First Trust Long/Short Equity ETF
As of 12/31/19

» Fund Objective
This actively managed exchange-traded fund seeks to provide investors with long-term total return.

» Fund Facts
Fund Ticker: FTLS
CUSIP: 33739Pi03
Intraday NAV: FTLSIV
Fund Inception Date: 9/8/14
Primary Listing: NYSE Arca

» Fees and Expenses
Management Fees: 0.95%
Dividends on Short Sales: 0.64%
Total Annual Expenses: 1.59%

» Fund Description
The First Trust Long/Short Equity ETF seeks to pursue its investment objective by investing in both a long and short portfolio consisting of at least 80% in U.S. exchange-listed equity securities of U.S. and foreign companies such as common stocks and ETFs. The fund may invest up to 20% of its net assets (plus the amount of any borrowing for investment purposes) in U.S. exchange-listed equity index futures contracts. These futures contracts will be used to gain long or short exposure to broad-based equity indexes.

» Performance Summary (%)
<table>
<thead>
<tr>
<th></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>
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</thead>
<tbody>
<tr>
<td>Net Asset Value (NAV)</td>
<td>4.53</td>
<td>16.48</td>
<td>16.48</td>
<td>8.16</td>
<td>7.30</td>
<td>—</td>
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<tr>
<td>After Tax Held</td>
<td>4.49</td>
<td>16.07</td>
<td>16.07</td>
<td>7.84</td>
<td>6.96</td>
<td>—</td>
<td>—</td>
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<tr>
<td>After Tax Sold</td>
<td>2.68</td>
<td>9.74</td>
<td>9.74</td>
<td>6.18</td>
<td>5.56</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Market Price</td>
<td>4.48</td>
<td>16.32</td>
<td>16.32</td>
<td>8.11</td>
<td>7.20</td>
<td>—</td>
<td>—</td>
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<tr>
<td>S&amp;P 500 Index</td>
<td>9.07</td>
<td>31.49</td>
<td>31.49</td>
<td>15.27</td>
<td>11.70</td>
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Index Performance**
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<tbody>
<tr>
<td>FTLS</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>5.19</td>
<td>6.84</td>
<td>14.10</td>
<td>-4.79</td>
<td>16.48</td>
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» Calendar Year Total Returns (%)
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<tr>
<td>FTLS</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>5.19</td>
<td>6.84</td>
<td>14.10</td>
<td>-4.79</td>
<td>16.48</td>
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» 3-Year Statistics
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<tr>
<th></th>
<th>Standard Deviation (%)</th>
<th>Alpha</th>
<th>Beta</th>
<th>Sharpe Ratio</th>
<th>Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTLS</td>
<td>7.33</td>
<td>-1.16</td>
<td>0.57</td>
<td>0.88</td>
<td>0.94</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
<td>12.10</td>
<td>—</td>
<td>1.00</td>
<td>1.10</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Overall Morningstar Rating™ ★★★★★
Among 192 funds in the Long-Short Equity category. This fund was rated 4 stars/192 funds (3 years), 5 stars/139 funds (5 years) based on risk adjusted returns.§

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.

**The S&P 500 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.

***The Long and Short portfolios are integrated and optimized to seek to balance the long and short positions relative to the general equity market.**

» Fund Advisor
» First Trust Advisors L.P. is the advisor to the fund and manages the fund's portfolio.
» Daily investment decisions are made by:
  - John Gamba, CFA, FRM, PRM, Senior Portfolio Manager, Alternatives Investment Team of First Trust
  - Rob A. Guttschow, CFA, Senior Portfolio Manager, Alternatives Investment Team of First Trust

» Performance Summary (%)
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. One of the principal risks of investing in the fund is market risk. Market risk is the risk that a particular security owned by the fund, fund shares or securities in general may fall in value. The fund is subject to underlying ETFs. In general, as a shareholder in other ETFs, the fund bears its ratable share of the underlying ETF's expenses, and would be subject to duplicative expenses to enhance the fund's return or as a substitute for a position or security held by the fund.

An investment in a fund containing securities of non-U.S. issuers is subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers. The fund may invest in depositary receipts which may be less than the underlying shares in their primary trading market. Shorting may result in greater gains or greater losses. Short selling creates special risks which could result in increased volatility of returns. Because losses on short sales arise from increases in the value of the security sold short, such losses are theoretically unlimited.

ETFAdvisors L.P. is an affiliate of First Trust Portfolios L.P., the fund's distributor. 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.

Definitions

Standard Deviation is a measure of price variability (risk). Alpha is an indicator 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.

Top Sector (%) – Short Exposure

Information Technology: -4.33
Financials: -3.98
Industrials: -3.19
Health Care: -2.49
Consumer Staples: -1.90
Materials: -1.70
Consumer Discretionary: -1.60
Energy: -1.35
Communication Services: -0.42
Real Estate: -0.42
Utilities: -0.27

Top Holdings (%) – Short Exposure

SPDR® S&P 500® ETF Trust: -4.44
Texas Instruments Incorporated: -0.47
Cisco Systems, Inc.: -0.46
Citigroup, Inc.: -0.46
Loews Corporation: -0.45
Chevron Corporation: -0.44
Bio-Rad Laboratories, Inc.: -0.43
CNA Financial Corporation: -0.43
U.S. Bancorp: -0.43
Walmart, Inc.: -0.43

Top Holdings (%) – Long Exposure

Bank of America Corporation: 2.76
Alphabet, Inc.: 2.72
Amgen Inc.: 2.61
Accenture Plc: 2.55
Capital One Financial Corporation: 2.54
ISH Mkrt Ltd.: 2.52
Emerson Electric Co.: 2.51
Reliance Steel & Aluminum Co.: 2.50
Cadence Design Systems, Inc.: 2.45
Ubiquiti Inc.: 2.37

Top Sector (%) – Long Exposure

Information Technology: 20.59
Financials: 18.62
Health Care: 16.56
Industrials: 10.77
Consumer Discretionary: 8.88
Materials: 6.76
Communication Services: 5.73
Energy: 4.48
Consumer Staples: 3.67
Utilities: 1.99
Real Estate: 1.53

Fund Exposure (%)

Long Exposure: 99.58%
Short Exposure: -26.09%
Net Exposure: 73.49%

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.