**Fund Description**

The First Trust CEF Income Opportunity ETF is an actively managed exchange-traded fund. Under normal market conditions, the fund will seek to achieve its investment objectives by investing at least 80% of its net assets (including investment borrowings) in a portfolio of closed-end investment companies that are listed and traded in the United States on registered exchanges (CEFs).

The investment process begins by sorting the entire universe of CEFs by category–taxable fixed-income and equity. The CEFs are then ordered by sector, strategy and size. Funds within the investable universe are scored based on fundamental and performance factors. Fund scores are reviewed and analyzed via a proprietary model which takes into account more than just yield and discount. The portfolio manager seeks to avoid small, illiquid funds and unproven fund managers, while also considering tactical opportunities such as corporate actions, market pricing and calendar events. The model is reviewed and overlaid with a top-down macroeconomic outlook to determine what the portfolio manager believes to be the most opportunistic areas in which to invest.

The output of fundamental and performance scoring is combined with the proprietary investment model and economic outlook. From the results, the investment portfolio is assembled.

**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:

- Ken Fincher; Senior Vice President and Portfolio Manager
- Jordan Ramsland, Portfolio Manager

The portfolio managers have an extensive background of investing in CEFs and ETFs, and seek to capitalize on a wide range of opportunities, providing the potential to outperform benchmarks.

---

**Performance Summary (%)**

<table>
<thead>
<tr>
<th></th>
<th>Quarter</th>
<th>YTD</th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>10 Years</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund Performance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Asset Value (NAV)</td>
<td>4.11</td>
<td>19.28</td>
<td>7.18</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>9.04</td>
</tr>
<tr>
<td>After Tax Held</td>
<td>3.53</td>
<td>17.97</td>
<td>5.00</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>6.74</td>
</tr>
<tr>
<td>After Tax Sold</td>
<td>2.42</td>
<td>11.38</td>
<td>4.33</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>5.94</td>
</tr>
<tr>
<td>Market Price</td>
<td>3.92</td>
<td>19.51</td>
<td>6.94</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>8.97</td>
</tr>
<tr>
<td><strong>Index Performance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blended Benchmark</td>
<td>3.12</td>
<td>18.48</td>
<td>5.86</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>8.17</td>
</tr>
</tbody>
</table>

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.

---

**Notes:**

1) 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.

2) 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.

3) The Blended Benchmark consists of the following two indexes: 60% of the Morningstar US All Equity CEF Index which is a weighted average of the market price of closed-end funds which invest in U.S. equity securities; and 40% of the Morningstar US All Taxable Fixed Income CEF Index which is a weighted average of the market price of closed-end funds which invest in Taxable Fixed-Income securities. 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.
ETF Characteristics

The fund lists and principally trades its shares on the Nasdaq Stock Market LLC.

Incorporating 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/redeemption units. If the fund's authorized participants are unable to proceed with creation/redeemption orders and no other authorized participants are 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. The fund is subject to NAV pressure that may not have the desired result. There can be no assurance that the fund's investment objectives will be achieved.

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. An investment in this fund should be made with an understanding of the risks associated with an investment in a portfolio of closed-end funds which invest in common stocks and debt securities.

Because the shares of CEFs cannot be redeemed upon demand, shares of many CEFs trade on exchanges at market prices rather than net asset value, which may cause the shares to trade at a price greater than NAV (premium) or less than NAV (discount). Here can be no assurance that the market discount on shares of any CEF purchased by the fund will not increase. The fund will not pay any premium over the NAV of any CEF. Because each share of a CEF can receive the NAV for those shares. The fund may also be exposed to higher volatility in the market due to the lack of leverage through its investment in CEFs. CEFs may issue senior securities in an attempt to enhance returns.

An underlying fund may invest in small and/or mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies. An investment in an underlying 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.

Certain underlying funds are subject to credit risk. Call risk, income risk, interest rate risk and payment risk. Credit risk is the risk that an issuer of a security held by an underlying fund 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 floating-rate loans and high-yield securities. Call risk is the risk that an issuer calls higher-yielding debt instruments held in an underlying fund's portfolio. Performance could be adversely impacted. Income risk is the risk that income from an investment can vary during periods of rising interest rates. Interest rate risk is the risk that the value of the fixed-income securities in an underlying fund will decline during periods of rising interest rates. Prepayment risk is the risk that during periods of falling interest rates, an issuer may exercise its right to pay principal on an obligation earlier than expected. This may result in a decline in an underlying fund's income.

