First Trust Municipal CEF Income Opportunity ETF

As of 6/28/19

» Fund Objective
This actively managed exchange-traded fund seeks to provide current income.

» Fund Facts
Fund Ticker: MCEF
CUSIP: 33740FS08
Intraday NAV: MCEFIV
Fund Inception Date: 9/27/16
30-Day SEC Yield*: 3.38%
Taxable Equivalent 30-Day SEC Yield*: 5.71%
Primary Listing: Nasdaq

» Fees and Expenses
Management Fees: 0.75%
Acquired Fund Fees and Expenses: 1.62%
Total Annual Expenses: 2.37%

» Fund Description
The First Trust Municipal CEF Income Opportunity ETF is an actively managed exchange-traded fund. Under normal market conditions, the fund will seek to achieve its investment objective 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) which invest primarily in municipal debt securities some or all of which pay interest that is exempt from regular federal income taxes.

» 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.

» 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:
- Jordan Ramsland, Portfolio Manager
- Ken Fincher, Senior Vice President and 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>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>Net Asset Value (NAV)</td>
<td>3.60</td>
<td>11.58</td>
<td>9.61</td>
<td></td>
<td></td>
<td></td>
<td>1.62</td>
</tr>
<tr>
<td>After Tax Held</td>
<td>3.28</td>
<td>10.87</td>
<td>8.12</td>
<td></td>
<td></td>
<td></td>
<td>0.09</td>
</tr>
<tr>
<td>After Tax Sold</td>
<td>2.13</td>
<td>6.84</td>
<td>5.63</td>
<td></td>
<td></td>
<td></td>
<td>0.53</td>
</tr>
<tr>
<td>Market Price</td>
<td>3.76</td>
<td>11.76</td>
<td>9.72</td>
<td></td>
<td></td>
<td></td>
<td>1.68</td>
</tr>
<tr>
<td>Bloomberg Barclays Municipal Bond Index</td>
<td>2.14</td>
<td>5.09</td>
<td>6.71</td>
<td></td>
<td></td>
<td></td>
<td>2.85</td>
</tr>
<tr>
<td>First Trust Municipal Closed-End Fund Total Return Price Index</td>
<td>4.38</td>
<td>14.78</td>
<td>12.12</td>
<td></td>
<td></td>
<td></td>
<td>2.51</td>
</tr>
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</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.

130-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.

2The taxable equivalent yield is for illustrative purposes only. This information illustrates approximately what you would have to earn on taxable investments to equal the tax-exempt yield using the highest federal tax bracket for 2019. This information is based on present law as of the date of publication and does not account for any proposed changes in tax rates. This information does not account for limitations on deductions, the alternative minimum tax or taxes other than Federal personal income tax.

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 Sold 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.

**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 fund's shares will change in value and you could lose money by investing in the fund. The fund is subject to market risk. Market risk is the risk that performance could be adversely impacted if an economic, political and/or social event develops in a region, country or globally. The value of the fund's investments will fluctuate, and as a result, the fund's shares may trade at a discount to the fund's net asset value, and possibly face delisting. Shares of CEFs cannot be redeemed upon demand, shares of any CEFs will 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). There can be no assurance that the fund will not suffer losses on investments in any one security due to the nature of the underlying investment. Because the shares of CEFs cannot be redeemed upon demand, there is limited ability to access capital prior to an investment horizon. The shares of CEFs are subject to redemption by authorized participants at a price equal to the NAV of the fund's shares on any business day. The price for redeeming the shares of a CEF is usually a dollar amount for each share. The price per share may be less than or greater than the NAV of the fund's shares, depending upon the market price for the fund's shares and the NAV of the fund's shares, respectively. The shares of a CEF are not protected by the federal deposit insurance corporation (FDIC) or the federal government. The shares of a CEF are not backed by the capital stock of any state or federal government. The shares of a CEF are not secured or insured by any agency of the federal government. The shares of a CEF are not guaranteed by the Investment Company Institute or any other association. The shares of a CEF are subject to market risks and are not protected by any type of government insurance or guarantee. The shares of a CEF may experience fluctuations in value and may be subject to financial trading risks, including the risk of volatility. The shares of a CEF may be more volatile and subject to greater risk than the shares of a closed-end fund. The shares of a CEF may also be exposed to higher volatility in the market due to increased volatility in the market and the market price of the fund's shares. The market price of the fund's shares may fluctuate due to the risk of loss of principal. The fund's shares may trade at a discount to the fund's net asset value, and possibly face delisting. The fund's shares may trade at a discount to the fund's NAV, and a discount occurs when an underlying fund's market price is lower than the NAV. The 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 and ratings are not equivalent, the highest ratings are used. Sub-investment grade ratings are those rated BB+/Ba1 or lower. Investment grade ratings are those rated BBB-/Ba3 or higher. Because the shares of CEFs cannot be redeemed upon demand, the fund is exposed to market risk. Market risk is the risk that performance could be adversely impacted if an economic, political and/or social event develops in a region, country or globally. The value of the fund's investments will fluctuate, and as a result, the fund's shares may trade at a discount to the fund's net asset value, and possibly face delisting.

