

>> 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 Banks Index.

>> Fund Facts

Fund Ticker	FTXO
CUSIP	33738R860
Intraday NAV	FTXOIV
Fund Inception Date	9/20/16
Expense Ratio	0.60%
Rebalance Frequency	Quarterly
Primary Listing	Nasdaq

>> Index Facts

Index Ticker	NQSSBAT
Index Inception Date	7/8/16

>> Index Description

- >> The Nasdaq US Smart Banks Index is a modified factor weighted index created and administered by Nasdaq, Inc. ("Nasdaq") designed to provide exposure to US companies within the banking industry.
- >> Nasdaq selects the 30 most liquid eligible bank 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)	-1.56	-3.79	2.48	—	—	—	19.23
After Tax Held	-1.75	-4.23	1.83	—	—	—	18.62
After Tax Sold	-0.88	-2.14	1.41	—	—	—	14.67
Market Price	-1.59	-3.99	2.48	—	—	—	19.23
Index Performance**							
Nasdaq US Smart Banks Index	-1.37	-3.32	3.17	—	—	—	20.05
Nasdaq US Benchmark Banks Index	2.36	0.20	8.50	—	—	—	23.75
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 Banks 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	30
Maximum Market Cap.	\$379.19 Billion
Median Market Cap.	\$16.14 Billion
Minimum Market Cap.	\$4.15 Billion
Price/Earnings	13.60
Price/Book	1.46
Price/Cash Flow	11.55
Price/Sales	3.91

>> Top Holdings (%)

JPMorgan Chase & Co.	8.33
U.S. Bancorp	8.26
The PNC Financial Services Group, Inc.	8.03
Huntington Bancshares Incorporated	7.79
SunTrust Banks, Inc.	7.68
Bank of America Corporation	4.03
KeyCorp	3.99
Regions Financial Corporation	3.99
BB&T Corporation	3.97
Citizens Financial Group, Inc.	3.96

>> Top Industry Exposure (%)

Banks	100.00
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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 Banks 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 banking industry. Banks are especially subject to the adverse effects of economic recession, currency exchange rates, government regulation, decreases in the availability of capital, volatile interest rates, portfolio concentrations in geographic markets and in commercial and residential real estate loans, and competition from new entrants in their fields of business. In addition, banks are subject to extensive regulation at both the federal and state level, which may affect permissible activities, profitability and the amount of capital that they must maintain.

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 Banks Index** is a float adjusted market capitalization-weighted index which includes securities in the US Benchmark Index that are classified in the Banks 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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