
- **Sharpe Ratio:**
  - FDL: 0.85
  - S&P 500 Index: 0.97
- **Correlation:**
  - FDL: 1.00
  - S&P 500 Index: 1.00

**Overall Morningstar Rating™**

- **5 Stars/944 funds (5 years), 5 stars/693 funds (10 years)** based on risk adjusted returns.

**Performance Summary (%)**

- **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**

- **Expenses are capped contractually at 0.45% per year, at least until April 30, 2020.**
- **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.**
- **The index is reconstituted once annually each June and rebalanced four times annually in March, June, September and December.**
- **The index consists of stocks listed on one of the three major exchanges, NYSE, NYSE Amex or Nasdaq, that have shown dividend consistency and dividend sustainability. Real Estate Investment Trusts (REITs) are not included.**
- **Through the application of Morningstar’s proprietary multi-step screening process, a universe is identified. The top 100 stocks, based on dividend yield, are selected for the index.**
- **The individual holdings are weighted based on each security’s shares outstanding, free float factor, and annual indicated dividend per share. The weighting of each holding is capped to enhance portfolio diversification.**
- **The index’s performance represents the weighted average trailing 12-month dividend of the constituents of the Morningstar® Dividend Leaders Index™.**
- **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.**
- **Performance information for the Morningstar® Dividend Leaders Index™ is for illustrative purposes only and does not represent actual fund performance. 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.**

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ETF Characteristics

The fund lists and principally trades its shares on the NYSE Arca, Inc. The fund’s return may not match the return of the Morningstar® Dividend Leaders Index™. Securities held by the fund will generally not be bought or sold in response to market fluctuations.

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 stock owned by the fund, fund shares or stocks in general may fall in value. There can be no assurance that the fund’s investment objective will be achieved. The fund may invest in securities issued by companies concentrated in a particular sector which involves additional risks including limited diversification.

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, the Internal Revenue Code or any other regulatory framework. Financial advisors are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

ETF 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 S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance.