

FIRST TRUST EXCHANGE-TRADED FUND

FIRST TRUST WATER ETF  
(the "*Fund*")

SUPPLEMENT TO PROSPECTUS AND STATEMENT OF ADDITIONAL INFORMATION  
DATED MAY 1, 2017

DATED JUNE 19, 2017

Notwithstanding anything to the contrary in the Fund's Prospectus or Statement of Additional Information, the name of the Fund's Index is changed to "ISE Clean Edge Water Index."

PLEASE KEEP THIS SUPPLEMENT WITH THE FUND'S PROSPECTUS AND  
STATEMENT OF ADDITIONAL INFORMATION FOR FUTURE REFERENCE

## PROSPECTUS

FUND NAME	TICKER SYMBOL	EXCHANGE
First Trust Capital Strength ETF	FTCS	Nasdaq
First Trust Dow Jones Internet Index Fund	FDN	NYSE Arca
First Trust Dow Jones Select MicroCap Index Fund	FDM	NYSE Arca
First Trust Chindia ETF (formerly First Trust ISE Chindia Index Fund)	FNI	NYSE Arca
First Trust Natural Gas ETF (formerly First Trust ISE-Revere Natural Gas Index Fund)	FCG	NYSE Arca
First Trust Water ETF (formerly First Trust ISE Water Index Fund)	FIW	NYSE Arca
First Trust Morningstar Dividend Leaders Index Fund	FDL	NYSE Arca
First Trust NASDAQ-100 Equal Weighted Index Fund	QQEW	Nasdaq
First Trust NASDAQ-100 Ex-Technology Sector Index Fund	QQXT	Nasdaq
First Trust NASDAQ-100-Technology Sector Index Fund	QTEC	Nasdaq
First Trust NASDAQ® ABA Community Bank Index Fund	QABA	Nasdaq
First Trust NASDAQ® Clean Edge® Green Energy Index Fund	QCLN	Nasdaq
First Trust NYSE Arca Biotechnology Index Fund	FBT	NYSE Arca
First Trust S&P REIT Index Fund	FRI	NYSE Arca
First Trust US Equity Opportunities ETF (formerly First Trust US IPO Index Fund)	FPX	NYSE Arca
First Trust Value Line® 100 Exchange-Traded Fund	FVL	NYSE Arca
First Trust Value Line® Dividend Index Fund	FVD	NYSE Arca

Each of the funds listed above (each a “Fund,” and collectively, the “Funds”), lists and principally trades its shares on either The Nasdaq Stock Market LLC (“Nasdaq”) or the NYSE Arca, Inc. (“NYSE Arca”) (each an “Exchange,” and collectively, the “Exchanges”). Market prices may differ to some degree from the net asset value of the shares. Unlike mutual funds, each Fund issues and redeems shares at net asset value, only in large specified blocks each consisting of 50,000 shares (each such block of shares called a “Creation Unit,” and collectively, the “Creation Units”). Each Fund’s Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests, and in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements.

Each Fund is a series of First Trust Exchange-Traded Fund (the “Trust”) and an exchange-traded index fund organized as a separate series of a registered management investment company.

**Except when aggregated in Creation Units, the shares are not redeemable securities of the Funds.**

**The Securities and Exchange Commission has not approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

**NOT FDIC INSURED MAY LOSE VALUE NO BANK GUARANTEE**

May 1, 2017

# Table of Contents

## Summary Information

First Trust Capital Strength ETF (FTCS) . . . . .	3
First Trust Dow Jones Internet Index Fund (FDN) . . . . .	9
First Trust Dow Jones Select MicroCap Index Fund (FDM) . . . . .	15
First Trust Chindia ETF (FNI) . . . . .	20
First Trust Natural Gas ETF (FCG) . . . . .	26
First Trust Water ETF (FIW) . . . . .	32
First Trust Morningstar Dividend Leaders Index Fund (FDL) . . . . .	38
First Trust NASDAQ-100 Equal Weighted Index Fund (QQEW) . . . . .	43
First Trust NASDAQ-100 Ex-Technology Sector Index Fund (QQXT) . . . . .	48
First Trust NASDAQ-100-Technology Sector Index Fund (QTEC) . . . . .	53
First Trust NASDAQ® ABA Community Bank Index Fund (QABA) . . . . .	58
First Trust NASDAQ® Clean Edge® Green Energy Index Fund (QCLN) . . . . .	63
First Trust NYSE Arca Biotechnology Index Fund (FBT) . . . . .	69
First Trust S&P REIT Index Fund (FRI) . . . . .	75
First Trust US Equity Opportunities ETF (FPX) . . . . .	81
First Trust Value Line® 100 Exchange-Traded Fund (FVL) . . . . .	87
First Trust Value Line® Dividend Index Fund (FVD) . . . . .	93
Additional Information on the Funds' Investment Objectives and Strategies . . . . .	99
Fund Investments . . . . .	99
Additional Risks of Investing in the Funds . . . . .	100
Fund Organization . . . . .	101
Management of the Funds . . . . .	102
How to Buy and Sell Shares . . . . .	103
Dividends, Distributions and Taxes . . . . .	104
Federal Tax Matters . . . . .	105
Distribution Plan . . . . .	107
Net Asset Value . . . . .	107
Fund Service Providers . . . . .	108
Index Providers . . . . .	108
Disclaimers . . . . .	108
Index Information . . . . .	114
Premium/Discount Information . . . . .	136
Total Return Information . . . . .	141
Financial Highlights . . . . .	149
Other Information . . . . .	165

## SUMMARY INFORMATION

### First Trust Capital Strength ETF (FTCS)

#### Investment Objective

The First Trust Capital Strength ETF (the “Fund”) seeks investment results that correspond generally to the price and yield (before the Fund’s fees and expenses) of an equity index called The Capital Strength Index™ (the “Index”).

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
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#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.50%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.14%
<b>Total Annual Fund Operating Expenses</b>	<b>0.64%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.00%
<b>Net Annual Fund Operating Expenses</b>	<b>0.64%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund’s investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.65% of its average daily net assets per year (the “Expense Cap”) at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund’s investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund’s investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund’s investment advisor only after April 30, 2018 upon 60 days’ written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain at current levels until April 30, 2018, and thereafter at 0.89% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund’s average daily net assets. The example assumes that the Fund’s investment advisor’s agreement to waive fees and/or pay the Fund’s expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.65% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$65	\$259	\$469	\$1,073

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 85% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed, maintained and sponsored by Nasdaq, Inc. (the “*Index Provider*”). In constructing the Index, the Index Provider begins with the largest 500 U.S. companies included in the NASDAQ US Benchmark Index and excludes the following: companies with less than \$1 billion in cash and short term investments; companies with long-term debt divided by market capitalization greater than 30%; and companies with return on equity less than 15%. The Index Provider then ranks all remaining stocks in the universe by one-year and three-month daily volatility (one-year and three-month daily volatility factors are equally weighted), and selects the top 50 companies with the lowest combined volatility score, subject to a maximum weight of 30% from any one of the ten Industry Classification Benchmark industries. The stocks in the Index are equally weighted initially and on each reconstituting and rebalancing effective date. The Index is reconstituted and rebalanced on a quarterly basis. The inception date of the Index was March 20, 2013. As of March 31, 2017, the Index was comprised of 50 securities.

NASDAQ® and The Capital Strength Index™ are trademarks (the “*Marks*”) of Nasdaq, Inc. (collectively with its affiliates “*NASDAQ*”). The Marks are licensed for use with the Fund by the Fund’s investment advisor. The Fund has not been passed on by NASDAQ as to its legality or suitability. The Fund is not issued, endorsed, sold, or promoted by NASDAQ. The Fund should not be construed in any way as investment advice by NASDAQ. NASDAQ makes no warranties and bears no liability with respect to the Fund.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund’s investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the “Frequent Purchases and Redemptions” Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund’s net asset value and possibly face delisting.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund’s digital information systems through “hacking” or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund’s third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund’s 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, such as

market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on Nasdaq. The Fund's investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on Nasdaq at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**HEALTH CARE COMPANIES RISK.** Health care companies are companies involved in medical services or health care, including biotechnology research and production, drugs and pharmaceuticals and health care facilities and services. These companies are subject to extensive competition, generic drug sales or the loss of patent protection, product liability litigation and increased government regulation. Research and development costs of bringing new drugs to market are substantial, and there is no guarantee that the product will ever come to market. Health care facility operators may be affected by the demand for services, efforts by government or insurers to limit rates, restriction of government financial assistance and competition from other providers.

**INFORMATION TECHNOLOGY COMPANIES RISK.** Information technology companies are generally subject to the following risks: rapidly changing technologies; short product life cycles; fierce competition; aggressive pricing and reduced profit margins; the loss of patent, copyright and trademark protections; cyclical market patterns; evolving industry standards; and frequent new product introductions. Information technology companies may be smaller and less experienced companies, with limited product lines, markets or financial resources and fewer experienced management or marketing personnel. Information technology company stocks, especially those which are internet related, have experienced extreme price and volume fluctuations that are often unrelated to their operating performance.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on Nasdaq which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on Nasdaq, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on Nasdaq may be halted due to market conditions or for reasons that, in the view of Nasdaq, make trading in shares inadvisable. In addition, trading in shares on

## First Trust Capital Strength ETF (FTCS)

Nasdaq is subject to trading halts caused by extraordinary market volatility pursuant to Nasdaq "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of Nasdaq necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listing on Nasdaq in the event the Fund's assets are small or the Fund does not have enough shareholders.

### Annual Total Return

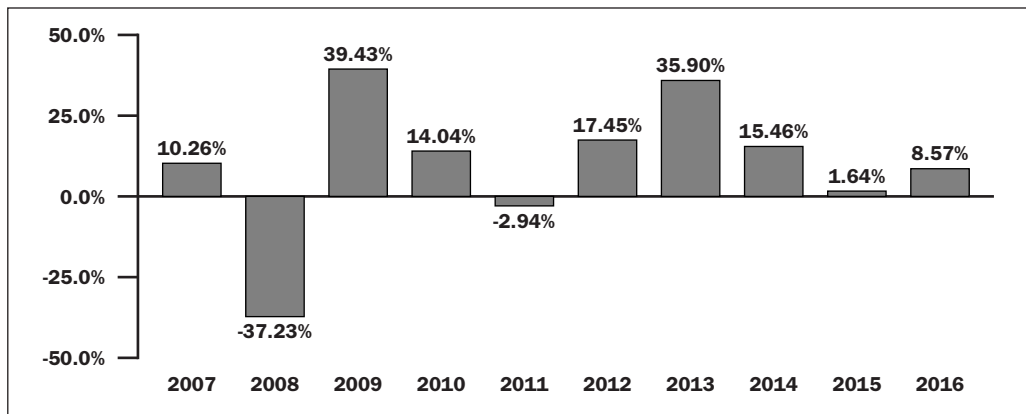
The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index, a broad-based market index and a specialized securities market index. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

On June 4, 2013, the Fund's underlying index changed from the Credit Suisse U.S. Value Index, Powered by HOLT™ to The Capital Strength Index™. On June 18, 2010, the Fund's underlying index changed from the Deutsche Bank CROCI® US+ Index™ to the Credit Suisse U.S. Value Index, Powered by HOLT™. Therefore, the Fund's performance and total returns shown for the periods prior to June 4, 2013, are not necessarily indicative of the performance the Fund, based on its current index, would have generated. Returns for an underlying index are only disclosed for those periods in which the index was in existence for the whole period. Since the Fund's new underlying index had an inception date of March 20, 2013, it was not in existence for all of the periods disclosed.

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

### First Trust Capital Strength ETF Calendar Year Total Returns as of 12/31



During the periods shown in the chart above:

Best Quarter	Worst Quarter
20.75%    June 30, 2009	-22.37%    December 31, 2008

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

## First Trust Capital Strength ETF (FTCS)

### Average Annual Total Returns for the Periods Ended December 31, 2016

	1 Year	5 Years	10 Years	Since Inception	Inception Date
Return Before Taxes	8.57%	15.25%	8.07%	8.73%	7/6/2006
Return After Taxes on Distributions	7.89%	14.45%	7.40%	8.08%	
Return After Taxes on Distributions and Sale of Fund Shares	4.84%	11.88%	6.20%	6.80%	
The Capital Strength Index™ <sup>(1)</sup> (reflects no deduction for fees, expenses or taxes)	9.31%	N/A	N/A	N/A	
S&P 500® Index (reflects no deduction for fees, expenses or taxes)	11.96%	14.66%	6.95%	7.80%	
S&P 500 Value Index <sup>(2)</sup> (reflects no deduction for fees, expenses or taxes)	17.40%	14.69%	5.50%	6.46%	

(1) On June 4, 2013, the Fund's underlying index changed from the Credit Suisse U.S. Value Index, Powered by HOLT™ to The Capital Strength Index™. On June 18, 2010, the Fund's underlying index changed from the Deutsche Bank CROCI® US+ Index™ to the Credit Suisse U.S. Value Index, Powered by HOLT™. Therefore, the Fund's performance and total returns shown for the period prior to June 4, 2013 are not necessarily indicative of the performance that the Fund, based on its current index, would have generated. Since the Fund's new underlying index had an inception date of March 20, 2013, it was not in existence for all of the periods disclosed.

(2) The Fund no longer uses the S&P 500 Value Index as a comparative index for the Fund as the Advisor has determined that this index is no longer representative of the Fund's investment strategy and portfolio holdings. The S&P 500 Value Index will be represented in performance comparisons of the Fund until May 1, 2018.

## Management

### Investment Advisor

First Trust Advisors L.P. ("First Trust" or the "Advisor")

### Portfolio Managers

The Fund's portfolio is managed by a team (the "Investment Committee") consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Fund since 2006, except for Chris A. Peterson, who has served as a member of the portfolio management team since 2016.

## Purchase and Sale of Fund Shares

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund's Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on Nasdaq and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on Nasdaq at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

## Tax Information

The Fund's distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.



**Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund's distributor, may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## SUMMARY INFORMATION

### First Trust Dow Jones Internet Index Fund (FDN)

#### Investment Objective

The First Trust Dow Jones Internet Index Fund (the "Fund") seeks investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of an equity index called the Dow Jones Internet Composite Index<sup>SM</sup> (the "Index").

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
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#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.40%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.14%
<b>Total Annual Fund Operating Expenses</b>	<b>0.54%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.00%
<b>Net Annual Fund Operating Expenses</b>	<b>0.54%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund's investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.60% of its average daily net assets per year (the "Expense Cap") at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund's investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund's investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund's investment advisor only after April 30, 2018 upon 60 days' written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels until April 30, 2018, and thereafter at 0.79% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund's average daily net assets. The example assumes that the Fund's investment advisor's agreement to waive fees and/or pay the Fund's expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.60% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$55	\$227	\$414	\$955

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 21% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed, maintained and sponsored by S&P Dow Jones Indices LLC. The Index is designed to include only companies whose primary focus is Internet-related. To be eligible for inclusion in the Index, a company must generate at least 50% of its revenues from Internet commerce or services. The Index is divided between two types of Internet companies – Internet commerce companies and Internet services companies. Internet commerce companies are defined as those that derive the majority of their revenues from providing goods or services through an open network, whereas Internet services companies are defined as those that derive the majority of their revenues from providing access to the Internet or providing services to people using the Internet. Though the total number of Index constituents has usually remained at approximately 40 since the Index’s inception in February 1999, this number is not fixed, but rather may increase as the market grows so as to cover at least 80% of Internet stocks market capitalization. The Index includes the securities of small and mid cap companies.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund’s investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the “Frequent Purchases and Redemptions” Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund’s net asset value and possibly face delisting.

**CONSUMER DISCRETIONARY COMPANIES RISK.** The Fund invests in consumer discretionary companies. Consumer discretionary companies are companies that provide non-essential goods and services, such as retailers, media companies and consumer services. These companies manufacture products and provide discretionary services directly to the consumer, and the success of these companies is tied closely to the performance of the overall domestic and international economy, interest rates, competition and consumer confidence. Success depends heavily on disposable household income and consumer spending. Changes in demographics and consumer tastes can also affect the demand for, and success of, consumer discretionary products in the marketplace.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund’s digital information systems through “hacking” or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund’s third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund’s 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on NYSE Arca. The Fund's investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on NYSE Arca at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**INFORMATION TECHNOLOGY COMPANIES RISK.** Information technology companies are generally subject to the following risks: rapidly changing technologies; short product life cycles; fierce competition; aggressive pricing and reduced profit margins; the loss of patent, copyright and trademark protections; cyclical market patterns; evolving industry standards; and frequent new product introductions. Information technology companies may be smaller and less experienced companies, with limited product lines, markets or financial resources and fewer experienced management or marketing personnel. Information technology company stocks, especially those which are internet related, have experienced extreme price and volume fluctuations that are often unrelated to their operating performance.

**INTERNET COMPANIES RISK.** Internet companies are subject to rapid changes in technology, worldwide competition, rapid obsolescence of products and services, loss of patent protections, cyclical market patterns, evolving industry standards, frequent new product introductions and the considerable risk of owning small capitalization companies that have recently begun operations.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on NYSE Arca, which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**NON-DIVERSIFICATION RISK.** The Fund is classified as "non-diversified" under the Investment Company Act of 1940, as amended (the "1940 Act"). As a result, the Fund is only limited as to the percentage of its assets which may be invested in the securities of any one issuer by the diversification requirements imposed by the Internal Revenue Code of 1986, as amended. The Fund 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 invested in certain issuers.

## First Trust Dow Jones Internet Index Fund (FDN)

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**SMALLER COMPANIES RISK.** Small and/or mid capitalization companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on NYSE Arca, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on NYSE Arca may be halted due to market conditions or for reasons that, in the view of NYSE Arca, make trading in shares inadvisable. In addition, trading in shares on NYSE Arca is subject to trading halts caused by extraordinary market volatility pursuant to NYSE Arca "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of NYSE Arca necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listings on NYSE Arca in the event the Fund's assets are small or the Fund does not have enough shareholders.

