

As of 6/29/18

>> Fund Objectives

This exchange-traded fund seeks maximum total return and current income.

>> Fund Facts

Fund Ticker	FEMB
CUSIP	33739P202
Intraday NAV	FEMBIV
Fund Inception Date	11/4/14
Expense Ratio	0.85%
30-Day SEC Yield [†]	5.40%
Primary Listing	Nasdaq

>> Fund Description

>> The First Trust Emerging Markets Local Currency Bond ETF is an actively managed exchange-traded fund. Under normal market conditions, the fund invests at least 80% of its net assets (including investment borrowings) in bonds, notes, bills, certificates of deposit, time deposits, commercial paper and loans issued by issuers in emerging market ("EM") countries that are denominated in the local currency of the issuer.

- The fund will use foreign currencies and derivative instruments primarily to hedge (offset) interest rate risk and actively manage interest rate exposure as well as to hedge foreign currency risk and actively manage foreign currency exposure.
- Because currency returns can be a significant driver of performance in EMs, either positive or negative, the duration and currency exposures will be actively managed to minimize portfolio volatility.
- EMs enjoy high growth rates, sustainable debt dynamics and advantageous demographic profiles, in our opinion.

>> Fund Sub-Advisor

>> First Trust Global Portfolios Ltd. is the sub-advisor to the fund and will manage the fund's portfolio.

- The fixed income investment team at First Trust Global Portfolios Ltd. has extensive experience in managing developed and emerging market sovereign debt portfolios.
 - The portfolio managers will continually review fundamental economic and structural themes that impact long- and medium-term asset returns in EMs.
 - The portfolio managers will adjust the portfolio's country allocations, duration and individual security positioning to reflect what they believe to be the most attractive opportunities on a continuous basis.
- >> The following persons serve as the portfolio managers of the Fund:
- Derek Fulton, Chief Executive Officer, First Trust Global Portfolios Ltd.
 - Leonardo Da Costa, Portfolio Manager, First Trust Global Portfolios Ltd.

>> Performance Summary (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance*							
Net Asset Value (NAV)	-10.89	-7.74	-4.88	0.91	—	—	-2.16
After Tax Held	-11.44	-8.83	-7.42	-1.53	—	—	-4.44
After Tax Sold	-6.15	-4.33	-2.65	-0.36	—	—	-2.61
Market Price	-11.01	-8.14	-5.40	0.59	—	—	-2.33
Index Performance**							
Bloomberg Barclays Emerging Markets Local Currency Government - 10% Country Capped Index	-8.89	-5.77	-1.43	2.05	—	—	-0.82

>> Calendar Year Total Returns (%)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD
FEMB	—	—	—	—	—	—	—	-14.66	7.72	12.57	-7.74
Bloomberg Barclays Emerging Markets Local Currency Government - 10% Country Capped Index	—	—	—	—	—	—	—	-11.73	6.85	14.94	-5.77

>> 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FEMB	10.45	-1.10	1.00	0.08	0.98
Bloomberg Barclays Emerging Markets Local Currency Government - 10% Country Capped Index	10.23	—	1.00	0.19	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.

[†]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.

*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 Bloomberg Barclays Emerging Markets Local Currency Government - 10% Country Capped 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.

>> Portfolio Information

Number Of Holdings	41
Weighted Average Effective Duration ¹	4.79 Years
Weighted Average Maturity	6.63 Years

>> Credit Quality (%)²

Cash	5.00
AAA	6.10
AA	3.60
AA-	4.80
A+	2.90
A	5.10
A-	17.00
BBB	12.30
BBB-	20.40
BB+	8.00
BB	4.10
BB-	10.70

>> Top Holdings (%)

Republic of South Africa, 10.5%, Due 12/21/2026	4.90
Titulos De Tesoreria B N/C, 7%, Due 05/04/2022	4.73
Republic of Chile N/C, 5.50%, Due 08/05/202	4.46
International Finance Corp N/C, 6.30%, Due 11/25/2024	4.40
Hungary Government Bond, 5.50%, Due 06/24/2025	4.24
Titulos de Tesoreria B N/C, 7.50%, Due 08/26/2026	3.98
Nota do Tesouro Nacional, 10%, Due 01/01/2025	3.92
Nota do Tesouro Nacional N/C, 10%, Due 01/01/2027	3.81
Romania Government Bond, 5.95%, Due 06/11/2021	3.24
Romania Government Bond, 5.85%, Due 04/26/2023	3.24

>> Maturity Exposure (%)

0 - 3 Years	17.20
3 - 5 Years	13.30
5 - 7 Years	23.60
7 - 10 Years	26.10
10 - 15 Years	9.30
15+ Years	5.50
Cash	5.00

>> Top Currency Exposure (%)

USD	19.80
COP	9.00
ZAR	7.60
BRL	6.30
RON	5.30
MYR	5.10
MXN	4.90
PEN	4.90
CLP	4.80
INR	4.40

>> Top Country Exposure (%)

Colombia	11.46
Brazil	10.86
Romania	8.47
South Africa	8.47
Indonesia	7.48
Hungary	5.76
United States	5.76
Malaysia	5.44
Poland	5.31
Peru	5.15

¹A measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield.

²The ratings are by Standard & Poor's. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO), of the creditworthiness of an issuer with respect to debt obligations. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Investment grade is defined as those issuers that have a long-term credit rating of BBB- or higher. "NR" indicates no rating. The credit ratings shown relate to the credit worthiness 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.

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 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 analyses that may not have the desired result. There can be no guarantee that the fund will meet its investment objective.

Investments in sovereign bonds involve special risks because the governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due. In times of economic uncertainty, the prices of these securities may be more volatile than those of corporate debt obligations or of other government debt obligations.

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.

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 is subject to credit risk, call risk, income 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. Call risk is the risk that if an issuer calls higher-yielding debt instruments held by the fund, performance could be adversely impacted. 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 value of the fixed-income securities in the fund will decline because of rising market interest rates.

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. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market countries. Because the fund's net asset value is determined on the basis of U.S. dollars and the fund invests in non-U.S. dollar denominated securities, you may lose money if the local currency of a foreign market depreciates against the U.S. dollar. Holders of global depository notes may have limited rights, and investment restrictions in certain countries may adversely impact their value.

The fund will, under most circumstances, effect a significant portion of creations and redemptions for cash, rather than in-kind securities. As a result, an investment in the fund may be less tax-efficient than an investment in an exchange-traded fund that effects its creations and redemptions for in-kind securities.

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

The use of derivative instruments 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 return 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.

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.

First Trust Advisors L.P. is the advisor 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 **Bloomberg Barclays Emerging Markets Local Currency Government - 10% Country Capped Index** measures the performance of local currency Emerging Markets debt but caps country exposure to a maximum of 10%.