First Trust Institutional Preferred Securities and Income ETF

**Fund Objective**
This exchange-traded fund seeks total return and current income.

**Fund Facts**
- **Fund Ticker**: FPEI
- **CUSIP**: 33739P855
- **Intraday NAV**: FPEIIV
- **Fund Inception Date**: 8/22/17
- **Expense Ratio**: 0.85%
- **30-Day SEC Yield**: 4.49%
- **Primary Listing**: NYSE Arca

**Fund Sub-Advisor**
- **Stonebridge Advisors LLC** is the sub-advisor to the fund and will manage the fund’s portfolio.
  - Stonebridge is a niche asset management firm that provides highly specialized expertise in preferred and hybrid securities for institutional investors and high net worth individuals. Through years of experience, the Stonebridge team has developed a disciplined approach to managing portfolios of preferred securities.
  - The cornerstone of Stonebridge’s investment philosophy is built on the premise that investors must diversify their holdings in order to maintain an appropriate level of risk through all market cycles.
  - By specializing in the management of preferred securities and adhering to a conservative, disciplined approach, they believe they can deliver superior returns for their clients. Their goal is to obtain an attractive total return through a diversified investment in high quality preferred securities.
  - Their investment management team does not believe in market timing. Instead, Stonebridge adds value by taking advantage of market inefficiencies with an active management style. Stonebridge’s conservative investment style is fundamental to their success as a provider of preferred securities management.

**Performance Summary (%)**

<table>
<thead>
<tr>
<th>Fund Performance*</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>Net Asset Value (NAV)</td>
<td>3.48</td>
<td>10.35</td>
<td>7.88</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>3.48</td>
</tr>
<tr>
<td>After Tax Held</td>
<td>2.92</td>
<td>9.16</td>
<td>5.47</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1.28</td>
</tr>
<tr>
<td>After Tax Sold</td>
<td>2.06</td>
<td>6.11</td>
<td>4.59</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1.69</td>
</tr>
<tr>
<td>Market Price</td>
<td>3.58</td>
<td>9.23</td>
<td>8.31</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>3.64</td>
</tr>
</tbody>
</table>

**Index Performance**

| ICE BofAML US Investment Grade Institutional Capital Securities Index | 4.07 | 11.88 | 9.35 | — | — | — | 4.25 |

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.

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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.

*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 ICE BofAML US Investment Grade Institutional Capital Securities 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.**
ETF Characteristics

The fund lists and principally trades its shares on the NYSE Arca, Inc.

ETF Characteristics

Investors buying or selling fund shares on the secondary market may incur customary brokerage fees. Market risk is the risk that a particular security owned by the fund or shares of other securities held by the fund may decline in value, leading to a loss of principal. Market risk may be heightened if the fund invests in “high-yield” or “junk” debt. Lower-quality debt tends to be more volatile than higher-quality debt.

Fixed-to-floating rate and fixed-to-variable rate securities

Floating Rate Securities 86.62
Fixed Rate Securities 11.99
Fixed Rate Securities 1.39

Credit Quality (%)¹

A+ 4.68
BBB+ 5.54
BBB 19.96
BBB- 31.70
BB 29.83
BB- 7.71
B+ 1.58
B+ 1.06

Top Industry Exposure (%)²

Top Holdings (%)²

Hartford Finl Svcs Gp Variable Rate, due 02/12/2047 2.96
Emera Inc., Variable Rate, due 06/15/2017 2.61
Voya Financial Inc Variable Rate, due 05/15/2053 2.50
Assurant Inc Variable Rate, due 03/27/2048 2.45
Enel SpA, Variable Rate, due 09/24/2073 2.41
Jpmorgan Chase & Co Series V, Variable Rate 2.04
Banco Santander S.A. Variable Rate 1.91
Asahi Mutual Life Insurance Variable Rate 1.86

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.

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