The fund may be subject to covered call risk which is the risk that an underlying fund will forgo, during an option's life, the opportunity to profit from increases in the market value of the security underlying the option, and recognize the full premium at the strike price of the call, but has retained the risk of loss should the price of the underlying security decline. The fund will retain the net proceeds from the sale of a covered call option. However, in some cases, the net proceeds may be less than the amount that could have been realized by exercising the option at the expiration date. Certain of the fixed-income securities held by certain underlying funds 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.

ETFs are not backed by the full faith and credit of the U.S. government. ETFs are subject to market risk including economic and political factors. Changes in interest rates will affect the value of the fund's portfolio. When interest rates rise, the value of the fund's portfolio generally falls. During periods of high volatility, the value of the fund's portfolio may decline significantly in a short period of time.

The use of options or other derivatives can lead to losses because of adverse movements in the price or value of the underlying assets, because of the timing of the exercise of an option or the settlement price of the underlying assets, because of adverse movements in the market price of an underlying security or because of adverse movements in the market price of any other instrument on which the option is based. In certain circumstances, a counterparty's default on its payment obligations, the fund will lose money and the value of fund shares may decrease.

Certain of the fund's shares are subject to call risk. Call risk is the risk that the fund will call the fund's shares at a price below the market price of the shares. The call price of the fund's shares may be less than the market price of the shares. The fund may call its shares at any time after the offering of the shares.

Credit Quality (%)³

AAA 5.73
AA 0.60
A 1.96
BBB 15.48
BB 28.62
B 32.18
CCC-D 6.92
N/R 8.34
Other 0.17

Credit Quality Information presented reflects the ratings assigned by one or more nationally recognized statistical rating organizations (NRSROs), including Standard & Poor's Ratings Group, a division of the McGraw Hill Companies, Inc., Moody's Investors Service, Inc., Fitch Ratings or a comparably rated NRSRO. For situations in which a security is rated by more than one NRSRO, ratings are not equivalent. The highest ratings assigned. Sub-investment grade ratings are those rated BB-/Ba3 or lower. Investment grade ratings are those rated BBB-/Baa3 or higher. 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. 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 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.

First Trust CEF Income Opportunity ETF

As of 6/28/19

Portfolio Information

Number Of Holdings 48
Weighted Average Option-Adjusted Duration¹ 2.41 Years
Weighted Average Leverage Option-Adjusted Duration² 3.59 Years
Weighted Average Effective Maturity 5.57 Years
Weighted Average Leverage³ 23.34%
Weighted Average Premium/Discount⁴ -6.29%

CEF - Equity 60.23
CEF - Taxable-Fixed-Income 38.30
Cash 1.47

Credit Quality (%)³

AAA 5.73
AA 0.60
A 1.96
BBB 15.48
BB 28.62
B 32.18
CCC-D 6.92
N/R 8.34
Other 0.17

Top Holdings (%)³

PIMCO Dynamic Credit and Mortgage Income Fund 4.30
BlackRock Science & Technology Trust 4.18
Cohen & Steers REIT and Preferred and Income Fund, Inc. 4.03
Nuveen Credit Strategies Income Fund 3.92
Cohen & Steers Infrastructure Fund, Inc. 3.88
DoubleLine Income Solutions Fund 3.80
Eaton Vance Tax-Advantaged Dividend Income Fund 3.77
Eaton Vance Tax-Advantaged Global Dividend Income Fund 3.71
Ares Dynamic Credit Allocation Fund, Inc. 3.53
John Hancock Tax-Advantaged Dividend Income Fund 3.45

Top Sector Exposure (%)³

Equity Tax-Advantage 18.54
Multi-Sector 11.97
Senior Loan 11.55
Equity US 8.87
Infrastructure 8.15
Technology 6.24
REIT 6.01
Corp High Yield 5.91
Healthcare 5.89
Convertible 2.61

Not FDIC Insured • Not Bank Guaranteed • May Lose Value