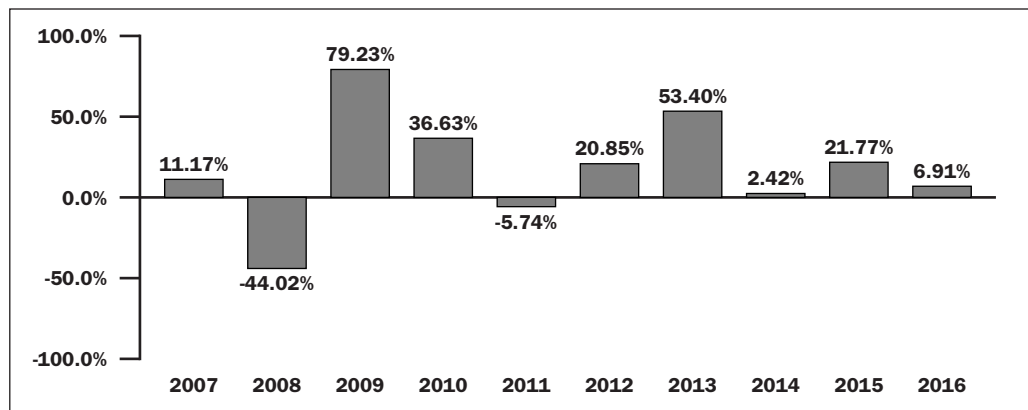
### Annual Total Return

The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index, a broad-based market index and a specialized securities market index. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

### First Trust Dow Jones Internet Index Fund Calendar Year Total Returns as of 12/31



During the periods shown in the chart above:

## First Trust Dow Jones Internet Index Fund (FDN)

Best Quarter	Worst Quarter
25.52%    September 30, 2010	-25.53%    December 31, 2008

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

### Average Annual Total Returns for the Periods Ended December 31, 2016

	1 Year	5 Years	10 Years	Since Inception	Inception Date
Return Before Taxes	6.91%	19.84%	13.51%	14.08%	6/19/2006
Return After Taxes on Distributions	6.91%	19.84%	13.49%	14.07%	
Return After Taxes on Distributions and Sale of Fund Shares	3.91%	16.23%	11.39%	11.96%	
Dow Jones Internet Composite Index <sup>SM</sup> (reflects no deduction for fees, expenses or taxes)	7.45%	20.48%	14.12%	14.70%	
S&P 500 <sup>®</sup> Index (reflects no deduction for fees, expenses or taxes)	11.96%	14.66%	6.95%	8.05%	
S&P Composite 1500 <sup>®</sup> Information Technology Index (reflects no deduction for fees, expenses or taxes)	14.78%	16.37%	9.89%	10.90%	

### Management

#### **Investment Advisor**

First Trust Advisors L.P. ("*First Trust*" or the "*Advisor*")

#### **Portfolio Managers**

The Fund's portfolio is managed by a team (the "*Investment Committee*") consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Fund since 2006, except for Chris A. Peterson, who has served as a member of the portfolio management team since 2016.

### Purchase and Sale of Fund Shares

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund's Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on NYSE Arca and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on NYSE Arca at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

### Tax Information

The Fund's distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

**Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund's distributor, may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## SUMMARY INFORMATION

### First Trust Dow Jones Select MicroCap Index Fund (FDM)

#### Investment Objective

The First Trust Dow Jones Select MicroCap Index Fund (the "Fund") seeks investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of an equity index called the Dow Jones Select MicroCap Index<sup>SM</sup> (the "Index").

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
--	------

#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.50%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.25%
<b>Total Annual Fund Operating Expenses</b>	<b>0.75%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.15%
<b>Net Annual Fund Operating Expenses</b>	<b>0.60%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund's investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.60% of its average daily net assets per year (the "Expense Cap") at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund's investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund's investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund's investment advisor only after April 30, 2018 upon 60 days' written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels until April 30, 2018, and thereafter at 1.00% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund's average daily net assets. The example assumes that the Fund's investment advisor's agreement to waive fees and/or pay the Fund's expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.60% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$61	\$279	\$514	\$1,188



## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 48% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 80% of its net assets (including investment borrowings) in common stocks of U.S. micro-capitalization companies which are publicly traded in the United States. The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed, maintained and sponsored by S&P Dow Jones Indices LLC (the “*Index Provider*”). The Index is comprised of selected U.S. micro-capitalization companies chosen from all common stocks traded on the New York Stock Exchange, the NYSE MKT and NASDAQ® with limited partnerships excluded. The Index measures the performance of selected U.S. micro-capitalization companies chosen from all common stocks traded on the New York Stock Exchange, the NYSE MKT and NASDAQ® (excluding limited partnerships) that are comparatively liquid and have strong fundamentals relative to the micro-capitalization segment as a whole. The Index was released for circulation in June 2005. The composition of the Index is reviewed annually by the Index Provider in August and additions to or subtractions from the Index occurs following this annual review. The shares outstanding and float factors are reconsidered quarterly by the Index Provider in March, June, September and December, which may impact the relative weightings of the securities in the Index. Daily historical hypothetical Index values are calculated by the Index Provider and are available dating back to August 31, 1992. As of March 31, 2017, the Index consisted of 273 securities and the average and median market capitalizations of the companies included in the Index were approximately \$441.16 million and \$423.02 million, respectively.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund’s investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the “Frequent Purchases and Redemptions” Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund’s net asset value and possibly face delisting.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund’s digital information systems through “hacking” or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund’s third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund’s 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, such as

## First Trust Dow Jones Select MicroCap Index Fund (FDM)

market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on NYSE Arca. The Fund's investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on NYSE Arca at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**FINANCIAL COMPANIES RISK.** Financial companies are especially subject to the adverse effects of economic recession, currency exchange rates, government regulation, decreases in the availability of capital, volatile interest rates, portfolio concentrations in geographic markets and in commercial and residential real estate loans, and competition from new entrants in their fields of business.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on NYSE Arca, which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**MICRO-CAP COMPANIES RISK.** Micro-capitalization companies may be more vulnerable to adverse general market or economic developments, may be less liquid, and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volume, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on NYSE Arca, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on NYSE Arca may be halted due to market conditions or for reasons that, in the view of NYSE Arca, make trading in shares inadvisable. In addition, trading in shares on NYSE Arca is subject to trading halts caused by extraordinary market volatility pursuant to NYSE Arca "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of NYSE Arca necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listings on NYSE Arca in the event the Fund's assets are small or the Fund does not have enough shareholders.

## First Trust Dow Jones Select MicroCap Index Fund (FDM)

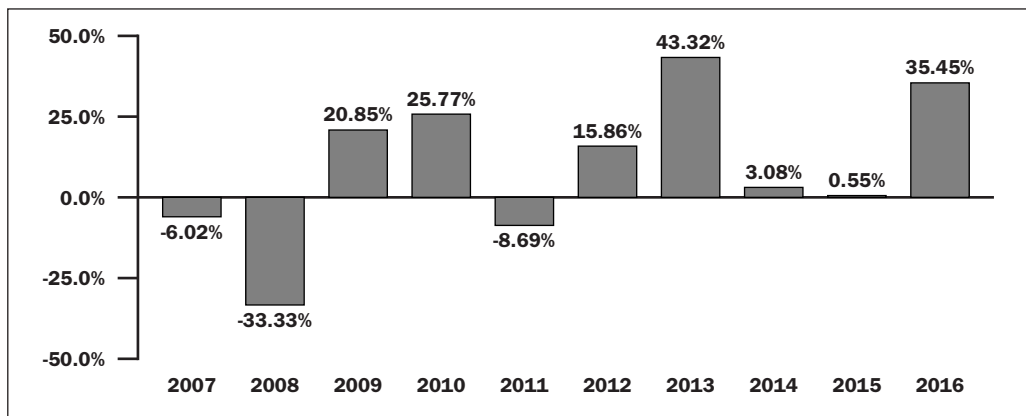
### Annual Total Return

The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index and a broad-based market index. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

### First Trust Dow Jones Select MicroCap Index Fund Calendar Year Total Returns as of 12/31



During the periods shown in the chart above:

Best Quarter		Worst Quarter	
21.68%	June 30, 2009	-25.11%	September 30, 2011

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

### Average Annual Total Returns for the Periods Ended December 31, 2016

	1 Year	5 Years	10 Years	Since Inception	Inception Date
Return Before Taxes	35.45%	18.44%	7.32%	8.22%	9/27/2005
Return After Taxes on Distributions	34.64%	17.84%	6.92%	7.84%	
Return After Taxes on Distributions and Sale of Shares	19.98%	14.66%	5.70%	6.53%	
Dow Jones Select MicroCap Index <sup>SM</sup> (reflects no deduction for fees, expenses or taxes)	36.19%	19.19%	8.03%	8.94%	
Russell 2000 <sup>®</sup> Index (reflects no deduction for fees, expenses or taxes)	21.31%	14.46%	7.07%	8.09%	

## Management

### ***Investment Advisor***

First Trust Advisors L.P. (“*First Trust*” or the “*Advisor*”)

### ***Portfolio Managers***

The Fund’s portfolio is managed by a team (the “*Investment Committee*”) consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Fund since 2005, with the exception of Stan Ueland and Chris A. Peterson, who have served since 2006 and 2016, respectively.

## Purchase and Sale of Fund Shares

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund’s Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on NYSE Arca and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on NYSE Arca at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

## Tax Information

The Fund’s distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

## Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund’s distributor, may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

## SUMMARY INFORMATION

### First Trust Chindia ETF (FNI)

#### Investment Objective

The First Trust Chindia ETF (the “Fund”), formerly First Trust ISE Chindia Index Fund, seeks investment results that correspond generally to the price and yield (before the Fund’s fees and expenses) of an equity index called the ISE ChIndia™ Index (the “Index”).

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
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#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.40%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.20%
<b>Total Annual Fund Operating Expenses</b>	<b>0.60%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.00%
<b>Net Annual Fund Operating Expenses</b>	<b>0.60%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund’s investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.60% of its average daily net assets per year (the “Expense Cap”) at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund’s investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund’s investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund’s investment advisor only after April 30, 2018 upon 60 days’ written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain at current levels until April 30, 2018, and thereafter at 0.85% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund’s average daily net assets. The example assumes that the Fund’s investment advisor’s agreement to waive fees and/or pay the Fund’s expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.60% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$61	\$246	\$447	\$1,026

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 47% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in securities that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed and owned by the International Securities Exchange, LLC (“ISE”), and is calculated and maintained by S&P Dow Jones Indices LLC. The Index is a non-market capitalization weighted portfolio of 50 American Depositary Receipts (“ADRs”), American Depositary Shares (“ADSs”) and/or stocks selected from a universe of all listed ADRs, ADSs and/or stocks of companies from China and India currently trading on U.S. exchanges. ADRs are certificates issued by a U.S. bank that represent a bank’s holdings of a stated number of shares of a non-U.S. company. ADSs are vehicles for non-U.S. companies to list their equity shares on a U.S. exchange and are U.S. dollar denominated, and each share represents one or more underlying shares in a non-U.S. company. The inception date of the Index was April 3, 2007. The Index includes the securities of small and mid cap companies.

With respect to its investment in Chinese companies, the Fund invests in H shares, depositary receipts and U.S.-listed common stock of companies that are domiciled in China, including Hong Kong. Some Chinese companies are listed on both the Hong Kong Stock Exchange with H shares and the Shanghai Stock Exchange with A shares.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund’s investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the “Frequent Purchases and Redemptions” Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund’s net asset value and possibly face delisting.

**CHINA RISK.** The Fund may invest in H shares, depositary receipts and U.S.-listed common stock of companies that are domiciled in China, including Hong Kong. Some Chinese companies are listed on both the Hong Kong Stock Exchange with H shares and the Shanghai Stock Exchange with A shares. Price differentials between H shares and A shares of the same company may be significant. Also, price fluctuations of A shares are limited to either 5% or 10% per trading day, while no such limitations exist for H shares. Investing in securities of companies in China involves additional risks, including, but not limited to: the economy of China differs, often unfavorably, from the economy in such respects as structure, general development, government involvement, wealth distribution, rate of inflation, growth rate, allocation of resources and capital reinvestment; the central government has historically exercised substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership; and actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China. Furthermore, China’s economy is dependent on the economies of other Asian countries and can be significantly affected by currency fluctuations and increasing competition from Asia’s other emerging economies.

**CONSUMER DISCRETIONARY COMPANIES RISK.** Consumer discretionary companies are companies that provide non-essential goods and services, such as retailers, media companies and consumer services. These companies manufacture products and provide discretionary services directly to the consumer, and the success of these companies is tied closely to the performance of the overall domestic and international economy, interest rates, competition and consumer confidence. Success depends heavily on disposable household income and consumer spending. Changes in demographics and consumer tastes can also affect the demand for, and success of, consumer discretionary products in the marketplace.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund's digital information systems through "hacking" or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund's third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**DEPOSITARY RECEIPTS RISK.** Depositary receipts may be less liquid than the underlying shares in their primary trading market. Any distributions paid to the holders of depositary receipts are usually subject to a fee charged by the depositary. Holders of depositary receipts may have limited voting rights, and investment restrictions in certain countries may adversely impact the value of depositary receipts because such restrictions may limit the ability to convert the equity shares into depositary receipts and vice versa. Such restrictions may cause the equity shares of the underlying issuer to trade at a discount or premium to the market price of the depositary receipts.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund's 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on NYSE Arca. The Fund's investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on NYSE Arca at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**INDIA RISK.** The Fund may invest in depositary receipts of companies that are domiciled in India. Investment restrictions in India may limit the ability to convert the equity shares into depositary receipts and vice versa. These restrictions may cause the equity shares of the underlying issuer to trade at a premium or discount to the market price of the depositary receipt. Investing in securities of Indian companies involves additional risks, including, but not limited to: greater price volatility; substantially less liquidity and significantly smaller market capitalization of securities markets; more substantial governmental involvement in the economy; higher rates of inflation; and greater political, economic and social uncertainty. Government controls have been reduced on imports and foreign investment, and privatization of domestic output has proceeded slowly. The rapid economic growth of the last few years has put heavy stress on India's infrastructural facilities. Furthermore, although the Indian government is well aware of the need for reform and is pushing ahead in this area, businesses still have to deal with an inefficient and sometimes slow-moving bureaucracy.

**INFORMATION TECHNOLOGY COMPANIES RISK.** Information technology companies are generally subject to the following risks: rapidly changing technologies; short product life cycles; fierce competition; aggressive pricing and reduced profit margins; the loss of patent, copyright and trademark protections; cyclical market patterns; evolving industry standards; and frequent new product introductions. Information technology companies may be smaller and less experienced companies, with limited product lines, markets or financial resources and fewer experienced management or marketing personnel. Information technology company stocks, especially those which are internet related, have experienced extreme price and volume fluctuations that are often unrelated to their operating performance.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on NYSE Arca, which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**NON-DIVERSIFICATION RISK.** The Fund is classified as "non-diversified" under the Investment Company Act of 1940, as amended (the "1940 Act"). As a result, the Fund is only limited as to the percentage of its assets which may be invested in the securities of any one issuer by the diversification requirements imposed by the Internal Revenue Code of 1986, as amended. The Fund 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 invested in certain issuers.

**NON-U.S. SECURITIES AND EMERGING MARKETS RISK.** Non-U.S. securities are subject to higher volatility than securities of domestic 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 foreign countries. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market countries.

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**SMALLER COMPANIES RISK.** Small and/or mid capitalization companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on NYSE Arca, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on NYSE Arca may be halted due to market conditions or for reasons that, in the view of NYSE Arca, make trading in shares inadvisable. In addition, trading in shares on NYSE Arca is subject to trading halts caused by extraordinary market volatility pursuant to NYSE Arca "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of NYSE Arca necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listings on NYSE Arca in the event the Fund's assets are small or the Fund does not have enough shareholders.

## Annual Total Return

The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index, a broad-based market index and a specialized securities market index.



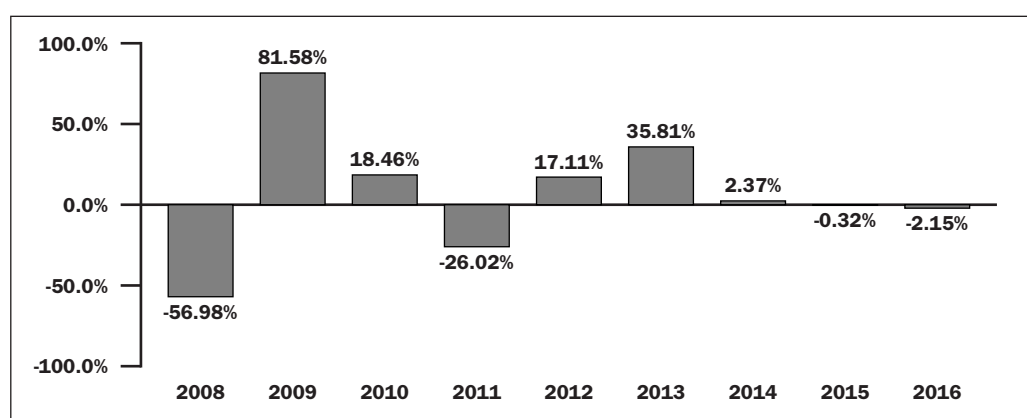
## First Trust Chindia ETF (FNI)

See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

### First Trust Chindia ETF Calendar Year Total Returns as of 12/31



During the periods shown in the chart above:

Best Quarter	Worst Quarter
47.58% June 30, 2009	-26.65% March 31, 2008

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

### Average Annual Total Returns for the Periods Ended December 31, 2016

	1 Year	5 Years	Since Inception	Inception Date
Return Before Taxes	-2.15%	9.69%	4.35%	5/8/2007
Return After Taxes on Distributions	-2.70%	9.20%	3.95%	
Return After Taxes on Distributions and Sale of Shares	-1.21%	7.44%	3.25%	
ISE ChIndia <sup>(TM)</sup> Index (reflects no deduction for fees, expenses or taxes)	-1.53%	10.19%	4.90%	
Russell 3000 <sup>®</sup> Index (reflects no deduction for fees, expenses or taxes)	12.74%	14.67%	6.57%	
MSCI Emerging Markets Index (reflects no deduction for fees, expenses or taxes)	11.19%	1.28%	0.94%	

### Management

#### **Investment Advisor**

First Trust Advisors L.P. ("First Trust" or the "Advisor")

### **Portfolio Managers**

The Fund's portfolio is managed by a team (the "Investment Committee") consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Fund since 2007, except for Chris A. Peterson, who has served as a member of the portfolio management team since 2016.

