

>> Fund Objective

This exchange-traded fund seeks investment results that correspond generally to the price and yield (before the fund's fees and expenses) of an equity index called the Nasdaq US Smart Retail Index.

>> Fund Facts

Fund Ticker	FTXD
CUSIP	33738R829
Intraday NAV	FTXDIV
Fund Inception Date	9/20/16
Expense Ratio	0.60%
Rebalance Frequency	Quarterly
Primary Listing	Nasdaq

>> Index Facts

Index Ticker	NQSSRET
Index Inception Date	7/8/16

>> Index Description

- >> The Nasdaq US Smart Retail Index is a modified factor weighted index created and administered by Nasdaq, Inc. ("Nasdaq") designed to provide exposure to US companies within the retail industry.
- >> Nasdaq selects the 50 most liquid eligible retail securities from the NASDAQ US Benchmark Index and then ranks those securities based on three factors:
 - Volatility – trailing 12-month price fluctuation.
 - Value – cash flow to price.
 - Growth – the 3-, 6-, 9-, and 12-month average price appreciation.
- >> The securities are weighted based on their score on the three factors.
- >> The index weighting methodology includes caps to prevent high concentrations among single stocks.
- >> The index is reconstituted annually and rebalanced quarterly.

>> Performance Summary (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance*							
Net Asset Value (NAV)	7.65	14.51	24.86	—	—	—	12.11
After Tax Held	7.57	14.25	24.39	—	—	—	11.51
After Tax Sold	4.33	8.20	14.05	—	—	—	9.04
Market Price	7.69	14.65	25.08	—	—	—	12.18
Index Performance**							
Nasdaq US Smart Retail Index	7.85	15.09	25.73	—	—	—	12.83
Nasdaq US Benchmark Retail Index	11.64	31.00	48.48	—	—	—	28.15
NASDAQ US Benchmark Index	7.21	10.49	17.79	—	—	—	18.84

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.

*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. 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 Nasdaq US Smart Retail 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 performance shown. Indexes are unmanaged and an investor cannot invest directly in an index.

>> Portfolio Information

Number Of Holdings	50
Maximum Market Cap.	\$976.95 Billion
Median Market Cap.	\$12.81 Billion
Minimum Market Cap.	\$804 Million
Price/Earnings	16.64
Price/Book	4.62
Price/Cash Flow	10.26
Price/Sales	0.69

>> Top Holdings (%)

Kohl's Corporation	7.20
The TJX Companies, Inc.	7.15
Target Corporation	6.75
Costco Wholesale Corporation	6.14
The Kroger Co.	5.52
Casey's General Stores, Inc.	4.32
Five Below, Inc.	4.27
The Home Depot, Inc.	3.94
Dollar General Corporation	3.88
Sysco Corporation	3.74

>> Top Industry Exposure (%)

Apparel Retailers	29.34
Specialty Retailers	22.47
Broadline Retailers	21.73
Food Retailers & Wholesalers	13.59
Home Improvement Retailers	5.59
Drug Retailers	4.46
Specialized Consumer Services	2.56
Pharmaceuticals	0.26

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 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.

The fund's return may not match the return of the Nasdaq US Smart Retail 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 small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies.

The fund is concentrated in securities of the retail industry. Retail companies are companies that are engaged in operating merchandise stores, which include department stores, discount stores, warehouse clubs and superstores, specialty stores, and home improvement and home furnishings stores. The retail industry is very competitive and the success of these companies is tied closely to the performance of the overall domestic and international economy, interest rates, competition and consumer confidence. Success depends heavily on disposable household income and consumer spending. Changes in demographics, consumer tastes, fads, marketing campaigns and other factors that impact supply and demand can also affect the success of retail products in the marketplace.

The fund currently has fewer assets than larger funds, and like other relatively new funds, large inflows and outflows may impact a fund's market exposure for limited periods of time.

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.

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.

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Definitions

The **NASDAQ US Benchmark Retail Index** is a float adjusted market capitalization-weighted index which includes securities in the US Benchmark Index that are classified in the Retail Supersector according to the Industry Classification Benchmark. The **NASDAQ US Benchmark Index** is a float adjusted market capitalization-weighted index designed to track the performance of securities assigned to the United States.

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