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

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 the case of large creation/redemption units. If the fund's authorized participants are unable to proceed with creation/redemption, 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. The fund is subject to management risk because the advisor will apply investment techniques and risk analyses 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. Municipal Securities may be adversely affected by local political and economic conditions and developments. Municipal securities issuers may be unable to pay their obligations as they come due. Income from municipal bonds could be declared taxable because of, among other things, unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or state tax authorities, or noncompliance conduct of a bond issuer. All or a portion of the fund's otherwise exempt-interest dividends may be taxable to those shareholders subject to the federal alternative minimum tax. High yield securities, or "junk" bonds, are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, may be highly speculative. The market for high yield securities is smaller and less liquid than that for investment grade securities. Distressed Municipal Securities are speculative and involve substantial risks. Lower-quality debt tends to be less liquid than higher-quality debt.

Participation interests in municipal leases pose special risks because many leases and contracts contain "non-appropriation" clauses that provide that the governmental issuer has no obligation to make future payments under the lease or contract unless money is appropriated for this purpose by the appropriate legislative body. Because the shares of CEFs cannot be redeemed upon demand, the fund is exposed to market risk. Market risk is the risk that performance could be adversely impacted if an economic, political and/or social event develops in a region, country or globally. The value of the fund's investments will fluctuate, and as a result, the fund's shares may trade at a discount to the fund's NAV, and possibly face delisting.

Top Holdings (%)
- BlackRock Municipal 2030 Target Term Trust: 5.08
- Nuveen AMT-Free Municipal Credit Income Fund: 4.71
- Nuveen Intermediate Duration Municipal Term Fund: 4.06
- Nuveen Municipal Value Fund, Inc.: 4.05
- BlackRock Muni Intermediate Duration Fund, Inc.: 3.97
- BlackRock MuniYield Quality Fund III, Inc.: 3.66
- Nuveen Municipal Credit Income Fund: 3.52
- Nuveen Enhanced Municipal Value Fund: 3.42
- Western Asset Municipal Partners Fund Inc.: 3.39
- MainStay DefinedTerm Municipal Opportunities Fund: 3.22

Top Sector Exposure (%)
- National Municipal Leveraged: 65.25
- Term Fund: 22.35
- National Municipal Non-Leveraged: 5.56
- National Municipal ETF: 4.43
- Cash: 3.06

Top State Exposure (%)
- California: 10.40
- Florida: 10.10
- Texas: 8.97
- Illinois: 8.73
- New York: 7.82

Fund Composition (%)
- CEF: 92.15
- ETF: 4.79
- Cash: 3.06

ETFs and their shares may be subject to the risks of loss of principal, market risk and other risks associated with investing in the underlying fund. The shares of an ETF are subject to market risks and are not protected by any type of government insurance or guarantee. The shares of an ETF may experience fluctuations in value and may be subject to greater risk than the shares of a closed-end fund. The shares of an ETF may also be exposed to higher volatility in the market due to increased volatility in the market and the market price of the ETF's shares. The market price of the ETF's shares may fluctuate due to the risk of loss of principal. The ETF's shares may trade at a discount to the ETF's NAV, and a discount occurs when an underlying fund's market price is lower than the ETF's NAV. The ETF is subject to market risk. Market risk is the risk that performance could be adversely impacted if an economic, political and/or social event develops in a region, country or globally. The value of the ETF's investments will fluctuate, and as a result, the ETF's shares may trade at a discount to the ETF's NAV, and possibly face delisting.

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