### **Purchase and Sale of Fund Shares**

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund's Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on NYSE Arca and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on NYSE Arca at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

### **Tax Information**

The Fund's distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

### **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund's distributor, may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## SUMMARY INFORMATION

### First Trust Natural Gas ETF (FCG)

#### Investment Objective

The First Trust Natural Gas ETF (the "Fund"), formerly First Trust ISE-Revere Natural Gas Index Fund, seeks investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of an equity index called the ISE-Revere Natural Gas™ Index (the "Index").

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
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#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.40%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses <sup>(2)</sup>	0.23%
<b>Total Annual Fund Operating Expenses</b>	<b>0.63%</b>
Fee Waiver and Expense Reimbursement <sup>(3)</sup>	0.03%
<b>Net Annual Fund Operating Expenses</b>	<b>0.60%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) Expenses have been restated to reflect the current fiscal year.

(3) First Trust Advisors L.P., the Fund's investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.60% of its average daily net assets per year (the "Expense Cap") at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund's investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund's investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund's investment advisor only after April 30, 2018 upon 60 days' written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels until April 30, 2018, and thereafter at 0.88% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund's average daily net assets. The example assumes that the Fund's investment advisor's agreement to waive fees and/or pay the Fund's expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.60% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$61	\$253	\$460	\$1,059

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 103% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in equity securities that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed and owned by the International Securities Exchange, LLC (“ISE”), and is calculated and maintained by S&P Dow Jones Indices LLC. The Index is designed to take advantage of both event-driven news and long term trends in the natural gas industry. Equity securities are selected for inclusion in the Index using a quantitative ranking and screening system that begins with the universe of equity securities of issuers that are involved in the exploration and production of natural gas and that satisfy market capitalization, liquidity and weighting concentration requirements.

After application of the screens, the remaining equity securities are divided into two groups, one for equity securities issued by master limited partnerships (“MLPs”) and one for equity securities issued by entities that are not master limited partnerships (“non-MLPs”). The Index is allocated 85% to equity securities issued by non-MLPs, and the remaining 15% consists of equity securities issued by MLPs.

The Index uses a linear-based capitalization-weighted methodology for each of the MLP and non-MLP group of constituents that initially ranks the equity securities based on market capitalization and average daily trading volume, and then adjusts the combined rankings of each equity security by a factor relating to its market capitalization. The resulting linear weight distribution prevents a few large component stocks from dominating the Index while allowing smaller companies to adequately influence Index performance.

The inception date of the Index was October 4, 2006. As of March 31, 2017, there were 35 securities that comprised the Index. The Index includes the securities of mid cap companies.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund’s investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the “Frequent Purchases and Redemptions” Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund’s net asset value and possibly face delisting.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund’s digital information systems through “hacking” or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund’s third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

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**ENERGY COMPANIES RISK.** Energy companies include integrated oil companies that are involved in the exploration, production and refining process, gas distributors and pipeline-related companies and other energy companies involved with mining, producing and delivering energy-related services and drilling. General problems of energy companies include volatile fluctuations in price and supply of energy fuels, international politics, terrorist attacks, reduced demand, the success of exploration projects, clean-up and litigation costs relating to oil spills and environmental damage, and tax and other regulatory policies of various governments. Natural disasters such as hurricanes in the Gulf of Mexico also impact the petroleum industry. Oil production and refining companies are subject to extensive federal, state and local environmental laws and regulations regarding air emissions and the disposal of hazardous materials. In addition, oil prices are generally subject to extreme volatility.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund's 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on NYSE Arca. The Fund's investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on NYSE Arca at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on NYSE Arca, which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**MLP RISK.** 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 are certain tax risks associated with an investment in MLP units and conflicts of interest may exist between common unit holders and the general partner, including those arising from incentive distribution payments. In addition, there is the risk that an MLP could be, contrary to its intention, taxed as a corporation, resulting in decreased returns from such MLP.

**NATURAL GAS COMPANIES RISK.** One of natural gas companies' primary risks is the competitive risk associated with the prices of alternative fuels, such as coal and oil. For example, major natural gas customers such as industrial users and electric power generators often have the ability to switch between the use of coal, oil or natural gas. During periods when competing fuels are less expensive, the revenues of gas utility companies may decline with a corresponding impact on earnings. After

years of booming production, natural gas firms have recently begun scaling back after record low prices and huge surpluses. Weather is another risk that may affect natural gas companies. Mild weather contributes to a scaled back demand for natural gas and declining stock prices for natural gas companies. Additionally, natural gas companies are sensitive to increased interest rates because of the capital intensive nature of their business.

Furthermore, there are additional risks and hazards that are inherent to natural gas companies that may cause the price of natural gas to widely fluctuate. The exploration for, and production of, natural gas is an uncertain process with many risks. The cost of drilling, completing and operating wells for natural gas is often uncertain, and a number of factors can delay or prevent drilling operations or production, including:

- unexpected drilling conditions;
- pressure or irregularities in formations;
- equipment failures or repairs;
- fires or other accidents;
- adverse weather conditions;
- pipeline ruptures or spills; and
- shortages or delays in the availability of drilling rigs and the delivery of equipment.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**NON-U.S. SECURITIES AND EMERGING MARKETS RISK.** Non-U.S. securities are subject to higher volatility than securities of domestic 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 foreign countries. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market countries.

**PORTFOLIO TURNOVER RISK.** The Fund's strategy may frequently involve buying and selling portfolio securities to rebalance the Fund's exposure to various market sectors. High portfolio turnover may result in the Fund paying higher levels of transaction costs and generating greater tax liabilities for shareholders. Portfolio turnover risk may cause the Fund's performance to be less than you expect.

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**SMALLER COMPANIES RISK.** Mid capitalization companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on NYSE Arca, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on NYSE Arca may be halted due to market conditions or for reasons that, in the view of NYSE Arca, make trading in shares inadvisable. In addition, trading in shares on NYSE Arca is subject to trading halts caused by extraordinary market volatility pursuant to NYSE Arca "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of NYSE Arca necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listings on NYSE Arca in the event the Fund's assets are small or the Fund does not have enough shareholders.

## Annual Total Return

The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by

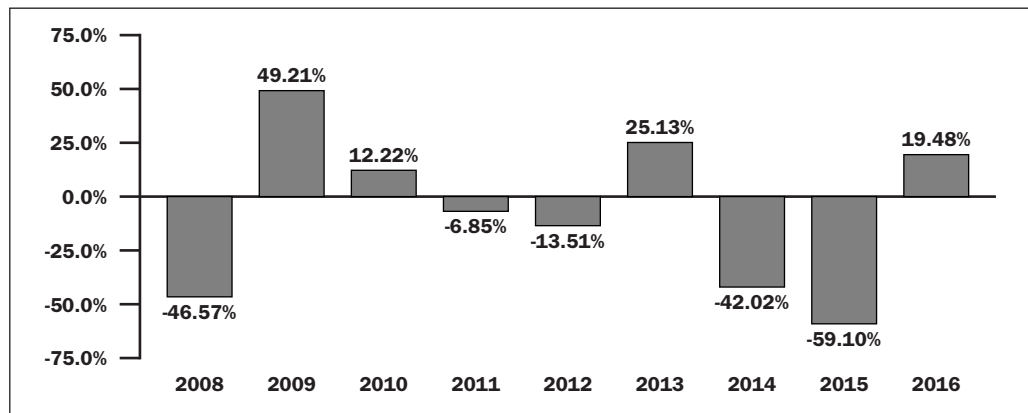
## First Trust Natural Gas ETF (FCG)

showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index, a broad-based market index and a specialized securities market index. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

### First Trust Natural Gas ETF Calendar Year Total Returns as of 12/31



During the periods shown in the chart above:

Best Quarter		Worst Quarter	
34.52%	June 30, 2008	-40.35%	December 31, 2008

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

### Average Annual Total Returns for the Periods Ended December 31, 2016

	1 Year	5 Years	Since Inception	Inception Date
Return Before Taxes	19.48%	-21.05%	-12.18%	5/8/2007
Return After Taxes on Distributions	18.51%	-21.49%	-12.51%	
Return After Taxes on Distributions and Sale of Shares	10.97%	-14.02%	-7.84%	
ISE-Revere Natural Gas™ Index (reflects no deduction for fees, expenses or taxes)	19.78%	-21.07%	-11.89%	
Russell 3000® Index (reflects no deduction for fees, expenses or taxes)	12.74%	14.67%	6.57%	
S&P Composite 1500® Energy Index (reflects no deduction for fees, expenses or taxes)	27.31%	3.35%	3.18%	

## Management

### ***Investment Advisor***

First Trust Advisors L.P. (“*First Trust*” or the “*Advisor*”)

### ***Portfolio Managers***

The Fund’s portfolio is managed by a team (the “*Investment Committee*”) consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Fund since 2007, except for Chris A. Peterson, who has served as a member of the portfolio management team since 2016.

## Purchase and Sale of Fund Shares

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund’s Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on NYSE Arca and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on NYSE Arca at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

## Tax Information

The Fund’s distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

## Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund’s distributor, may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.



## SUMMARY INFORMATION

### First Trust Water ETF (FIW)

#### Investment Objective

The First Trust Water ETF (the “Fund”), formerly First Trust ISE Water Index Fund, seeks investment results that correspond generally to the price and yield (before the Fund’s fees and expenses) of an equity index called the ISE Water™ Index (the “Index”).

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
--	------

#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.40%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.17%
<b>Total Annual Fund Operating Expenses</b>	<b>0.57%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.00%
<b>Net Annual Fund Operating Expenses</b>	<b>0.57%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund’s investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.60% of its average daily net assets per year (the “Expense Cap”) at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund’s investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund’s investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund’s investment advisor only after April 30, 2018 upon 60 days’ written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain at current levels until April 30, 2018, and thereafter at 0.82% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund’s average daily net assets. The example assumes that the Fund’s investment advisor’s agreement to waive fees and/or pay the Fund’s expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.60% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$58	\$237	\$431	\$990

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 42% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed and owned by the International Securities Exchange, LLC (“ISE”), and is calculated and maintained by S&P Dow Jones Indices LLC. The Index is a modified market-capitalization weighted portfolio of 36 stocks of companies as of March 31, 2017 that derive a substantial portion of their revenues from the potable and wastewater industries, which are generally industrial and utilities companies. The components of the Index are adjusted so that the weights conform to the following schedule:

- Assign weights of 4.0% to stocks 1 - 10;
- Assign weights of 3.5% to stocks 11 - 15;
- Assign weights of 3.0% to stocks 16 - 20;
- Assign weights of 2.0% to stocks 21 - 30; and
- Equally distribute weights among remaining stocks.

The inception date of the Index was November 20, 2006. The Fund holds non-U.S. securities that are either directly listed on a U.S. securities exchange or in the form of depositary receipts. The Fund may also invest in securities of companies located in, or with significant operations in, emerging market countries. The Index includes the securities of small and mid cap companies.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund’s investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the “Frequent Purchases and Redemptions” Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund’s net asset value and possibly face delisting.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund’s digital information systems through “hacking” or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund’s third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**DEPOSITARY RECEIPTS RISK.** Depositary receipts may be less liquid than the underlying shares in their primary trading market. Any distributions paid to the holders of depositary receipts are usually subject to a fee charged by the depositary. Holders of depositary receipts may have limited voting rights, and investment restrictions in certain countries may adversely impact the

value of depositary receipts because such restrictions may limit the ability to convert the equity shares into depositary receipts and vice versa. Such restrictions may cause the equity shares of the underlying issuer to trade at a discount or premium to the market price of the depositary receipts.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund's 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on NYSE Arca. The Fund's investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on NYSE Arca at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on NYSE Arca, which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**NON-U.S. SECURITIES AND EMERGING MARKETS RISK.** Non-U.S. securities are subject to higher volatility than securities of domestic 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 foreign countries. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market countries.

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**SMALLER COMPANIES RISK.** Small and/or mid capitalization companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

## First Trust Water ETF (FIW)

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on NYSE Arca, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on NYSE Arca may be halted due to market conditions or for reasons that, in the view of NYSE Arca, make trading in shares inadvisable. In addition, trading in shares on NYSE Arca is subject to trading halts caused by extraordinary market volatility pursuant to NYSE Arca "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of NYSE Arca necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listings on NYSE Arca in the event the Fund's assets are small or the Fund does not have enough shareholders.

**UTILITIES COMPANIES RISK.** General problems of utilities companies include the imposition of rate caps, increased competition due to deregulation, the difficulty in obtaining an adequate return on invested capital or in financing large construction projects, the limitations on operations and increased costs and delays attributable to environmental considerations and the capital market's ability to absorb utility debt. In addition, taxes, government regulation, international politics, price and supply fluctuations, volatile interest rates and energy conservation may cause difficulties for utilities. All of such issuers have been experiencing certain of these problems in varying degrees.

**WATER COMPANIES RISK.** Adverse developments in the potable water and wastewater business may significantly affect the value of the shares of the Fund. Companies involved in the potable water and wastewater business are subject to environmental considerations, taxes, government regulation, price and supply fluctuations, competition and conservation.

### Annual Total Return

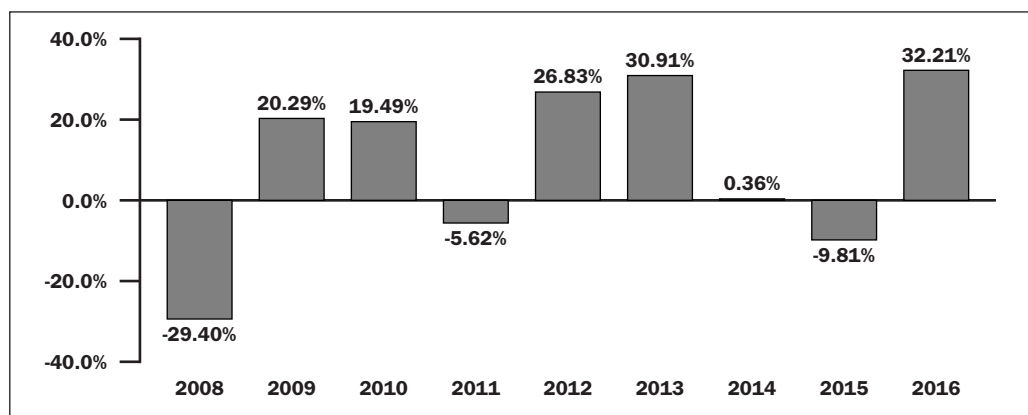
The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index and a broad-based market index. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

### First Trust Water ETF

#### Calendar Year Total Returns as of 12/31



During the periods shown in the chart above:

## First Trust Water ETF (FIW)

Best Quarter	Worst Quarter
18.52%    June 30, 2009	-20.91%    December 31, 2008

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

### Average Annual Total Returns for the Periods Ended December 31, 2016

	1 Year	5 Years	Since Inception	Inception Date
Return Before Taxes	32.21%	14.72%	8.17%	5/8/2007
Return After Taxes on Distributions	31.89%	14.36%	7.85%	
Return After Taxes on Distributions and Sale of Shares	18.22%	11.66%	6.47%	
ISE Water™ Index (reflects no deduction for fees, expenses or taxes)	33.03%	15.49%	8.89%	
Russell 3000® Index (reflects no deduction for fees, expenses or taxes)	12.74%	14.67%	6.57%	

### Management

#### **Investment Advisor**

First Trust Advisors L.P. ("*First Trust*" or the "*Advisor*")

#### **Portfolio Managers**

The Fund's portfolio is managed by a team (the "*Investment Committee*") consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Fund since 2007, except for Chris A. Peterson, who has served as a member of the portfolio management team since 2016.

### Purchase and Sale of Fund Shares

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund's Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on NYSE Arca and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on NYSE Arca at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

### Tax Information

The Fund's distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

### Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund's distributor, may pay the intermediary for the sale of Fund shares and related services.

## **First Trust Water ETF (FIW)**

These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## SUMMARY INFORMATION

### First Trust Morningstar Dividend Leaders Index Fund (FDL)

#### Investment Objective

The First Trust Morningstar Dividend Leaders Index Fund (the "Fund") seeks investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of an equity index called the Morningstar® Dividend Leaders Index<sup>SM</sup> (the "Index").

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
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#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.30%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.18%
<b>Total Annual Fund Operating Expenses</b>	<b>0.48%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.03%
<b>Net Annual Fund Operating Expenses</b>	<b>0.45%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund's investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.45% of its average daily net assets per year (the "Expense Cap") at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund's investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund's investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund's investment advisor only after April 30, 2018 upon 60 days' written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels until April 30, 2018, and thereafter at 0.73% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund's average daily net assets. The example assumes that the Fund's investment advisor's agreement to waive fees and/or pay the Fund's expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.45% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$46	\$205	\$378	\$880

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 50% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed, maintained and sponsored by Morningstar, Inc. (“Morningstar”). The inception date of the Index was June 30, 1997. The objective of the Index is to offer investors a benchmark for dividend portfolios as well as a means to invest in a portfolio of stocks that have a consistent record of growing dividends as well as the ability to sustain them. At the annual rebalance date each June, the Index consists of the top 100 stocks, based on dividend yield, in the Morningstar® US Market Index that have been selected through the application of Morningstar’s proprietary multi-step screening process. As of March 31, 2017, the Index was comprised of 97 component securities.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund’s investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the “Frequent Purchases and Redemptions” Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund’s net asset value and possibly face delisting.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund’s digital information systems through “hacking” or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund’s third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund’s 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund’s holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on NYSE Arca. The Fund’s investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on NYSE Arca at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares



## First Trust Morningstar Dividend Leaders Index Fund (FDL)

can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on NYSE Arca, which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**NON-DIVERSIFICATION RISK.** The Fund is classified as "non-diversified" under the Investment Company Act of 1940, as amended (the "1940 Act"). As a result, the Fund is only limited as to the percentage of its assets which may be invested in the securities of any one issuer by the diversification requirements imposed by the Internal Revenue Code of 1986, as amended. The Fund 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 invested in certain issuers.

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**TELECOMMUNICATIONS COMPANIES RISK.** Telecommunications companies are subject to risks such as a market characterized by increasing competition and regulation by the Federal Communications Commission and various state regulatory authorities, the need to commit substantial capital to meet increasing competition, particularly in formulating new products and services using new technology, and innovations that may make various products and services obsolete.

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on NYSE Arca, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on NYSE Arca may be halted due to market conditions or for reasons that, in the view of NYSE Arca, make trading in shares inadvisable. In addition, trading in shares on NYSE Arca is subject to trading halts caused by extraordinary market volatility pursuant to NYSE Arca "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of NYSE Arca necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listings on NYSE Arca in the event the Fund's assets are small or the Fund does not have enough shareholders.

