

» Fund Objectives

This exchange-traded fund seeks risk-adjusted income. The fund's secondary investment objective is capital appreciation.

» Fund Facts

Fund Ticker	FDIV
CUSIP	33739Q309
Intraday NAV	FDIVV
Fund Inception Date	8/13/14
Gross Expense Ratio*	1.21%
Net Expense Ratio	0.88%
30-Day SEC Yield†	4.08%
Unsubsidized 30-Day SEC Yield#	3.74%
Primary Listing	Nasdaq

» Fund Description

- » The First Trust Strategic Income ETF is an actively managed exchange-traded fund that seeks current income and diversification through the use of multiple asset classes, targeted investment strategies and specialized management teams.
- » By tactically blending multiple investment strategies, which includes both fixed income investments and income producing equity securities, the fund may provide a lower-risk total return alternative relative to investing in just one strategy.
- » The fund offers a disciplined and transparent solution for income seeking investors and includes the following features:
 - Multiple specialist managers and tailored investment strategies offer a tactical approach to generating income.
 - Exposure to distinct income producing strategies.
 - The fund's equity holdings may provide additional growth potential when market conditions favor stocks.
 - Income is generated from multiple sources, providing a broad scope of investment opportunities that may offer a higher level of income and meaningful diversification relative to traditional income strategies.
 - The fund provides exposure to international markets offering the potential for added portfolio diversification.

» Fund Advisor

- » The portfolio's Investment Advisor is First Trust Advisors L.P.
- » The First Trust Investment Committee determines the allocation to each investment strategy using tactical asset allocation, seeking to improve risk-adjusted returns.
- » Each sub-advisor and management team will select the securities for its respective investment category:
 - Energy Income Partners, LLC – Master Limited Partnerships (MLPs) and energy infrastructure companies.
 - First Trust Global Portfolios Ltd. – international sovereign bonds.
 - Richard Bernstein Advisors LLC – dividend-paying equity securities.
 - Stonebridge Advisors LLC – preferred securities.
 - First Trust Leveraged Finance Team – high-yield bonds and senior loans.
 - First Trust Securitized Products Group – mortgage-related securities.

» Performance Summary (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance*							
Net Asset Value (NAV)	1.42	-0.49	0.54	6.05	—	—	3.60
After Tax Held	0.90	-1.93	-1.38	4.21	—	—	1.85
After Tax Sold	0.84	-0.30	0.28	3.82	—	—	1.96
Market Price	1.38	-0.45	0.36	6.33	—	—	3.62
Index Performance**							
Bloomberg Barclays U.S. Aggregate Bond Index	0.02	-1.60	-1.22	1.32	—	—	1.62
Russell 3000® Index	7.12	10.57	17.58	17.07	—	—	12.25
Blended Benchmark	2.30	1.76	2.94	6.80	—	—	3.26

» Calendar Year Total Returns (%)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD
FDIV	—	—	—	—	—	—	—	-4.38	11.69	6.46	-0.49
Bloomberg Barclays U.S. Aggregate Bond Index	—	—	—	—	—	—	—	0.57	2.65	3.54	-1.60
Russell 3000® Index	—	—	—	—	—	—	—	0.48	12.74	21.13	10.57
Blended Benchmark	—	—	—	—	—	—	—	-5.40	11.99	6.16	1.76

» 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FDIV	4.50	0.43	0.80	1.15	0.93
Russell 3000® Index	9.30	7.84	1.29	1.67	0.73
Blended Benchmark	5.24	—	1.00	1.13	1.00

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.

*First Trust has contractually agreed to reimburse acquired fund fees and expenses of the shares of investment companies held by the fund, provided that the investment companies are advised by the fund's investment advisor. The agreement will remain in place until at least March 1, 2019, or until its termination at the direction of the Trust's Board of Trustees. Please see the Fees and Expenses of the Fund section in the fund's prospectus for more details.

†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.

*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. 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.

**The Blended Benchmark is equally weighted to include these six indexes: the Alerian MLP Index, Dow Jones U.S. Select Dividend Index, ICE BofAML Fixed Rate Preferred Securities Index, ICE BofAML U.S. High Yield Index, Bloomberg Barclays EM USD Aggregate Index and Bloomberg Barclays U.S. MBS Index. 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.

>> Portfolio Information

Number Of Holdings	197
Maximum Market Cap.	\$201.88 Billion
Median Market Cap.	\$6.67 Billion
Minimum Market Cap.	\$513 Million
Price/Earnings	16.82
Price/Book	2.11
Price/Cash Flow	11.04
Price/Sales	2.31

>> Top Holdings (%)

First Trust Senior Loan Fund	19.08
First Trust Preferred Securities and Income ETF	10.56
iShares MBS ETF	6.91
First Trust Emerging Markets Local Currency Bond ETF	4.00
First Trust Institutional Preferred Securities and Income ETF	3.50
iShares JPMorgan USD Emerging Markets Bond ETF	2.61
Enterprise Products Partners L.P.	2.29
Magellan Midstream Partners, L.P.	1.54
Erie Indemnity Company	1.07
National Retail Properties, Inc.	1.07

>> Fund Composition (%)

Dividend Paying Equities	21.71
MLPs	19.24
High-yield Bonds and Senior Loans	19.21
Preferred Securities	14.16
Mortgage-related Securities	13.82
International Sovereign Bonds	6.90
Other	4.96

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.

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 may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies.

