**Fund Objective**
This actively managed exchange-traded fund seeks to generate current income with a focus on preservation of capital.

**Fund Facts**
- **Fund Ticker**: LGOV
- **CUSIP**: 33738D606
- **Intraday NAV**: LGOVIV
- **Fund Inception Date**: 1/22/19
- **Expense Ratio**: 0.65%
- **30-Day SEC Yield**: 1.03%
- **Primary Listing**: NYSE Arca

**Fund Description**
- Under normal conditions, the fund will seek to achieve its investment objectives by investing at least 80% of its net assets (including investment borrowings) in a portfolio of investment grade debt securities that are issued or guaranteed by the U.S. government, its agencies or government-sponsored entities, including publicly-issued U.S. Treasury securities and mortgage-related securities tied to residential and commercial mortgages.
- An investment in the fund may offer the following potential advantages:
  - Attractive level of current income with a weighted average effective duration target of eight or more years;
  - Low correlation to equity markets;
  - High asset credit quality with at least 80% of assets in government securities;
  - Large and liquid asset class effectively accommodates efficient portfolio rebalancing.

**Fund Advisor**
- The portfolio is selected and managed by First Trust Advisors L.P.
  - The portfolio management team uses top-down research focused on the global economy, macro trends in the fixed income market as well as evolving trends in government and mortgage-backed securities sectors.
  - The portfolio managers believe thorough and continuous monitoring of housing market fundamentals, quantitative portfolio modeling, and the ability to rebalance the portfolio to stay above the fund’s weighted average effective duration target, of eight years or more, is critical to achieving higher risk-adjusted returns.

**Portfolio Managers**
- Jim Snyder, Senior Portfolio Manager, Senior Vice President, Securitized Products Group
- Jeremiah Charles, Senior Portfolio Manager, Senior Vice President, Securitized Products Group

**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>4.97</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>10.04</td>
</tr>
<tr>
<td>After Tax Held</td>
<td>4.67</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>9.58</td>
</tr>
<tr>
<td>After Tax Sold</td>
<td>2.94</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>5.93</td>
</tr>
<tr>
<td>Market Price</td>
<td>5.28</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>10.36</td>
</tr>
</tbody>
</table>

**Index Performance**
- ICE BofAML 5+ Year US Treasury Index | 4.62 | — | — | — | — | — | 8.48 |

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 5+ Year US Treasury 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. The fund trades on the secondary market or via creation/redemption units. 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. Actively managed funds are 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 guarantee that the fund will meet its investment objective.

The fund is subject to call risk, credit risk, income risk, inflation risk, interest rate risk and prepayment risk. Call risk is the risk that performance could be adversely impacted if an issuer calls higher-yielding debt instruments held by the fund. 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. Income risk is the risk that income from the fund's fixed-income investments could decline during periods of falling interest rates. Inflation risk is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. 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. Prepayment risk is the risk that the fund may not be able to reinvest proceeds received on terms as favorable as the prepaid security.

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 value of mortgage prepayments decreases, which decreases the average life of a security and increases the interest rate exposure. Non-agency debt, including asset-backed securities, securities issued or guaranteed by federal agencies and U.S. government sponsored instrumentalities may or may not be backed by the full faith and credit of the U.S. government. If a counterparty defaults on its payment obligations, the fund will lose money and the value of fund shares may decrease.

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. Lower quality debt tends to be less liquid than higher quality debt.

The use of options or 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 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 intends to impact a significant portion of creations and redemptions for cash rather than in-kind securities. As a result, the fund may be less tax-efficient.

ETFs may trade at a discount to their net asset value, and like other relatively new funds, large changes in a fund's holdings may occur. Because of these changes, the ETF may be less tax-efficient. The use of ETFs may also increase a fund's expenses.

ETFs may invest in other ETFs which involves additional expenses that would not be present in a direct investment in the underlying ETFs. In addition, a fund's investment performance and risks may be related to the investment performance and risks of the underlying ETFs. Shorting may result in greater gains or greater losses. Short selling creates special risks which could result in increased volatility of returns. Because losses on short sales arise from increases in the value of the security sold short, such losses are theoretically unlimited.

An investment in swap agreements may involve greater risks than a direct investment in securities as they may be leveraged and are subject to credit risk, counterparty risk and valuation risk.

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. High portfolio turnover may result in the fund paying higher levels of transaction costs and generating greater tax liabilities for shareholders.

The fund may invest in ETFs which involves additional expenses that would not be present in a direct investment in the underlying ETFs. In addition, a fund's investment performance and risks may be related to the investment performance and risks of the underlying ETFs. Shorting may result in greater gains or greater losses. Short selling creates special risks which could result in increased volatility of returns. Because losses on short sales arise from increases in the value of the security sold short, such losses are theoretically unlimited.

An investment in swap agreements may involve greater risks than a direct investment in securities as they may be leveraged and are subject to credit risk, counterparty risk and valuation risk.

The fund may purchase securities in “to-be-announced” ("TBA Transactions") which may give rise to investment leverage and increase the fund's volatility. In addition, default by, or bankruptcy of, a counterparty to a TBA Transaction would expose the fund to possible losses.

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 adviser to the fund. First Trust Advisors L.P. is an affiliate of First Trust Portfolios L.P. 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, 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 whether investments are appropriate for their clients.

Definitions

Correlation is a measure of the similarity of performance. The ICE BofAML 5+ Year US Treasury Index is a subset of ICE BofAML US Treasury Index including all securities with a remaining term to final maturity greater than or equal to 5 years.