The 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.

After Tax 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. The fund's performance reflects fee waivers and expense reimbursements, absent which performance would have been lower. 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.

* First Trust has contractually agreed to waive management fees of 0.10% of average daily net assets until November 30, 2020.
† 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 and includes the effects of fee waivers and expense reimbursements.
* The unsubsidized 30-day SEC yield is calculated the same as the 30-day SEC yield, however it excludes contractual fee waivers and expense reimbursements.
^ The 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.

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 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.
As of 12/31/19

**ETF Characteristics**

The fund lists and principals trade 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 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 fund shares, only may be redeemed from the fund directly by authorized participants, in very large creation/redemption orders. 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 significant 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 it is an actively managed portfolio. In managing the fund’s investment portfolio, the advisor will apply investment techniques and risk analysis 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. The values of municipal securities held by the fund may be adversely affected by local political and economic conditions and developments.

Municipal bonds are subject to numerous additional risks, including credit risk, credit spread risk, income risk, inflation risk, interest rate risk, extension risk, call risk, zero coupon bond risk, valuation risk, and political and economic risk. Credit risk is the risk that an issuer may default on its interest and principal payments when due and that the value of a security may decline as a result. Credit spread risk is the risk that credit spreads may increase, which may reduce the market value of the fund’s securities. Income risk is the risk that income from the fund’s fixed income investments could decline during periods of falling interest rates. Interest rate risk is the risk that the values of fixed income investments will be less in the future as interest rates fall. Interest rate risk is generally greater for longer-term investments than for shorter-term investments. If the fund loses average daily trading volumes, it may rely on a smaller number of third-party market makers to provide a market for the fund’s shares. The fund is subject to industry risk. Industry risk is the risk that events affecting one or more of these issuers, experience increased volatility and be highly concentrated in certain issuers.

The payment of principal and interest of a pre-refunded bond is funded from securities held in a designated escrow fund. The securities held in the escrow fund do not guarantee the price of the bond. Participation interests in municipal leases pose special risks because many leases and contracts contain reimbursement 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.

The fund currently has fewer assets than larger funds, and like other relatively new funds, large inflows and outflows may impact the fund’s 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 may 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. The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By using 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 what investments are appropriate for their clients.

**Definitions**

The Bloomberg Barclays Municipal Short-Term Index is a subset of the Bloomberg Barcays Municipal Bond Index that measures the performance of investment-grade municipal bond issues with remaining maturities of 0 to 1 years.