### Annual Total Return

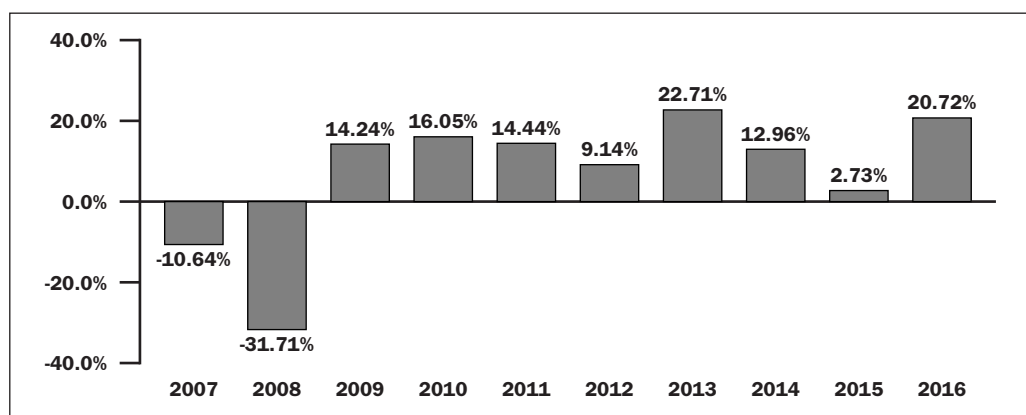
The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index and a broad-based market index. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

## First Trust Morningstar Dividend Leaders Index Fund (FDL)

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

### First Trust Morningstar Dividend Leaders Index Fund Calendar Year Total Returns as of 12/31



During the periods shown in the chart above:

Best Quarter		Worst Quarter	
26.37%	June 30, 2009	-25.26%	March 31, 2009

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

### Average Annual Total Returns for the Periods Ended December 31, 2016

	1 Year	5 Years	10 Years	Since Inception	Inception Date
Return Before Taxes	20.72%	13.41%	5.68%	7.09%	3/9/2006
Return After Taxes on Distributions	19.11%	11.80%	4.14%	5.56%	
Return After Taxes on Distributions and Sale of Shares	11.67%	9.86%	3.66%	4.87%	
Morningstar® Dividend Leaders Index <sup>(SM)</sup> (reflects no deduction for fees, expenses or taxes)	21.34%	13.99%	6.21%	7.62%	
S&P 500 Index® (reflects no deduction for fees, expenses or taxes)	11.96%	14.66%	6.95%	7.63%	

### Management

#### **Investment Advisor**

First Trust Advisors L.P. ("First Trust" or the "Advisor")

#### **Portfolio Managers**

The Fund's portfolio is managed by a team (the "Investment Committee") consisting of:

## First Trust Morningstar Dividend Leaders Index Fund (FDL)

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Fund since 2006, except for Chris A. Peterson, who has served as a member of the portfolio management team since 2016.

### **Purchase and Sale of Fund Shares**

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund's Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on NYSE Arca and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on NYSE Arca at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

### **Tax Information**

The Fund's distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

### **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund's distributor, may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## SUMMARY INFORMATION

### First Trust NASDAQ-100 Equal Weighted Index Fund (QQEW)

#### Investment Objective

The First Trust NASDAQ-100 Equal Weighted Index Fund (the "Fund") seeks investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of an equity index called the NASDAQ-100 Equal Weighted Index<sup>SM</sup> (the "Index").

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
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#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.40%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.21%
<b>Total Annual Fund Operating Expenses</b>	<b>0.61%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.01%
<b>Net Annual Fund Operating Expenses</b>	<b>0.60%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund's investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.60% of its average daily net assets per year (the "Expense Cap") at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund's investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund's investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund's investment advisor only after April 30, 2018 upon 60 days' written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels until April 30, 2018, and thereafter at 0.86% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund's average daily net assets. The example assumes that the Fund's investment advisor's agreement to waive fees and/or pay the Fund's expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.60% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$61	\$248	\$451	\$1,037

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 29% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed, maintained and sponsored by Nasdaq, Inc. The NASDAQ-100 Equal Weighted Index is the equal-weighted version of the NASDAQ-100 Index® which includes 100 of the largest non-financial securities listed on Nasdaq based on market capitalization. The Index contains the same securities as the NASDAQ-100 Index® but each of the securities is initially set at a weight of 1.00% of the Index which is rebalanced quarterly. The inception date of the Index was June 20, 2005. The Index includes the securities of mid cap companies.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund’s investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the “Frequent Purchases and Redemptions” Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund’s net asset value and possibly face delisting.

**CONSUMER DISCRETIONARY COMPANIES RISK.** Consumer discretionary companies are companies that provide non-essential goods and services, such as retailers, media companies and consumer services. These companies manufacture products and provide discretionary services directly to the consumer, and the success of these companies is tied closely to the performance of the overall domestic and international economy, interest rates, competition and consumer confidence. Success depends heavily on disposable household income and consumer spending. Changes in demographics and consumer tastes can also affect the demand for, and success of, consumer discretionary products in the marketplace.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund’s digital information systems through “hacking” or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund’s third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund’s 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on Nasdaq. The Fund's investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on Nasdaq at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**INFORMATION TECHNOLOGY COMPANIES RISK.** Information technology companies are generally subject to the following risks: rapidly changing technologies; short product life cycles; fierce competition; aggressive pricing and reduced profit margins; the loss of patent, copyright and trademark protections; cyclical market patterns; evolving industry standards; and frequent new product introductions. Information technology companies may be smaller and less experienced companies, with limited product lines, markets or financial resources and fewer experienced management or marketing personnel. Information technology company stocks, especially those which are internet related, have experienced extreme price and volume fluctuations that are often unrelated to their operating performance.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on Nasdaq which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**SMALLER COMPANIES RISK.** Mid capitalization companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on Nasdaq, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on Nasdaq may be halted due to market conditions or for reasons that, in the view of Nasdaq, make trading in shares inadvisable. In addition, trading in shares on Nasdaq is subject to trading halts caused by extraordinary market volatility pursuant to Nasdaq "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of Nasdaq necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listing on Nasdaq in the event the Fund's assets are small or the Fund does not have enough shareholders.

## First Trust NASDAQ-100 Equal Weighted Index Fund (QQEW)

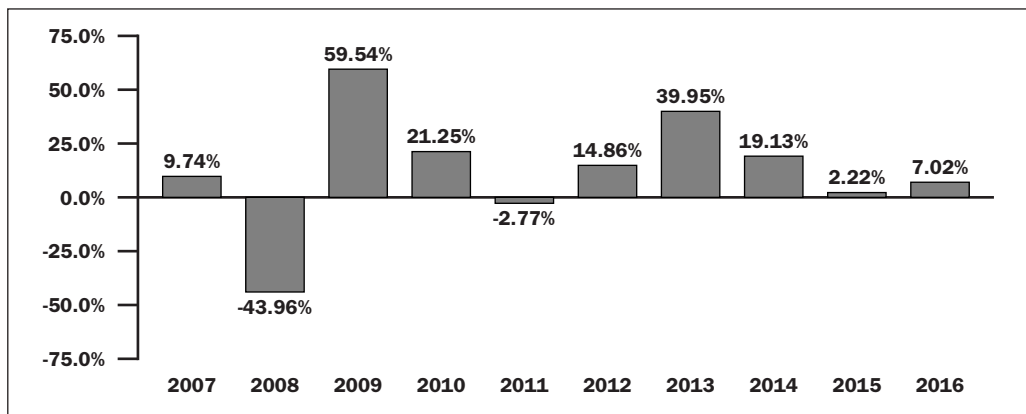
### Annual Total Return

The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index, a broad-based market index and a specialized securities market index. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

### First Trust NASDAQ-100 Equal Weighted Index Fund Calendar Year Total Returns as of 12/31



During the periods shown in the chart above:

Best Quarter	Worst Quarter
21.82%    June 30, 2009	-27.75%    December 31, 2008

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

## First Trust NASDAQ-100 Equal Weighted Index Fund (QQEW)

### Average Annual Total Returns for the Periods Ended December 31, 2016

	1 Year	5 Years	10 Years	Since Inception	Inception Date
Return Before Taxes	7.02%	15.94%	9.25%	8.68%	4/19/2006
Return After Taxes on Distributions	6.66%	15.54%	9.02%	8.46%	
Return After Taxes on Distributions and Sale of Shares	3.96%	12.68%	7.48%	7.03%	
NASDAQ-100 Equal Weighted Index <sup>(SM)</sup> (reflects no deduction for fees, expenses or taxes)	7.65%	16.66%	9.95%	9.36%	
S&P 500 <sup>®</sup> Index (reflects no deduction for fees, expenses or taxes)	11.96%	14.66%	6.95%	7.41%	
NASDAQ-100 Index <sup>®</sup> (reflects no deduction for fees, expenses or taxes)	7.27%	17.90%	11.82%	11.18%	

### Management

#### **Investment Advisor**

First Trust Advisors L.P. (“*First Trust*” or the “*Advisor*”)

#### **Portfolio Managers**

The Fund’s portfolio is managed by a team (the “*Investment Committee*”) consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Fund since 2006, except for Chris A. Peterson, who has served as a member of the portfolio management team since 2016.

### Purchase and Sale of Fund Shares

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund’s Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on Nasdaq and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on Nasdaq at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

### Tax Information

The Fund’s distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

### Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund’s distributor, may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.



## SUMMARY INFORMATION

### First Trust NASDAQ-100 Ex-Technology Sector Index Fund (QQXT)

#### Investment Objective

The First Trust NASDAQ-100 Ex-Technology Sector Index Fund (the "Fund") seeks investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of an equity index called the NASDAQ-100 Ex-Tech Sector Index<sup>SM</sup> (the "Index").

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
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#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.40%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.24%
Acquired Fund Fees and Expenses	0.00%
<b>Total Annual Fund Operating Expenses</b>	<b>0.64%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.04%
<b>Net Annual Fund Operating Expenses</b>	<b>0.60%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund's investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.60% of its average daily net assets per year (the "Expense Cap") at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund's investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund's investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund's investment advisor only after April 30, 2018 upon 60 days' written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels until April 30, 2018, and thereafter at 0.89% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund's average daily net assets. The example assumes that the Fund's investment advisor's agreement to waive fees and/or pay the Fund's expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.60% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$61	\$255	\$465	\$1,069

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 30% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed, maintained and sponsored by Nasdaq, Inc. The Index is an equal-weighted index based on the securities of the NASDAQ-100 Index<sup>®</sup> that are not classified as “technology” according to the Industry Classification Benchmark (“ICB”) classification system and, as a result, is a subset of the NASDAQ-100 Index<sup>®</sup>. The NASDAQ-100 Index<sup>®</sup> includes 100 of the largest domestic and international non-financial companies listed on Nasdaq based on market capitalization. The inception date of the Index was February 22, 2006 and the inception date of the NASDAQ-100 Index<sup>®</sup> was January 31, 1985. As of March 31, 2017, the Index was comprised of 72 component securities. The Index includes the securities of mid cap companies.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund’s investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the “Frequent Purchases and Redemptions” Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund’s net asset value and possibly face delisting.

**CONSUMER DISCRETIONARY COMPANIES RISK.** Consumer discretionary companies are companies that provide non-essential goods and services, such as retailers, media companies and consumer services. These companies manufacture products and provide discretionary services directly to the consumer, and the success of these companies is tied closely to the performance of the overall domestic and international economy, interest rates, competition and consumer confidence. Success depends heavily on disposable household income and consumer spending. Changes in demographics and consumer tastes can also affect the demand for, and success of, consumer discretionary products in the marketplace.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund’s digital information systems through “hacking” or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund’s third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund’s 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on Nasdaq. The Fund's investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on Nasdaq at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**HEALTH CARE COMPANIES RISK.** Health care companies are companies involved in medical services or health care, including biotechnology research and production, drugs and pharmaceuticals and health care facilities and services. These companies are subject to extensive competition, generic drug sales or the loss of patent protection, product liability litigation and increased government regulation. Research and development costs of bringing new drugs to market are substantial, and there is no guarantee that the product will ever come to market. Health care facility operators may be affected by the demand for services, efforts by government or insurers to limit rates, restriction of government financial assistance and competition from other providers.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on Nasdaq which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**SMALLER COMPANIES RISK.** Mid capitalization companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on Nasdaq, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on Nasdaq may be halted due to market conditions or for reasons that, in the view of Nasdaq, make trading in shares inadvisable. In addition, trading in shares on Nasdaq is subject to trading halts caused by extraordinary market volatility pursuant to Nasdaq "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of Nasdaq necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listing on Nasdaq in the event the Fund's assets are small or the Fund does not have enough shareholders.

## First Trust NASDAQ-100 Ex-Technology Sector Index Fund (QQXT)

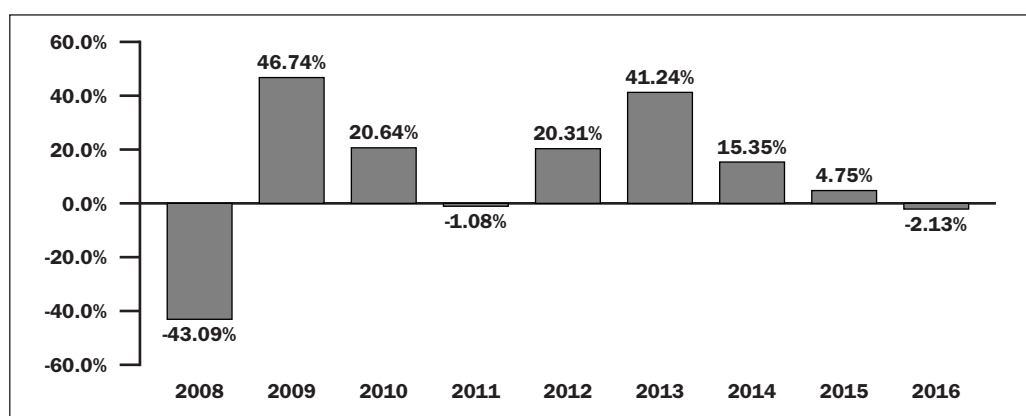
### Annual Total Return

The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index and a broad-based market index. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

### First Trust NASDAQ-100 Ex-Technology Sector Index Fund Calendar Year Total Returns as of 12/31



During the periods shown in the chart above:

Best Quarter		Worst Quarter	
21.76%	September 30, 2009	-27.41%	December 31, 2008

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

### Average Annual Total Returns for the Periods Ended December 31, 2016

	1 Year	5 Years	Since Inception	Inception Date
Return Before Taxes	-2.13%	14.98%	7.90%	2/8/2007
Return After Taxes on Distributions	-2.26%	14.68%	7.70%	
Return After Taxes on Distributions and Sale of Shares	-1.21%	11.92%	6.33%	
NASDAQ-100 Ex-Tech Sector Index <sup>SM</sup> (reflects no deduction for fees, expenses or taxes)	-1.66%	15.67%	8.57%	
Russell 1000 <sup>®</sup> Index (reflects no deduction for fees, expenses or taxes)	12.05%	14.69%	6.86%	

## Management

### ***Investment Advisor***

First Trust Advisors L.P. (“*First Trust*” or the “*Advisor*”)

### ***Portfolio Managers***

The Fund’s portfolio is managed by a team (the “*Investment Committee*”) consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Fund since 2007, except for Chris A. Peterson, who has served as a member of the portfolio management team since 2016.

## Purchase and Sale of Fund Shares

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund’s Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on Nasdaq and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on Nasdaq at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

## Tax Information

The Fund’s distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

## Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund’s distributor, may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

## SUMMARY INFORMATION

### First Trust NASDAQ-100-Technology Sector Index Fund (QTEC)

#### Investment Objective

The First Trust NASDAQ-100-Technology Sector Index Fund (the "Fund") seeks investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of an equity index called the NASDAQ-100 Technology Sector Index<sup>SM</sup> (the "Index").

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
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#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.40%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.20%
<b>Total Annual Fund Operating Expenses</b>	<b>0.60%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.00%
<b>Net Annual Fund Operating Expenses</b>	<b>0.60%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund's investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.60% of its average daily net assets per year (the "Expense Cap") at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund's investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund's investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund's investment advisor only after April 30, 2018 upon 60 days' written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels until April 30, 2018, and thereafter at 0.85% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund's average daily net assets. The example assumes that the Fund's investment advisor's agreement to waive fees and/or pay the Fund's expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.60% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$61	\$246	\$447	\$1,026

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 27% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund's investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund's performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed, maintained and sponsored by Nasdaq, Inc. The Index is an equal-weighted index based on the securities of the NASDAQ-100 Index<sup>®</sup> that are classified as "technology" according to the Industry Classification Benchmark classification system. The NASDAQ-100 Index<sup>®</sup> includes 100 of the largest domestic and international non-financial companies listed on Nasdaq based on market capitalization. The inception date of the Index was February 22, 2006 and the inception date of the NASDAQ-100 Index<sup>®</sup> was January 1, 1985. On March 31, 2017, there were 35 securities that comprised the Index. The Index includes the securities of mid cap companies.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund's investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the "Frequent Purchases and Redemptions" Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund's net asset value and possibly face delisting.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund's digital information systems through "hacking" or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund's third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund's 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on Nasdaq. The Fund's investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on Nasdaq at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only

be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**INFORMATION TECHNOLOGY COMPANIES RISK.** Information technology companies are generally subject to the following risks: rapidly changing technologies; short product life cycles; fierce competition; aggressive pricing and reduced profit margins; the loss of patent, copyright and trademark protections; cyclical market patterns; evolving industry standards; and frequent new product introductions. Information technology companies may be smaller and less experienced companies, with limited product lines, markets or financial resources and fewer experienced management or marketing personnel. Information technology company stocks, especially those which are internet related, have experienced extreme price and volume fluctuations that are often unrelated to their operating performance.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on Nasdaq which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**SEMICONDUCTOR COMPANIES RISK.** Semiconductor companies are primarily involved in the design, distribution, manufacture and sale of semiconductors. Semiconductor companies are significantly affected by rapid obsolescence, intense competition and global demand. The Fund is also subject to the risk that the securities of such issuers will underperform the market as a whole due to legislative or regulatory changes. The prices of the securities of semiconductor companies may fluctuate widely in response to such events.