Income from the fund's fixed income investments could decline during periods of falling interest rates. Fixed income securities are also subject to credit risk and interest rate risk. Credit risk is the risk that an issuer of a security 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. Interest rate risk is the risk that the value of the fixed-income securities in the fund will decline because of rising market interest rates.

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. These securities are issued by companies that may have limited operating history, narrowly focused operations, and/or other impediments to the timely payment of periodic interest and principal at maturity. Lower quality debt tends to be less liquid than higher quality debt.

Senior loan securities are subject to numerous risks, including credit risk, interest rate risk, income risk and prepayment risk. The risks associated with these loans are similar to the risks of high-yield fixed income instruments. Credit risk is heightened for the senior loans in which the fund invests because companies that issue such loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. The loans are usually rated below investment grade but may also be unrated. Upon a prepayment, either in part or in full, the actual outstanding debt on which the fund derives interest income will be reduced. The fund may not be able to reinvest the proceeds received on terms as favorable as the prepaid loan.

Mortgage-related securities, including mortgage-backed securities, are more susceptible to adverse economic, political or regulatory events that affect the value of real estate. Mortgage-related securities are subject to the risk that the rate of mortgage prepayments decreases, which extends the average life of a security and increases the interest rate exposure.

Preferred securities combine some of the characteristics of both common stocks and bonds. Preferred securities are typically subordinated to bonds and other debt instruments in

a company's capital structure in terms of priority to corporate income, and therefore will be subject to greater credit risk than those debt instruments. Preferred securities are also subject to interest rate risk and income risk.

The fund may invest in covered call options. Covered call risk is the risk that the fund will forgo, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but has retained the risk of loss should the price of the underlying security decline. In addition, as the fund writes covered calls over more of its portfolio, its ability to benefit from capital appreciation becomes more limited. The use of options and other derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives. These risks are heightened when the fund's portfolio managers use derivatives to enhance the fund's returns or as a substitute for a position or security, rather than solely to hedge (or offset) the risk of a position or security held by the fund.

Non-U.S. securities are subject to higher volatility than securities of U.S. issuers due to possible adverse political, social or economic developments; restrictions on foreign investment or exchange of securities; lack of liquidity; currency exchange rates; excessive taxation; government seizure of assets; different legal or accounting standards and less government supervision and regulation of exchanges in non-U.S. countries. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market countries. Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of the fund's investment and the value of fund shares. Depositary receipts may be less liquid than the underlying shares in their primary trading market.

Illiquid securities involve the risk that the securities will not be able to be sold at the time desired by the fund or at prices approximately the value at which the fund is carrying the securities on its books.

The fund invests in equity securities and the value of the shares will fluctuate with changes in the value of these equity securities. Equity securities prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market.

The fund may invest in securities issued by companies concentrated in a particular industry which involves additional risks including limited diversification.

An investment in MLP units involves risks which differ from an investment in common stock of a corporation. Holders of MLP units have limited control and voting rights on matters affecting the partnership. In addition, there is the risk that a MLP could be taxed as a corporation, resulting in decreased returns from such MLP.

The fund may invest in the shares of other investment companies, and therefore, the fund's investment performance and risks may be related to the investment performance and risks of the underlying funds. In general, as a shareholder in other investment companies, the fund bears its ratable share of the underlying fund's expenses, and would be subject to duplicative expenses to the extent the fund invests in other investment companies.

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.

The fund may, under most circumstances, effect a portion of creations and redemptions, in whole or in part for cash, rather than in kind securities. As a result, the fund may be less tax efficient.

The fund currently has fewer assets than larger, more established funds, and like other relatively new funds, large inflows and outflows may impact the fund's market exposure for limited periods of time.

The fund is subject to management risk because it is an actively managed portfolio. In managing the fund's investment portfolio, the management teams will apply investment techniques and risk analyses that may not have the desired result. There can be no guarantee that the fund will meet its investment objectives.

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 and the Internal Revenue Code. First Trust has no knowledge of and has not been provided any information regarding any investor. Financial advisors must determine whether particular investments are appropriate for their clients. First Trust believes the financial advisor is a fiduciary, is capable of evaluating investment risks independently and is responsible for exercising independent judgment with respect to its retirement plan clients.

Definitions

Standard Deviation is a measure of price variability (risk). **Alpha** is an indication 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 **Alerian MLP Index** is a composite of the 50 most prominent energy master limited partnerships calculated using a float-adjusted market capitalization methodology. The **Dow Jones U.S. Select Dividend Index** consists of 100 widely-traded, dividend-paying stocks derived from the Dow Jones U.S. Total Market Index. The **ICE BofAML Fixed Rate Preferred Securities Index** tracks the performance of fixed-rate U.S. dollar denominated preferred securities issued in the U.S. domestic market. The **ICE BofAML U.S. High Yield Index** tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market. The **Bloomberg Barclays EM USD Aggregate Index** is a flagship hard currency Emerging Markets debt benchmark that includes USD denominated debt from sovereign, quasi-sovereign, and corporate EM issuers. The **Bloomberg Barclays U.S. MBS Index** measures the performance of investment grade fixed-rate mortgage-backed pass-through securities of GNMA, FNMA, and FHLMC. The **Bloomberg Barclays U.S. Aggregate Bond Index** covers the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS, ABS, and CMB. The **Russell 3000® Index** is comprised of the 3000 largest and most liquid stocks based and traded in the U.S.