**SMALLER COMPANIES RISK.** Mid capitalization companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on Nasdaq, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on Nasdaq may be halted due to market conditions or for reasons that, in the view of Nasdaq, make trading in shares inadvisable. In addition, trading in shares on Nasdaq is subject to trading halts caused by extraordinary market volatility pursuant to Nasdaq "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of Nasdaq necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listing on Nasdaq in the event the Fund's assets are small or the Fund does not have enough shareholders.



## First Trust NASDAQ-100-Technology Sector Index Fund (QTEC)

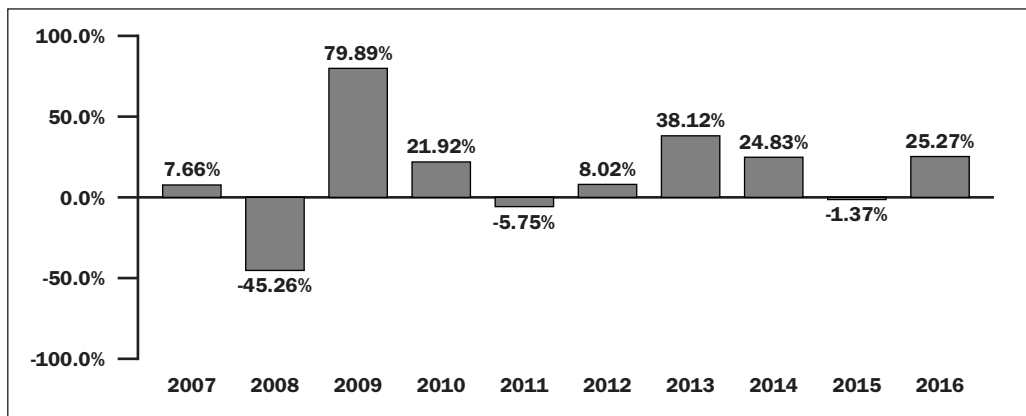
### Annual Total Return

The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index, a broad-based market index and a specialized securities market index. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

### First Trust NASDAQ-100-Technology Sector Index Fund Calendar Year Total Returns as of 12/31



During the periods shown in the chart above:

Best Quarter	Worst Quarter
22.52%    June 30, 2009	-27.70%    December 31, 2008

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

## First Trust NASDAQ-100-Technology Sector Index Fund (QTEC)

### Average Annual Total Returns for the Periods Ended December 31, 2016

	1 Year	5 Years	10 Years	Since Inception	Inception Date
Return Before Taxes	25.27%	18.14%	10.86%	10.10%	4/19/2006
Return After Taxes on Distributions	24.46%	17.60%	10.58%	9.83%	
Return After Taxes on Distributions and Sale of Shares	14.24%	14.45%	8.85%	8.24%	
NASDAQ-100 Technology Sector Index <sup>(SM)</sup> (reflects no deduction for fees, expenses or taxes)	26.18%	18.90%	11.57%	10.80%	
S&P 500 <sup>®</sup> Index (reflects no deduction for fees, expenses or taxes)	11.96%	14.66%	6.95%	7.41%	
S&P 500 Information Technology Index (reflects no deduction for fees, expenses or taxes)	13.85%	16.39%	9.93%	9.55%	

### Management

#### *Investment Advisor*

First Trust Advisors L.P. ("First Trust" or the "Advisor")

#### *Portfolio Managers*

The Fund's portfolio is managed by a team (the "Investment Committee") consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Fund since 2006, except for Chris A. Peterson, who has served as a member of the portfolio management team since 2016.

### Purchase and Sale of Fund Shares

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund's Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on Nasdaq and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on Nasdaq at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

### Tax Information

The Fund's distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

### Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund's distributor, may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## SUMMARY INFORMATION

### First Trust NASDAQ<sup>®</sup> ABA Community Bank Index Fund (QABA)

#### Investment Objective

The First Trust NASDAQ<sup>®</sup> ABA Community Bank Index Fund (the "Fund") seeks investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of an equity index called the NASDAQ OMX<sup>®</sup> ABA Community Bank Index<sup>SM</sup> (the "Index").

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
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#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.40%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.21%
<b>Total Annual Fund Operating Expenses</b>	<b>0.61%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.01%
<b>Net Annual Fund Operating Expenses</b>	<b>0.60%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund's investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.60% of its average daily net assets per year (the "Expense Cap") at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund's investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund's investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund's investment advisor only after April 30, 2018 upon 60 days' written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels until April 30, 2018, and thereafter at 0.86% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund's average daily net assets. The example assumes that the Fund's investment advisor's agreement to waive fees and/or pay the Fund's expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.60% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$61	\$248	\$451	\$1,037

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 16% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is jointly owned and was developed by Nasdaq, Inc. (the “*Index Provider*”) and American Bankers Association (the “*ABA*”). The Index is calculated and maintained by the Index Provider.

For the purposes of the Index, a “*community bank*” is considered to be all U.S. banks and thrifts or their holding companies listed on Nasdaq, excluding the 50 largest U.S. banks by asset size. Also excluded are banks that have an international specialization and those banks that have a credit-card specialization, as screened by the ABA based on the most recent data from the Federal Deposit Insurance Corporation (the “*FDIC*”). Banks with an international specialization are those institutions with assets greater than \$10 billion and more than 25% of total assets in foreign offices. Banks with a credit-card specialization are those institutions with credit-card loans plus securitized receivables in excess of 50% of total assets plus securitized receivables. Securities in the Index have a market capitalization of at least \$200 million and as of March 31, 2017, there were 160 securities that comprised the Index. The Index includes the securities of small and mid cap companies.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund’s investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the “Frequent Purchases and Redemptions” Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund’s net asset value and possibly face delisting.

**COMMUNITY BANK RISK.** Community banks were significantly impacted by the downturn in the United States and world economies that began with the decline in the subprime mortgage lending market in the United States. These conditions have brought about legislative and regulatory changes, changes in short-term and long-term interest rates, inflation and changes in government monetary and fiscal policies, all of which have had a significant impact on the banking business. Community banks may also be affected by anticipated government fiscal policy initiatives relating to the current period of historically low interest rates and the market reaction to those initiatives.

Unlike larger national or other regional banks that are more geographically diversified, a community bank’s financial performance may be highly dependent upon the business environment in certain geographic regions of the United States and may be adversely impacted by any downturn or unfavorable economic or employment developments in its local market and the United States as a whole. In particular, this environment impacts the ability of borrowers to pay interest on and repay principal of outstanding loans and the value of collateral securing those loans. Also, the securities of community banks are often subject to low trading volume and low analyst coverage.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund’s digital information systems through “hacking” or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended

users. In addition, cyber security breaches of the Fund's third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund's 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on Nasdaq. The Fund's investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on Nasdaq at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on Nasdaq which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**SMALLER COMPANIES RISK.** Small and/or mid capitalization companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on Nasdaq, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on Nasdaq may be halted due to market conditions or for reasons that, in the view of Nasdaq, make trading in shares inadvisable. In addition, trading in shares on Nasdaq is subject to trading halts caused by extraordinary market volatility pursuant to Nasdaq "circuit breaker" rules. Market

## First Trust NASDAQ® ABA Community Bank Index Fund (QABA)

makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of Nasdaq necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listing on Nasdaq in the event the Fund's assets are small or the Fund does not have enough shareholders.

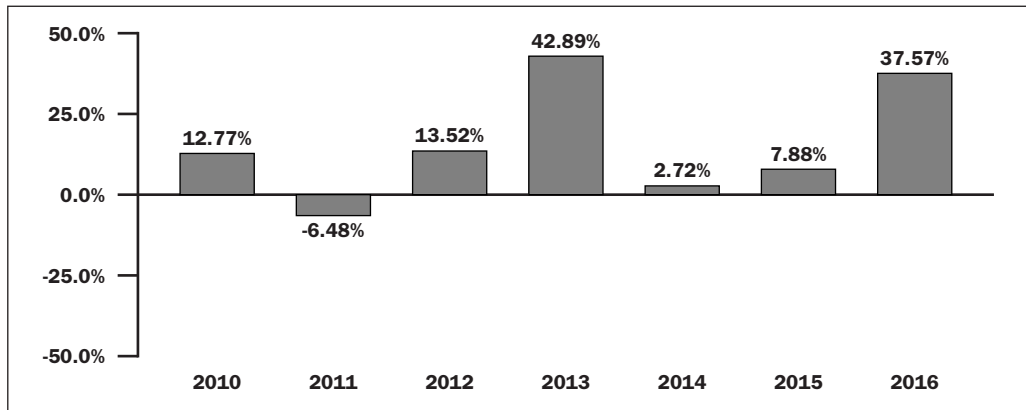
### Annual Total Return

The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index, a broad-based market index and a specialized index. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

### First Trust NASDAQ® ABA Community Bank Index Fund Calendar Year Total Returns as of 12/31



During the periods shown in the chart above:

Best Quarter	Worst Quarter
28.28%    December 31, 2016	-21.25%    September 30, 2011

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

## First Trust NASDAQ® ABA Community Bank Index Fund (QABA)

### Average Annual Total Returns for the Periods Ended December 31, 2016

	1 Year	5 Years	Since Inception	Inception Date
Return Before Taxes	37.57%	19.85%	15.46%	6/29/2009
Return After Taxes on Distributions	36.72%	19.14%	14.81%	
Return After Taxes on Distributions and Sale of Shares	21.16%	15.79%	12.43%	
NASDAQ OMX® ABA Community Bank Index <sup>SM</sup> (reflects no deduction for fees, expenses or taxes)	38.47%	20.61%	16.20%	
Russell 3000® Index (reflects no deduction for fees, expenses or taxes)	12.74%	14.67%	15.04%	
S&P Composite 1500 Financials Index (reflects no deduction for fees, expenses or taxes)	24.28%	19.30%	14.80%	

### Management

#### **Investment Advisor**

First Trust Advisors L.P. (“*First Trust*” or the “*Advisor*”)

#### **Portfolio Managers**

The Fund’s portfolio is managed by a team (the “*Investment Committee*”) consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Fund since 2009, except for Chris A. Peterson, who has served as a member of the portfolio management team since 2016.

### Purchase and Sale of Fund Shares

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund’s Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on Nasdaq and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on Nasdaq at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

### Tax Information

The Fund’s distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

### Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund’s distributor, may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

## SUMMARY INFORMATION

### First Trust NASDAQ® Clean Edge® Green Energy Index Fund (QCLN)

#### Investment Objective

The First Trust NASDAQ® Clean Edge® Green Energy Index Fund (the “Fund”) seeks investment results that correspond generally to the price and yield (before the Fund’s fees and expenses) of an equity index called the NASDAQ® Clean Edge® Green Energy Index<sup>SM</sup> (the “Index”).

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
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#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.40%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.28%
<b>Total Annual Fund Operating Expenses</b>	<b>0.68%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.08%
<b>Net Annual Fund Operating Expenses</b>	<b>0.60%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund’s investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.60% of its average daily net assets per year (the “Expense Cap”) at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund’s investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund’s investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund’s investment advisor only after April 30, 2018 upon 60 days’ written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain at current levels until April 30, 2018, and thereafter at 0.93% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund’s average daily net assets. The example assumes that the Fund’s investment advisor’s agreement to waive fees and/or pay the Fund’s expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.60% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$61	\$263	\$482	\$1,113



## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 49% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed, maintained and sponsored by Nasdaq, Inc. (the “*Index Provider*”) and Clean Edge, Inc. The Index is a modified market capitalization-weighted index in which larger companies receive a larger Index weighting and includes caps to prevent high concentrations among larger alternative energy stocks. The Index is an equity index designed to track the performance of clean-energy companies that are publicly traded in the United States and includes companies engaged in manufacturing, development, distribution and installation of emerging clean-energy technologies including, but not limited to, solar photovoltaics, biofuels and advanced batteries.

The Index is reconstituted semi-annually in March and September and rebalanced quarterly. The inception date of the Index was November 17, 2006. The number of holdings in the Index may vary, but as of March 31, 2017, the Index was comprised of 38 component securities. The Index includes the securities of small and mid cap companies.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund’s investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the “Frequent Purchases and Redemptions” Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund’s net asset value and possibly face delisting.

**CLEAN ENERGY COMPANIES RISK.** Renewable and alternative energy companies can be significantly affected by the following factors: obsolescence of existing technology, short product cycles, legislation resulting in more strict government regulations and enforcement policies, fluctuations in energy prices and supply and demand of alternative energy fuels, energy conservation, the success of exploration projects, the supply of and demand for oil and gas, world events and economic conditions. In addition, shares of clean energy companies have been significantly more volatile than shares of companies operating in other more established industries and the securities included in the Fund may be subject to sharp price declines. This industry is relatively nascent and under-researched in comparison to more established and mature sectors, and should therefore be regarded as having greater investment risk.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund’s digital information systems through “hacking” or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund’s third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund's 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on Nasdaq. The Fund's investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on Nasdaq at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**INFORMATION TECHNOLOGY COMPANIES RISK.** Information technology companies are generally subject to the following risks: rapidly changing technologies; short product life cycles; fierce competition; aggressive pricing and reduced profit margins; the loss of patent, copyright and trademark protections; cyclical market patterns; evolving industry standards; and frequent new product introductions. Information technology companies may be smaller and less experienced companies, with limited product lines, markets or financial resources and fewer experienced management or marketing personnel. Information technology company stocks, especially those which are internet related, have experienced extreme price and volume fluctuations that are often unrelated to their operating performance.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on Nasdaq which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**NON-DIVERSIFICATION RISK.** The Fund is classified as "non-diversified" under the Investment Company Act of 1940, as amended (the "1940 Act"). As a result, the Fund is only limited as to the percentage of its assets which may be invested in the securities of any one issuer by the diversification requirements imposed by the Internal Revenue Code of 1986, as amended. The Fund 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 invested in certain issuers.

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**SEMICONDUCTOR COMPANIES RISK.** Semiconductor companies are primarily involved in the design, distribution, manufacture and sale of semiconductors. Semiconductor companies are significantly affected by rapid obsolescence, intense competition and global demand. The Fund is also subject to the risk that the securities of such issuers will underperform the market as a whole due to legislative or regulatory changes. The prices of the securities of semiconductor companies may fluctuate widely in response to such events.

**SMALL FUND RISK.** The Fund currently has fewer assets than larger funds, and like other relatively smaller funds, large inflows and outflows may impact the Fund's market exposure for limited periods of time. This impact may be positive or negative, depending on the direction of market movement during the period affected.

**SMALLER COMPANIES RISK.** Small and/or mid capitalization companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on Nasdaq, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on Nasdaq may be halted due to market conditions or for reasons that, in the view of Nasdaq, make trading in shares inadvisable. In addition, trading in shares on Nasdaq is subject to trading halts caused by extraordinary market volatility pursuant to Nasdaq "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of Nasdaq necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listing on Nasdaq in the event the Fund's assets are small or the Fund does not have enough shareholders.

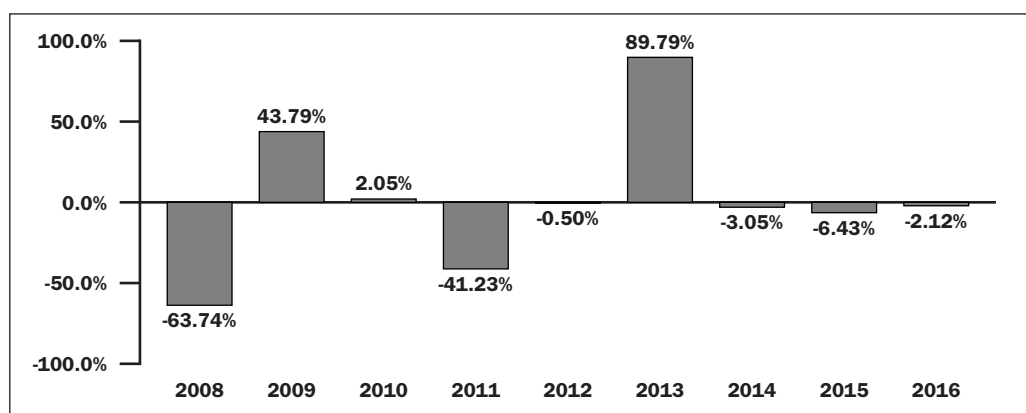
### Annual Total Return

The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index and a broad-based market index. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

**First Trust NASDAQ® Clean Edge® Green Energy Index Fund  
Calendar Year Total Returns as of 12/31**



During the periods shown in the chart above:

Best Quarter		Worst Quarter	
30.69%	June 30, 2009	-40.98%	December 31, 2008

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

**Average Annual Total Returns for the Periods Ended December 31, 2016**

	1 Year	5 Years	Since Inception	Inception Date
Return Before Taxes	-2.12%	10.89%	-2.12%	2/8/2007
Return After Taxes on Distributions	-2.67%	10.48%	-2.30%	
Return After Taxes on Distributions and Sale of Shares	-1.22%	8.47%	-1.66%	
NASDAQ® Clean Edge® Green Energy Index <sup>SM</sup> (reflects no deduction for fees, expenses or taxes)	-2.65%	10.53%	-1.94%	
Russell 2000® Index (reflects no deduction for fees, expenses or taxes)	21.31%	14.46%	6.75%	

**Management**

**Investment Advisor**

First Trust Advisors L.P. ("First Trust" or the "Advisor")

**Portfolio Managers**

The Fund's portfolio is managed by a team (the "Investment Committee") consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Fund since 2007, except for Chris A. Peterson, who has served as a member of the portfolio management team since 2016.

### **Purchase and Sale of Fund Shares**

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund's Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on Nasdaq and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on Nasdaq at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

### **Tax Information**

The Fund's distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

### **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund's distributor, may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## SUMMARY INFORMATION

### First Trust NYSE Arca Biotechnology Index Fund (FBT)

#### Investment Objective

The First Trust NYSE Arca Biotechnology Index Fund (the "Fund") seeks investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of an equity index called the NYSE Arca Biotechnology Index<sup>SM</sup> (the "Index").

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
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#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.40%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.16%
<b>Total Annual Fund Operating Expenses</b>	<b>0.56%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.00%
<b>Net Annual Fund Operating Expenses</b>	<b>0.56%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund's investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.60% of its average daily net assets per year (the "Expense Cap") at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund's investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund's investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund's investment advisor only after April 30, 2018 upon 60 days' written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels until April 30, 2018, and thereafter at 0.81% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund's average daily net assets. The example assumes that the Fund's investment advisor's agreement to waive fees and/or pay the Fund's expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.60% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$57	\$234	\$425	\$978

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 42% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed, maintained and sponsored by NYSE Arca. The Index is an equal-dollar weighted index designed to measure the performance of a cross section of companies in the biotechnology industry that are primarily involved in the use of biological processes to develop products or provide services. Such processes include, but are not limited to, recombinant DNA technology, molecular biology, genetic engineering, monoclonal antibody-based technology, lipid/liposome technology, and genomics. The Index was established with a benchmark value of 200.00 on October 18, 1991. Real-time publication of the Index began on April 1, 1992. The Index is rebalanced quarterly based on closing prices on the third Friday in January, April, July and October to ensure that each component stock continues to represent approximately equal weight in the Index. The companies that comprise the Index trade on various exchanges. As of March 31, 2017, the Index was composed of 30 companies. The Index includes the securities of large, mid and small cap companies.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund’s investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the “Frequent Purchases and Redemptions” Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund’s net asset value and possibly face delisting.

**BIOTECHNOLOGY/PHARMACEUTICAL COMPANIES RISK.** Biotechnology and pharmaceutical companies are subject to changing government regulation which could have a negative effect on the price, profitability and availability of their products and services. Regulations have been proposed to increase the availability and affordability of prescription drugs including proposals to increase access to generic drugs and to increase the rebates paid by drug manufacturers in exchange for Medicaid coverage of their products. Whether such proposals will be adopted cannot be predicted. In addition, such companies face increasing competition from existing generic drugs, the termination of their patent protection for certain drugs and technological advances which render their products or services obsolete. The research and development costs required to bring a drug to market are substantial and may include a lengthy review by the government, with no guarantee that the product will ever be brought to market or show a profit. In addition, the potential for an increased amount of required disclosure of proprietary scientific information could negatively impact the competitive position of these companies. Many of these companies may not offer certain drugs or products for several years, and as a result, may have significant losses of revenue and earnings.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund’s digital information systems through “hacking” or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund’s third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same

## First Trust NYSE Arca Biotechnology Index Fund (FBT)

risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund's 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on NYSE Arca. The Fund's investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on NYSE Arca at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on NYSE Arca, which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**NON-DIVERSIFICATION RISK.** The Fund is classified as "non-diversified" under the Investment Company Act of 1940, as amended (the "1940 Act"). As a result, the Fund is only limited as to the percentage of its assets which may be invested in the securities of any one issuer by the diversification requirements imposed by the Internal Revenue Code of 1986, as amended. The Fund 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 invested in certain issuers.

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**SMALLER COMPANIES RISK.** Small and/or mid capitalization companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.



## First Trust NYSE Arca Biotechnology Index Fund (FBT)

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on NYSE Arca, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on NYSE Arca may be halted due to market conditions or for reasons that, in the view of NYSE Arca, make trading in shares inadvisable. In addition, trading in shares on NYSE Arca is subject to trading halts caused by extraordinary market volatility pursuant to NYSE Arca "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of NYSE Arca necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listings on NYSE Arca in the event the Fund's assets are small or the Fund does not have enough shareholders.

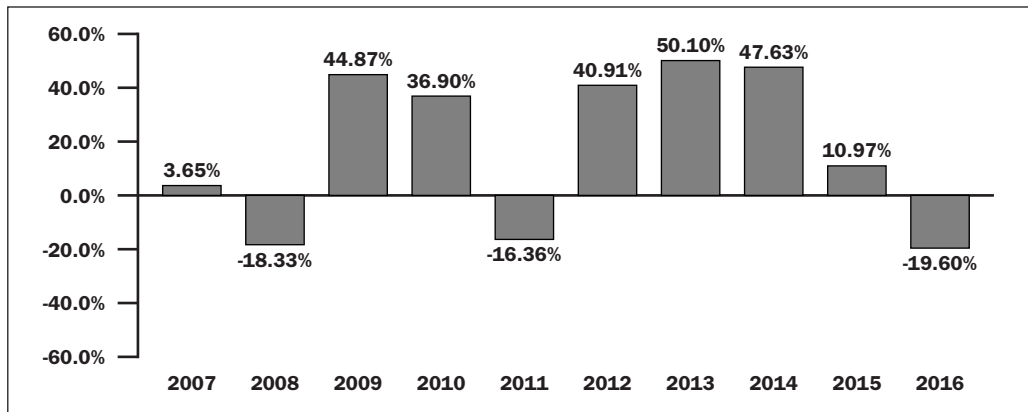
### Annual Total Return

The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index, a broad-based market index and two specialized securities market indices. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

### First Trust NYSE Arca Biotechnology Index Fund Calendar Year Total Returns as of 12/31



During the periods shown in the chart above:

Best Quarter		Worst Quarter	
32.14%	September 30, 2009	-24.61%	September 30, 2011

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

## First Trust NYSE Arca Biotechnology Index Fund (FBT)

### Average Annual Total Returns for the Periods Ended December 31, 2016

	1 Year	5 Years	10 Years	Since Inception	Inception Date
Return Before Taxes	-19.60%	22.74%	14.61%	15.60%	6/19/2006
Return After Taxes on Distributions	-19.60%	22.72%	14.56%	15.55%	
Return After Taxes on Distributions and Sale of Shares	-11.09%	18.74%	12.36%	13.32%	
NYSE Arca Biotechnology Index <sup>(SM)</sup> (reflects no deduction for fees, expenses or taxes)	-19.15%	23.30%	15.23%	16.23%	
NASDAQ <sup>®</sup> Biotechnology Index (reflects no deduction for fees, expenses or taxes)	-21.35%	21.00%	13.51%	13.92%	
S&P 500 <sup>®</sup> Index (reflects no deduction for fees, expenses or taxes)	11.96%	14.66%	6.95%	8.05%	
S&P Composite 1500 <sup>®</sup> Health Care Index (reflects no deduction for fees, expenses or taxes)	-2.05%	17.18%	9.97%	10.62%	

### Management

#### **Investment Advisor**

First Trust Advisors L.P. (“*First Trust*” or the “*Advisor*”)

#### **Portfolio Managers**

The Fund’s portfolio is managed by a team (the “*Investment Committee*”) consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Fund since 2006, except for Chris A. Peterson, who has served as a member of the portfolio management team since 2016.

### Purchase and Sale of Fund Shares

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund’s Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on NYSE Arca and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on NYSE Arca at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

### Tax Information

The Fund’s distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

### Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund’s distributor, may pay the intermediary for the sale of Fund shares and related services.

## **First Trust NYSE Arca Biotechnology Index Fund (FBT)**

These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## SUMMARY INFORMATION

### First Trust S&P REIT Index Fund (FRI)

#### Investment Objective

The First Trust S&P REIT Index Fund (the "Fund") seeks investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of an equity index called the S&P United States REIT Index (the "Index").

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
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#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.30%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.19%
<b>Total Annual Fund Operating Expenses</b>	<b>0.49%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.00%
<b>Net Annual Fund Operating Expenses</b>	<b>0.49%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund's investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.50% of its average daily net assets per year (the "Expense Cap") at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund's investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund's investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund's investment advisor only after April 30, 2018 upon 60 days' written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels until April 30, 2018, and thereafter at 0.74% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund's average daily net assets. The example assumes that the Fund's investment advisor's agreement to waive fees and/or pay the Fund's expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.50% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$50	\$211	\$387	\$895

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 6% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed, maintained and sponsored by S&P Dow Jones Indices LLC. Generally, real estate investment trusts (“REITs”) are companies that own and most often actively manage income-generating commercial real estate. Some REITs make or invest in loans and other obligations that are secured by real estate collateral.

The Index is a subset of the S&P Developed REIT Index, which measures the performance of more than 200 REITs or REIT-like structures in 15 developed markets. The S&P Developed REIT Index is a sub-index of the S&P Global REIT Index.

The S&P Developed REIT Index aims to represent an accurate measure of the REIT developed equity market, reflecting the risk and return characteristics of this broad universe on an on-going basis. The Index contains those constituents of the S&P Developed REIT Index that are domiciled in the United States. As of March 31, 2017, the Index is comprised of 158 companies. The Index includes the securities of small and mid cap companies.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund’s investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the “Frequent Purchases and Redemptions” Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund’s net asset value and possibly face delisting.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund’s digital information systems through “hacking” or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund’s third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund’s 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund’s holdings. The market prices of shares will generally fluctuate in accordance with changes in

net asset value as well as the relative supply of and demand for shares on NYSE Arca. The Fund's investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on NYSE Arca at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**INTEREST RATE RISK.** Increases in interest rates typically lower the present value of a REIT's future earnings stream, and may make financing property purchases and improvements more costly. The risk of rising interest rates may be greater currently than would normally be the case due to the current period of historically low rates and anticipated changes in government fiscal policy initiatives. Because the market price of REIT stocks may change based upon investors' collective perceptions of future earnings, the value of the Fund will generally decline when investors anticipate or experience rising interest rates.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on NYSE Arca, which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**REAL ESTATE INVESTMENT RISK.** The Fund invests in companies in the real estate industry, including REITs. Therefore, the Fund is subject to the risks associated with investing in real estate, which may include, but are not limited to, fluctuations in the value of underlying properties; defaults by borrowers or tenants; market saturation; changes in general and local economic conditions; decreases in market rates for rents; increases in competition, property taxes, capital expenditures or operating expenses; and other economic, political or regulatory occurrences affecting companies in the real estate industry.

**REIT INVESTMENT RISK.** In addition to risks related to investments in real estate generally, investing in REITs involves certain other risks related to their structure and focus, which include, but are not limited to, dependency upon management skills, limited diversification, the risks of locating and managing financing for projects, heavy cash flow dependency, possible default by borrowers, the costs and potential losses of self-liquidation of one or more holdings, the risk of a possible lack of mortgage funds and associated interest rate risks, overbuilding, property vacancies, increases in property taxes and operating expenses, changes in zoning laws, losses due to environmental damages, changes in neighborhood values and appeal to purchasers, the possibility of failing to maintain exemptions from registration under the Investment Company Act of 1940, as amended (the "1940 Act") and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility. REITs are also subject to the risk that the real estate market may experience an economic downturn generally, which may have a material effect on the real estate in which the REITs invest and their underlying portfolio securities.

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**RETAIL REIT RISK.** Retail REITs are real estate investment trusts that own and operate properties available for lease to retail companies. In addition to the risks related to REITs generally, retail REITs are especially sensitive to local and national economic cycles. During times of economic down cycles, retail REITs are subject to decreases in demand for retail rental properties, defaults by tenants and declines in rental market rates. Retail REITs are also negatively impacted by retail company bankruptcies and restructurings, including store closings, and changes in consumer discretionary spending.

**SMALLER COMPANIES RISK.** Small and/or mid capitalization companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on NYSE Arca, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on NYSE Arca may be halted due to market conditions or for reasons that, in the view of NYSE Arca, make trading in shares inadvisable. In addition, trading in shares on NYSE Arca is subject to trading halts caused by extraordinary market volatility pursuant to NYSE Arca "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of NYSE Arca necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listings on NYSE Arca in the event the Fund's assets are small or the Fund does not have enough shareholders.

### Annual Total Return

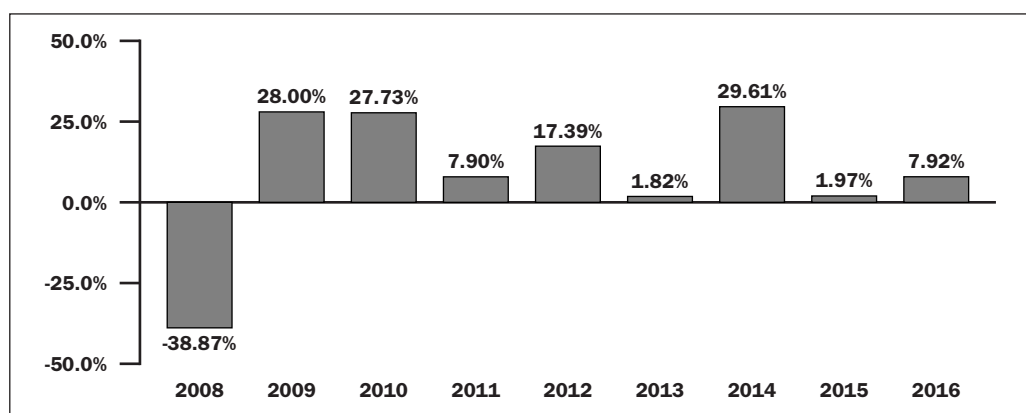
The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index, a broad-based market index and a specialized securities market index. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

On November 6, 2008, the Fund's underlying index changed from the S&P REIT Composite Index to the S&P United States REIT Index. Effective December 31, 2008, the S&P REIT Composite Index was discontinued. Therefore, the Fund's performance and historical total returns shown for the periods prior to November 6, 2008, are not necessarily indicative of the performance that the Fund, based on its current Index, would have generated. Because the Fund's Index had an inception date of June 30, 2008, it was not in existence for all the periods disclosed.

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

**First Trust S&P REIT Index Fund  
Calendar Year Total Returns as of 12/31**



During the periods shown in the chart above:

Best Quarter	Worst Quarter
34.45% September 30, 2009	-39.18% December 31, 2008

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

**Average Annual Total Returns for the Periods Ended December 31, 2016**

	1 Year	5 Years	Since Inception	Inception Date
Return Before Taxes	7.92%	11.26%	4.20%	5/8/2007
Return After Taxes on Distributions	6.44%	10.02%	3.15%	
Return After Taxes on Distributions and Sale of Shares	4.49%	8.33%	2.76%	
S&P United States REIT Index <sup>(1)</sup> (reflects no deduction for fees, expenses or taxes)	8.49%	11.85%	N/A	
Russell 3000 <sup>®</sup> Index (reflects no deduction for fees, expenses or taxes)	12.74%	14.67%	6.57%	
FTSE EPRA/NAREIT North America Index (reflects no deduction for fees, expenses or taxes)	8.18%	11.05%	4.39%	

(1) On November 6, 2008, the Fund's underlying index changed from the S&P REIT Composite Index to the S&P United States REIT Index. Effective December 31, 2008, the S&P REIT Composite Index was discontinued. Therefore, the Fund's performance and historical total returns shown for the periods prior to November 6, 2008, are not necessarily indicative of the performance that the Fund, based on its current Index, would have generated. Because the Fund's Index had an inception date of June 30, 2008, it was not in existence for all the periods disclosed.

**Management**

**Investment Advisor**

First Trust Advisors L.P. ("First Trust" or the "Advisor")

**Portfolio Managers**

The Fund's portfolio is managed by a team (the "Investment Committee") consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust



## First Trust S&P REIT Index Fund (FRI)

- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Fund since 2007, except for Chris A. Peterson, who has served as a member of the portfolio management team since 2016.

### **Purchase and Sale of Fund Shares**

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund's Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on NYSE Arca and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on NYSE Arca at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

### **Tax Information**

The Fund's distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

### **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund's distributor, may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## SUMMARY INFORMATION

### First Trust US Equity Opportunities ETF (FPX)

#### Investment Objective

The First Trust US Equity Opportunities ETF (the "Fund"), formerly First Trust US IPO Index Fund, seeks investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of an equity index called the IPOX<sup>®</sup>-100 U.S. Index (the "Index").

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
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#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.40%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.20%
<b>Total Annual Fund Operating Expenses</b>	<b>0.60%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.00%
<b>Net Annual Fund Operating Expenses</b>	<b>0.60%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund's investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.60% of its average daily net assets per year (the "Expense Cap") at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund's investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund's investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund's investment advisor only after April 30, 2018 upon 60 days' written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels until April 30, 2018, and thereafter at 0.85% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund's average daily net assets. The example assumes that the Fund's investment advisor's agreement to waive fees and/or pay the Fund's expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.60% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$61	\$246	\$447	\$1,026

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 41% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed, maintained and sponsored by IPOX<sup>®</sup> Schuster LLC (“IPOX<sup>®</sup>”). The Index is an applied, market-cap weighted price index measuring the performance of the top U.S. companies ranked quarterly by market capitalization in the IPOX<sup>®</sup> U.S. Composite Index, a sub-index of the IPOX<sup>®</sup> Global Composite Index. The Index utilizes a 10% capping on all constituents and includes the 100 largest public offerings (“IPOs”) in the IPOX<sup>®</sup> U.S. Composite Index, adjusted for liquidity. An IPO is a public offering in which the shares of stock in a company are sold to the general public for the first time, usually on an exchange. The Index is derived by ranking the applicable stocks by total market capitalization, which is the total number of shares outstanding times closing price. The inception date of the Index was January 3, 1989. In general, eligible constituents are added on the sixth day of trading and remain eligible to be included in the Index for approximately four years. The Index includes the securities of small, mid and large companies.

## Principal Risks

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**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund’s digital information systems through “hacking” or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund’s third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund’s 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund’s holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on NYSE Arca. The Fund’s investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on NYSE Arca at market

prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**HEALTH CARE COMPANIES RISK.** Health care companies are companies involved in medical services or health care, including biotechnology research and production, drugs and pharmaceuticals and health care facilities and services. These companies are subject to extensive competition, generic drug sales or the loss of patent protection, product liability litigation and increased government regulation. Research and development costs of bringing new drugs to market are substantial, and there is no guarantee that the product will ever come to market. Health care facility operators may be affected by the demand for services, efforts by government or insurers to limit rates, restriction of government financial assistance and competition from other providers.

**INFORMATION TECHNOLOGY COMPANIES RISK.** Information technology companies are generally subject to the following risks: rapidly changing technologies; short product life cycles; fierce competition; aggressive pricing and reduced profit margins; the loss of patent, copyright and trademark protections; cyclical market patterns; evolving industry standards; and frequent new product introductions. Information technology companies may be smaller and less experienced companies, with limited product lines, markets or financial resources and fewer experienced management or marketing personnel. Information technology company stocks, especially those which are internet related, have experienced extreme price and volume fluctuations that are often unrelated to their operating performance.

**IPO RISK.** Securities of companies that have recently conducted an initial public offering are often subject to extreme price volatility and speculative trading. These stocks may have exhibited above-average price appreciation in connection with the initial public offering prior to inclusion in the Index. The price of stocks included in the Index may not continue to appreciate and the performance of these stocks may not replicate the performance exhibited in the past.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on NYSE Arca, which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**NON-DIVERSIFICATION RISK.** The Fund is classified as "non-diversified" under the Investment Company Act of 1940, as amended (the "1940 Act"). As a result, the Fund is only limited as to the percentage of its assets which may be invested in the securities of any one issuer by the diversification requirements imposed by the Internal Revenue Code of 1986, as amended. The Fund 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 invested in certain issuers.

## First Trust US Equity Opportunities ETF (FPX)

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**SMALLER COMPANIES RISK.** Small and/or mid capitalization companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on NYSE Arca, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on NYSE Arca may be halted due to market conditions or for reasons that, in the view of NYSE Arca, make trading in shares inadvisable. In addition, trading in shares on NYSE Arca is subject to trading halts caused by extraordinary market volatility pursuant to NYSE Arca "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of NYSE Arca necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listings on NYSE Arca in the event the Fund's assets are small or the Fund does not have enough shareholders.

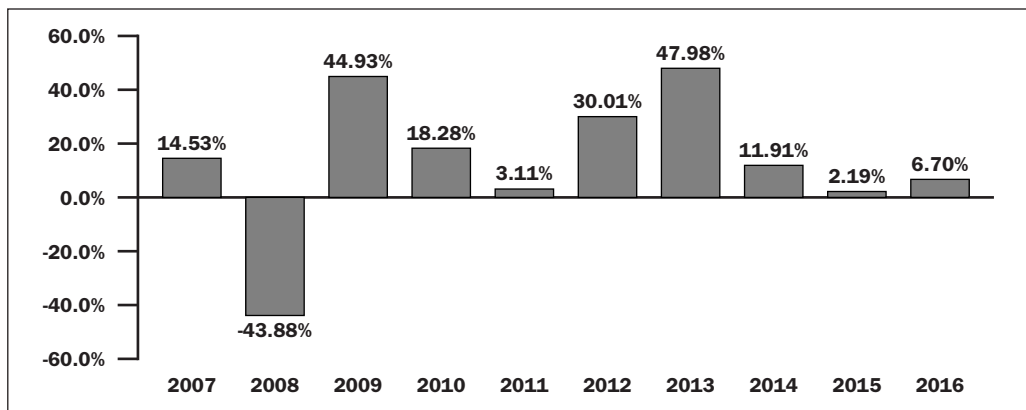
### Annual Total Return

The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index and a broad-based market index. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

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Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

### First Trust US Equity Opportunities ETF Calendar Year Total Returns as of 12/31



During the periods shown in the chart above:

## First Trust US Equity Opportunities ETF (FPX)

Best Quarter	Worst Quarter
19.72%    March 31, 2012	-26.27%    December 31, 2008

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

### Average Annual Total Returns for the Periods Ended December 31, 2016

	1 Year	5 Years	10 Years	Since Inception	Inception Date
Return Before Taxes	6.70%	18.61%	10.31%	10.65%	4/12/2006
Return After Taxes on Distributions	6.33%	18.22%	9.93%	10.30%	
Return After Taxes on Distributions and Sale of Shares	3.78%	14.96%	8.31%	8.67%	
IPOX <sup>®</sup> -100 U.S. Index (reflects no deduction for fees, expenses or taxes)	7.24%	19.30%	10.97%	11.32%	
S&P 500 Index <sup>®</sup> (reflects no deduction for fees, expenses or taxes)	11.96%	14.66%	6.95%	7.56%	
Russell 3000 <sup>®</sup> Index (reflects no deduction for fees, expenses or taxes)	12.74%	14.67%	7.07%	7.59%	

### Management

#### **Investment Advisor**

First Trust Advisors L.P. ("*First Trust*" or the "*Advisor*")

#### **Portfolio Managers**

The Fund's portfolio is managed by a team (the "*Investment Committee*") consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Fund since 2006, except for Chris A. Peterson, who has served as a member of the portfolio management team since 2016.

### Purchase and Sale of Fund Shares

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund's Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on NYSE Arca and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on NYSE Arca at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

### Tax Information

The Fund's distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

**Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund's distributor, may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## SUMMARY INFORMATION

### First Trust Value Line<sup>®</sup> 100 Exchange-Traded Fund (FVL)

#### Investment Objective

The First Trust Value Line<sup>®</sup> 100 Exchange-Traded Fund (the "Fund") seeks investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of an equity index called the Value Line<sup>®</sup> 100 Index (the "Index").

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
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#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.50%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.37%
<b>Total Annual Fund Operating Expenses</b>	<b>0.87%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.17%
<b>Net Annual Fund Operating Expenses</b>	<b>0.70%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund's investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.70% of its average daily net assets per year (the "Expense Cap") at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund's investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund's investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund's investment advisor only after April 30, 2018 upon 60 days' written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels until April 30, 2018, and thereafter at 1.12% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund's average daily net assets. The example assumes that the Fund's investment advisor's agreement to waive fees and/or pay the Fund's expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.70% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$72	\$314	\$576	\$1,326



## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 491% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed by Value Line Publishing, LLC (“*Value Line*”) and calculated by NYSE Arca. The Index is an equal-dollar weighted index that is designed to objectively identify and select 100 stocks from the universe of stocks to which Value Line assigns a #1 ranking in the Value Line Timeliness Ranking System (the “*Ranking System*”). The Index is comprised of securities of companies that are listed on a U.S. exchange. The inception date of the Index was January 16, 2007. The Timeliness rank measures the expected price performance relative to the other stocks in the universe over the following six to 12 months. The Ranking System was introduced in its present form in 1965. Each week, Value Line screens a wide array of data, using a series of proprietary calculations, such as long-term earnings and price trends, recent company earnings and price performance and earnings relative to expectations, to assign a Timeliness rank to each of the approximately 1,700 stocks in the Value Line universe, representing more than 90 industries, from #1 (highest) to #5 (lowest) based on their expected price performance relative to the other stocks in the universe over the following six to 12 months. At any one time, only 100 stocks are ranked #1 in the Ranking System. As of March 31, 2017, the Index was comprised of 97 component securities. The Index largely includes the securities of large and mid cap companies.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund’s investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the “Frequent Purchases and Redemptions” Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund’s net asset value and possibly face delisting.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund’s digital information systems through “hacking” or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund’s third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**ENERGY COMPANIES RISK.** Energy companies include integrated oil companies that are involved in the exploration, production and refining process, gas distributors and pipeline-related companies and other energy companies involved with mining, producing and delivering energy-related services and drilling. General problems of energy companies include volatile fluctuations in price and supply of energy fuels, international politics, terrorist attacks, reduced demand, the success of exploration projects, clean-up and litigation costs relating to oil spills and environmental damage, and tax and other regulatory

policies of various governments. Natural disasters such as hurricanes in the Gulf of Mexico also impact the petroleum industry. Oil production and refining companies are subject to extensive federal, state and local environmental laws and regulations regarding air emissions and the disposal of hazardous materials. In addition, oil prices are generally subject to extreme volatility.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund's 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on NYSE Arca. The Fund's investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on NYSE Arca at market prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on NYSE Arca, which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**PORTFOLIO TURNOVER RISK.** The Fund's strategy may frequently involve buying and selling portfolio securities to rebalance the Fund's exposure to various market sectors. High portfolio turnover may result in the Fund paying higher levels of transaction costs and generating greater tax liabilities for shareholders. Portfolio turnover risk may cause the Fund's performance to be less than you expect.

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**SMALL FUND RISK.** The Fund currently has fewer assets than larger funds, and like other relatively smaller funds, large inflows and outflows may impact the Fund's market exposure for limited periods of time. This impact may be positive or negative, depending on the direction of market movement during the period affected.

**SMALLER COMPANIES RISK.** Mid capitalization companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management

## First Trust Value Line® 100 Exchange-Traded Fund (FVL)

inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on NYSE Arca, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on NYSE Arca may be halted due to market conditions or for reasons that, in the view of NYSE Arca, make trading in shares inadvisable. In addition, trading in shares on NYSE Arca is subject to trading halts caused by extraordinary market volatility pursuant to NYSE Arca "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of NYSE Arca necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listings on NYSE Arca in the event the Fund's assets are small or the Fund does not have enough shareholders.

### Annual Total Return

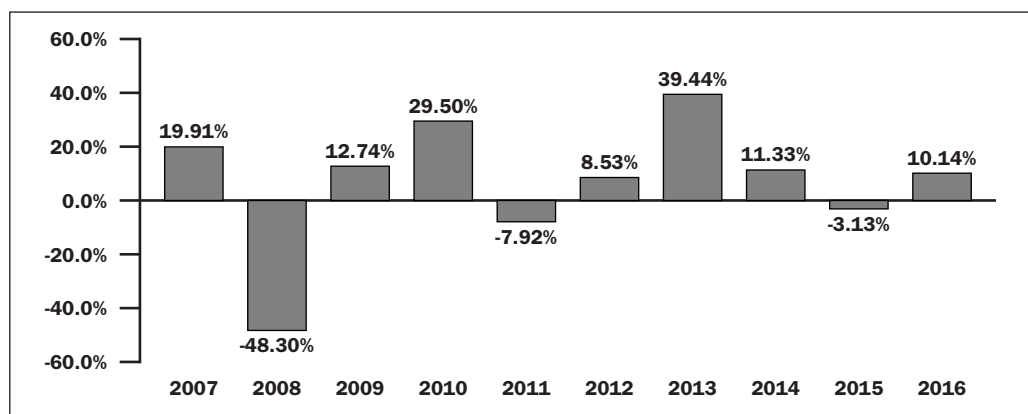
The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns based on net asset value compare to those of the Index and a broad-based market index. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

On June 15, 2007, the Fund acquired the assets and adopted the financial and performance history of First Trust Value Line® 100 Fund (the "Predecessor FVL Fund," a closed-end fund), which had an inception date of June 12, 2003. The inception date total returns at net asset value include the sales load of \$0.675 per share on the initial offering. The investment goals, strategies and policies of the Fund are substantially similar to those of the Predecessor FVL Fund. Because the Fund's Index had an inception date of January 16, 2007, it was not in existence for all of the periods disclosed.

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

### First Trust Value Line® 100 Exchange-Traded Fund Calendar Year Total Returns as of 12/31



During the periods shown in the chart above:

## First Trust Value Line® 100 Exchange-Traded Fund (FVL)

Best Quarter	Worst Quarter
17.21%    December 31, 2011	-29.04%    December 31, 2008

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

### Average Annual Total Returns for the Periods Ended December 31, 2016

	1 Year	5 Years	10 Years	Since Inception	Inception Date
Return Before Taxes	10.14%	12.44%	4.13%	5.97%	6/12/2003
Return After Taxes on Distributions	9.80%	12.16%	3.75%	5.07%	
Return After Taxes on Distributions and Sale of Fund Shares	5.70%	9.81%	3.09%	4.51%	
Value Line® 100 Index <sup>(1),(2)</sup> (reflects no deduction for fees, expenses or taxes)	11.29%	13.49%	N/A	N/A	
Russell 3000® Index (reflects no deduction for fees, expenses or taxes)	12.74%	14.67%	7.07%	8.69%	

(1) On June 15, 2007, the Fund acquired the assets and adopted the financial and performance history of First Trust Value Line® 100 Fund (the "Predecessor FVL Fund," a closed-end fund), which had an inception date of June 12, 2003. The inception date total returns at Net Asset Value include the sales load of \$0.675 per share on the initial offering. The investment goals, strategies and policies of the Fund are substantially similar to those of the Predecessor FVL Fund. The inception date of the Index was January 16, 2007. Returns for the Index are only disclosed for those periods in which the Index was in existence for the entire period. The cumulative total returns for the period from the reorganization date (06/15/07) through period end (12/31/16) were 33.15% and 33.27% at Net Asset Value and Market Value, respectively. That compares to an Index return of 45.39% for that same period. The average annual total returns for the period from the reorganization date (6/15/07) through period end (12/31/16) were 3.04% and 3.05% at Net Asset Value and Market Value, respectively. That compares to an Index return of 4.00% for the same period.

Net Asset Value and Market Value returns assume that all dividend distributions have been reinvested in the Fund at Net Asset Value and Market Value, respectively. Prior to June 15, 2007, Net Asset Value and Market Value returns assumed that all dividend distributions were reinvested at prices obtained by the Dividend Reinvestment Plan of the Predecessor FVL Fund and the price used to calculate Market Value return was the AMEX (now known as the NYSE MKT) closing market price of the Predecessor FVL Fund.

(2) Performance data is not available for all the periods shown in the table for the index because performance data does not exist for some of the entire periods.

## Management

### Investment Advisor

First Trust Advisors L.P. ("First Trust" or the "Advisor")

### Portfolio Managers

The Fund's portfolio is managed by a team (the "Investment Committee") consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Predecessor FVL Fund and the Fund since 2003, with the exception of Daniel Lindquist, Stan Ueland and Chris A. Peterson who have served since 2004, 2006 and 2016 respectively.

## Purchase and Sale of Fund Shares

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund's Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in

## First Trust Value Line<sup>®</sup> 100 Exchange-Traded Fund (FVL)

certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on NYSE Arca and other eligible securities exchanges through a broker-dealer. Shares of the Fund trade on NYSE Arca at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

### **Tax Information**

The Fund's distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

### **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund's distributor, may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## SUMMARY INFORMATION

### First Trust Value Line® Dividend Index Fund (FVD)

#### Investment Objective

The First Trust Value Line® Dividend Index Fund (the “Fund”) seeks investment results that correspond generally to the price and yield (before the Fund’s fees and expenses) of an equity index called the Value Line® Dividend Index (the “Index”).

#### Fees and Expenses of the Fund

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. Investors purchasing and selling shares may be subject to costs (including customary brokerage commissions) charged by their broker, which are not reflected in the table below.

#### Shareholder Fees

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
--	------

#### Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.50%
Distribution and Service (12b-1) Fees <sup>(1)</sup>	0.00%
Other Expenses	0.23%
<b>Total Annual Fund Operating Expenses</b>	<b>0.73%</b>
Fee Waiver and Expense Reimbursement <sup>(2)</sup>	0.03%
<b>Net Annual Fund Operating Expenses</b>	<b>0.70%</b>

(1) Although the Fund has adopted a 12b-1 plan that permits it to pay up to 0.25% per annum, it will not pay 12b-1 fees at any time before April 30, 2018.

(2) First Trust Advisors L.P., the Fund’s investment advisor, has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes and extraordinary expenses) exceed 0.70% of its average daily net assets per year (the “Expense Cap”) at least through April 30, 2018. Expenses reimbursed and fees waived under such agreement are subject to recovery by the Fund’s investment advisor for up to three years from the date the fee was waived or expense was incurred, but no reimbursement payment will be made by the Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by the Fund’s investment advisor. The agreement may be terminated by the Trust on behalf of the Fund at any time and by the Fund’s investment advisor only after April 30, 2018 upon 60 days’ written notice.

#### Example

The example below is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account customary brokerage commissions that you pay when purchasing or selling shares of the Fund in the secondary market.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain at current levels until April 30, 2018, and thereafter at 0.98% to represent the imposition of the 12b-1 fee of 0.25% per annum of the Fund’s average daily net assets. The example assumes that the Fund’s investment advisor’s agreement to waive fees and/or pay the Fund’s expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, brokerage commissions and other trading expenses, taxes, and extraordinary expenses) from exceeding 0.70% of average daily net assets per year will be terminated following April 30, 2018. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$72	\$284	\$514	\$1,176

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 60% of the average value of its portfolio.

## Principal Investment Strategies

The Fund will normally invest at least 90% of its net assets (including investment borrowings) in common stocks that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. The Fund’s investment advisor seeks a correlation of 0.95 or better (before fees and expenses) between the Fund’s performance and the performance of the Index; a figure of 1.00 would represent perfect correlation.

The Index is developed by Value Line Publishing, LLC and calculated by NYSE Arca. The Index is designed to objectively identify and select those stocks from the universe of stocks of which Value Line, Publishing LLC (“*Value Line*”) gives a Safety™ Ranking of #1 or #2 in the Value Line® Safety™ Ranking System and have the potential to pay above average dividends and capital appreciation. The Safety™ ranking measures the total risk of a stock relative to the other stocks in the Value Line universe.

The Index is a modified equal-dollar weighted index comprised of U.S. exchange-listed securities of companies that pay above-average dividends and have potential for capital appreciation. The inception date of the Index was July 3, 2006. On March 31, 2017, there were 188 securities that comprised the Index. The Index includes the securities of small and mid cap companies.

## Principal Risks

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund’s investment objective will be achieved.

**AUTHORIZED PARTICIPANT CONCENTRATION RISK.** Only an authorized participant (as defined in the “Frequent Purchases and Redemptions” Section) may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund’s net asset value and possibly face delisting.

**CYBER SECURITY RISK.** As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund’s digital information systems through “hacking” or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of the Fund’s third party service providers, such as its administrator, transfer agent, custodian, or sub-advisor, as applicable, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**EQUITY SECURITIES RISK.** Because the Fund invests in equity securities, the value of the Fund’s 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, such as market volatility, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**FLUCTUATION OF NET ASSET VALUE RISK.** The net asset value of shares of the Fund will generally fluctuate with changes in the market value of the Fund’s holdings. The market prices of shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for shares on NYSE Arca. The Fund’s investment advisor cannot predict whether shares will trade below, at or above their net asset value because the shares trade on NYSE Arca at market

prices and not at net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. However, given that shares can only be purchased and redeemed either in-kind or for cash in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund's investment advisor believes that large discounts or premiums to the net asset value of shares should not be sustained.

**MARKET MAKER RISK.** If the Fund has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a dramatic change in the spread between the Fund's net asset value and the price at which the Fund's shares are trading on NYSE Arca, which could result in a decrease in value of the Fund's shares. In addition, decisions by market makers or authorized participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of the Fund's portfolio securities and the Fund's market price. This reduced effectiveness could result in Fund shares trading at a discount to net asset value and also in greater than normal intraday bid-ask spreads for Fund shares.

**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. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**NON-CORRELATION RISK.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and may incur costs in buying and selling securities, especially when rebalancing the Fund's portfolio holdings to reflect changes in the composition of the Index. In addition, the Fund's portfolio holdings may not exactly replicate the securities included in the Index or the ratios between the securities included in the Index.

**REPLICATION MANAGEMENT RISK.** The Fund is exposed to additional market risk due to its policy of investing principally in the securities included in the Index. As a result of this policy, securities held by the Fund will generally not be bought or sold in response to market fluctuations.

**SMALLER COMPANIES RISK.** Small and/or mid capitalization companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

**UTILITIES COMPANIES RISK.** General problems of utilities companies include the imposition of rate caps, increased competition due to deregulation, the difficulty in obtaining an adequate return on invested capital or in financing large construction projects, the limitations on operations and increased costs and delays attributable to environmental considerations and the capital market's ability to absorb utility debt. In addition, taxes, government regulation, international politics, price and supply fluctuations, volatile interest rates and energy conservation may cause difficulties for utilities. All of such issuers have been experiencing certain of these problems in varying degrees.

**TRADING ISSUES RISK.** Although the shares of the Fund are listed for trading on NYSE Arca, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on NYSE Arca may be halted due to market conditions or for reasons that, in the view of NYSE Arca, make trading in shares inadvisable. In addition, trading in shares on NYSE Arca is subject to trading halts caused by extraordinary market volatility pursuant to NYSE Arca "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of NYSE Arca necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listings on NYSE Arca in the event the Fund's assets are small or the Fund does not have enough shareholders.

## Annual Total Return

The bar chart and table below illustrate the annual calendar year returns of the Fund based on net asset value as well as the average annual Fund and Index returns. The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance from year-to-year and by showing how the Fund's average annual total returns



## First Trust Value Line® Dividend Index Fund (FVD)

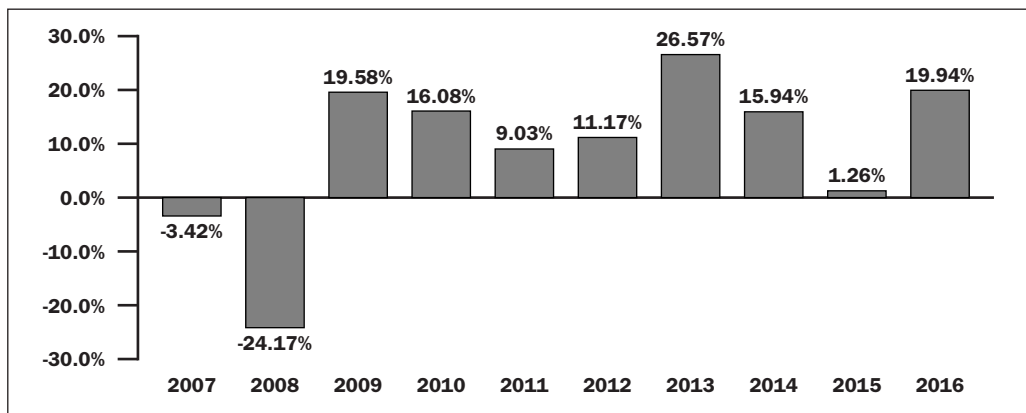
based on net asset value compare to those of the Index, a broad-based market index and a specialized securities market index. See "Total Return Information" for additional performance information regarding the Fund. The Fund's performance information is accessible on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

On December 15, 2006, the Fund acquired the assets and adopted the financial and performance history of First Trust Value Line® Dividend Fund (the "Predecessor FVD Fund," a closed-end fund), which had an inception date of August 19, 2003. The inception date total returns at net asset value include the sales load of \$0.675 per share on the initial offering. The investment goals, strategies and policies of the Fund are substantially similar to those of the Predecessor FVD Fund. Because the Fund's Index had an inception date of the Index was July 3, 2006, it was not in existence for all of the periods disclosed.

Returns before taxes do not reflect the effects of any income or capital gains taxes. All after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local tax. Returns after taxes on distributions reflect the taxed return on the payment of dividends and capital gains. Returns after taxes on distributions and sale of shares assume you sold your shares at period end, and, therefore, are also adjusted for any capital gains or losses incurred. Returns for the market indices do not include expenses, which are deducted from Fund returns, or taxes.

Your own actual after-tax returns will depend on your specific tax situation and may differ from what is shown here. After-tax returns are not relevant to investors who hold Fund shares in tax-deferred accounts such as individual retirement accounts (IRAs) or employee-sponsored retirement plans.

### First Trust Value Line® Dividend Index Fund Calendar Year Total Returns as of 12/31



During the periods shown in the chart above:

Best Quarter	Worst Quarter
14.54%    June 30, 2009	-16.42%    December 31, 2008

The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

## First Trust Value Line® Dividend Index Fund (FVD)

### Average Annual Total Returns for the Periods Ended December 31, 2016

	1 Year	5 Years	10 Years	Since Inception	Inception Date
Return Before Taxes	19.94%	14.66%	8.19%	9.93%	8/19/2003
Return After Taxes on Distributions	18.85%	13.48%	7.07%	8.35%	
Return After Taxes on Distributions and Sale of Fund Shares	11.26%	11.15%	6.01%	7.44%	
Value Line® Dividend Index <sup>(1)</sup> (reflects no deduction for fees, expenses or taxes)	20.92%	15.60%	9.04%	N/A	
S&P 500® Index (reflects no deduction for fees, expenses or taxes)	11.96%	14.66%	6.95%	8.41%	
Dow Jones U.S. Select Dividend Index <sup>SM(2)</sup> (reflects no deduction for fees, expenses or taxes)	21.98%	14.64%	6.72%	N/A	

(1) On December 15, 2006, the Fund acquired the assets and adopted the financial and performance history of First Trust Value Line® Dividend Fund (the "Predecessor FVD Fund," a closed-end fund), which had an inception date of August 19, 2003. The inception date total returns at Net Asset Value include the sales load of \$0.675 per share on the initial offering. The investment goals, strategies and policies of the Fund are substantially similar to those of the Predecessor FVD Fund. The inception date of the Index was July 3, 2006. Returns for the Index are only disclosed for those periods in which the Index was in existence for the entire period. The cumulative total returns for the period from the reorganization date (12/15/06) through period end (12/31/16) were 119.11% and 120.39% at Net Asset Value and Market Value, respectively. That compares to an Index return of 137.92% for the same period. The average annual total returns for the period from the reorganization date (12/15/06) through period end (12/31/16) were 8.12% and 8.19% at Net Asset Value and Market Value, respectively. That compares to an Index return of 9.02% for the same period.

Net Asset Value and Market Value returns assume that all dividend distributions have been reinvested in the Fund at Net Asset Value and Market Value, respectively. Prior to December 15, 2006, Net Asset Value and Market Value returns assumed that all dividend distributions were reinvested at prices obtained by the Dividend Reinvestment Plan of the Predecessor FVD Fund and the price used to calculate Market Value return was the AMEX (now known as the NYSE MKT) closing market price of the Predecessor FVD Fund.

(2) Performance data is not available for all the periods shown in the table for the index because performance data does not exist for some of the entire periods.

## Management

### Investment Advisor

First Trust Advisors L.P. ("First Trust" or the "Advisor")

### Portfolio Managers

The Fund's portfolio is managed by a team (the "Investment Committee") consisting of:

- Daniel J. Lindquist, Chairman of the Investment Committee and Managing Director of First Trust
- Jon C. Erickson, Senior Vice President of First Trust
- David G. McGarel, Chief Investment Officer, Chief Operating Officer and Managing Director of First Trust
- Roger F. Testin, Senior Vice President of First Trust
- Stan Ueland, Senior Vice President of First Trust
- Chris A. Peterson, Senior Vice President of First Trust

The Investment Committee members are primarily and jointly responsible for the day-to-day management of the Fund. Each Investment Committee member has served as a part of the portfolio management team of the Predecessor FVD Fund and the Fund since 2003, with the exception of Daniel Lindquist, Stan Ueland and Chris A. Peterson who have served since 2004, 2006 and 2016 respectively.

## Purchase and Sale of Fund Shares

The Fund issues and redeems shares on a continuous basis, at net asset value, only in Creation Units consisting of 50,000 shares. The Fund's Creation Units are generally issued and redeemed in-kind for securities in which the Fund invests and, in certain circumstances, for cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements. Individual shares of the Fund may only be purchased and sold on NYSE Arca and other eligible

securities exchanges through a broker-dealer. Shares of the Fund trade on NYSE Arca at market prices rather than net asset value, which may cause the shares to trade at a price greater than net asset value (premium) or less than net asset value (discount).

**Tax Information**

The Fund's distributions are taxable and will generally be taxed as ordinary income or capital gains. Distributions on shares held in a tax-deferred account, while not immediately taxable, will be subject to tax when the shares are no longer held in a tax-deferred account.

**Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), First Trust and First Trust Portfolios L.P., the Fund's distributor, may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## **Additional Information on the Funds' Investment Objectives and Strategies**

Each Fund is a series of the Trust, an investment company and an exchange-traded "index fund." The investment objective of each Fund is to seek investment results that correspond generally to the price and yield (before each Fund's fees and expenses) of such Fund's corresponding equity index (each Fund's corresponding equity index is referred to herein as an "Index," and together, as the "Indices;" the provider of each Fund's Index is referred to herein as an "Index Provider" and collectively, as the "Index Providers").

Each Fund will normally invest at least 90% of its net assets (including investment borrowings) in securities that comprise its Index. Each Fund's investment objective (with the exception of the First Trust Dow Jones Select MicroCap Index Fund, First Trust Morningstar Dividend Leaders Index Fund, First Trust NASDAQ-100 Equal Weighted Index Fund, First Trust NASDAQ-100-Technology Sector Index Fund, First Trust US IPO Index Fund, First Trust Value Line® 100 Exchange-Traded Fund and First Trust Value Line® Dividend Index Fund), the 90% investment strategy and each of the policies described herein are non-fundamental policies that may be changed by the Board of Trustees of the Trust (the "Board") without shareholder approval upon 60 days' prior written notice to shareholders. With respect to each of the First Trust Dow Jones Select MicroCap Index Fund, First Trust Morningstar Dividend Leaders Index Fund, First Trust NASDAQ-100 Equal Weighted Index Fund, First Trust NASDAQ-100-Technology Sector Index Fund, First Trust US IPO Index Fund, First Trust Value Line® 100 Exchange-Traded Fund and First Trust Value Line® Dividend Index Fund, the investment objective is a fundamental policy that may be changed only with shareholder approval. Certain fundamental policies of the Funds are set forth in the Statement of Additional Information ("SAI") under "Investment Objectives and Policies."

In seeking to achieve its investment objective, each Fund generally will invest in all of the securities comprising its Index, in proportion to their weightings in the Index. However, under various circumstances, it may not be possible or practicable to purchase all of those securities in those weightings. In those circumstances, a Fund may purchase a sample of securities in its Index. There may also be limited instances in which First Trust may choose to overweight certain securities in the applicable Index, purchase securities not in the Index which First Trust believes are appropriate to substitute for certain securities in the Index, use futures or derivative instruments, or utilize various combinations of the above techniques in seeking to track the Index. A Fund may sell securities that are represented in its Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index. While it is not expected that any Fund will invest in the securities of other investment companies, any such investments would be subject to limitations imposed by the 1940 Act and the related rules and interpretations. The Funds have each adopted a policy that it will not invest in other investment companies in excess of 1940 Act limits in reliance on Sections 12(d)(1)(F) or 12(d)(1)(G) of the 1940 Act.

## **Fund Investments**

### **Principal Investments**

#### **Equity Securities**

The Funds invest in equity securities, which primarily include common stocks and depositary receipts.

#### **Non-Principal Investments**

#### **Cash Equivalents and Short-Term Investments**

Normally, a Fund invests substantially all of its assets to meet its investment objectives. Each Fund may invest the remainder of its assets in securities with maturities of less than one year or cash equivalents, or it may hold cash. The percentage of a Fund invested in such holdings varies and depends on several factors, including market conditions. For temporary defensive purposes and during periods of high cash inflows or outflows, a Fund may depart from its principal investment strategies and invest part or all of its assets in these securities, or it may hold cash. During such periods, a Fund may not be able to achieve its investment objectives. A Fund may adopt a defensive strategy when its portfolio managers believe securities in which the Fund normally invests have elevated risks due to political or economic factors and in other extraordinary circumstances. For more information on eligible short-term investments, see the SAI.

#### **Disclosure of Portfolio Holdings**

A description of the policies and procedures with respect to the disclosure of each Fund's portfolio securities is included in the Funds' SAI, which is available on the Funds' website at [www.ftportfolios.com](http://www.ftportfolios.com).

## Additional Risks of Investing in the Funds

Risk is inherent in all investing. Investing in a Fund involves risk, including the risk that you may lose all or part of your investment. There can be no assurance that a Fund will meet its stated objective. Before you invest, you should consider the following risks in addition to the Principal Risks set forth above in this prospectus.

### Principal Risks

**CONCENTRATION RISK.** A Fund will be concentrated in the securities of an individual industry if the Fund's corresponding Index is concentrated in an individual industry. A concentration makes a Fund more susceptible to any single occurrence affecting the industry and may subject the Fund to greater market risk than more diversified funds.

**DEPOSITARY RECEIPTS RISK.** An investment in depositary receipts involves further risks due to certain features of depositary receipts. Depositary receipts are usually in the form of American Depositary Receipts ("ADRs") or Global Depositary Receipts ("GDRs"). ADRs are U.S. dollar-denominated receipts representing shares of foreign-based corporations. ADRs are issued by U.S. banks or trust companies, and entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares. GDRs are similar to ADRs, but are shares of foreign-based corporations generally issued by international banks in one or more markets around the world. ADRs or GDRs may be less liquid than the underlying shares in their primary trading market. Any distributions paid to the holders of depositary receipts are usually subject to a fee charged by the depositary.

Holders of depositary receipts may have limited voting rights pursuant to a deposit agreement between the underlying issuer and the depositary. In certain cases, the depositary will vote the shares deposited with it as directed by the underlying issuer's board of directors. Furthermore, investment restrictions in certain countries may adversely impact the value of depositary receipts because such restrictions may limit the ability to convert shares into depositary receipts and vice versa. Such restrictions may cause shares of the underlying issuer to trade at a discount or premium to the market price of the depositary receipt. Moreover, if depositary receipts are converted into shares, the laws in certain countries may limit the ability of a non-resident to trade the shares and to reconvert the shares to depositary receipts.

Depositary receipts may be "sponsored" or "unsponsored." Sponsored depositary receipts are established jointly by a depositary and the underlying issuer, whereas unsponsored depositary receipts may be established by a depositary without participation by the underlying issuer. Holders of unsponsored depositary receipts generally bear all the costs associated with establishing the unsponsored depositary receipts. In addition, the issuers of the securities underlying unsponsored depositary receipts are not obligated to disclose material information in the United States and, therefore, there may be less information available regarding such issuers and there may not be a correlation between such information and the market value of the depositary receipts.

Depositary receipts may be unregistered and unlisted. A Fund's investments may also include depositary receipts that are not purchased in the public markets and are restricted securities that can be offered and sold only to "qualified institutional buyers" under Rule 144A under the Securities Act of 1933, as amended ("*Securities Act*"). Moreover, if adverse market conditions were to develop during the period between a Fund's decision to sell these types of depositary receipts and the point at which a Fund is permitted or able to sell such security, the Fund might obtain a price less favorable than the price that prevailed when it decided to sell.

**EMERGING MARKETS RISK.** An investment in emerging market companies involves certain further risks not associated with investing in developed market countries because emerging market countries are often in the initial stages of their industrialization cycles and have low per capita income. These increased risks include the possibility of investment and trading limitations, greater liquidity concerns, higher price volatility, greater delays and possibility of disruptions in settlement transactions, greater political uncertainties and greater dependence on non-U.S. trade or development assistance. In addition, emerging market countries may be subject to overburdened infrastructures and environmental problems.

**EQUITY SECURITIES RISK.** Equity securities may decline significantly in price over short or extended periods of time, and such declines may occur in the equity market as a whole, or they may occur in only a particular country, company, industry or sector of the market.

**NON-U.S. SECURITIES RISK.** An investment in securities of non-U.S. companies involves other risks not associated with domestic issuers. Investment in non-U.S. securities may involve higher costs than investment in U.S. securities, including higher transaction and custody costs as well as the imposition of additional taxes by non-U.S. governments.

Non-U.S. investments may also involve risks associated with the level of currency exchange rates, less complete financial information about the issuers, less market liquidity, more market volatility and political instability. Future political and economic developments, the possible imposition of withholding taxes on dividend income, the possible seizure or nationalization of non-U.S. holdings, the possible establishment of exchange controls or freezes on the convertibility of currency, or the adoption of other governmental restrictions might adversely affect an investment in non-U.S. securities. Additionally, non-U.S. issuers may be subject to less stringent regulation, and to different accounting, auditing and recordkeeping requirements.

**PASSIVE INVESTMENT RISK.** The Funds are not actively managed. Each Fund invests in securities included in or representative of its Index regardless of their investment merit. The Funds generally will not attempt to take defensive positions in declining markets.

### **Non-Principal Risks**

**BORROWING AND LEVERAGE RISK.** If a Fund borrows money, it must pay interest and other fees, which may reduce the Fund's returns. Any such borrowings are intended to be temporary. However, under certain market conditions, including periods of low demand or decreased liquidity, such borrowings might be outstanding for longer periods of time. As prescribed by the Investment Company Act of 1940, as amended (the "1940 Act"), a Fund will be required to maintain specified asset coverage of at least 300% with respect to any bank borrowing immediately following such borrowing. A Fund may be required to dispose of assets on unfavorable terms if market fluctuations or other factors reduce the Fund's asset coverage to less than the prescribed amount.

**EXPENSE REIMBURSEMENT AND RECOUPMENT RISK.** The Advisor has entered into an agreement with the Trust in which the Advisor has agreed to waive certain fees and/or reimburse the Funds for expenses exceeding an agreed upon amount. This agreement may be terminated by the Trust on behalf of a Fund at any time and by the Advisor only after April 30, 2018 upon 60 days' written notice. The Advisor is also entitled to recoup from the Funds any waived fees or reimbursed amounts pursuant to the agreement for a period of up to three years from the date of waiver or reimbursement. Any such recoupment or modification or termination of the agreement could negatively affect the Funds' returns.

**INFLATION RISK.** 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. As inflation increases, the value of a Fund's assets can decline as can the value of a Fund's distributions. Common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**INTELLECTUAL PROPERTY RISK.** Each Fund relies on a license and related sublicense that permits a Fund to use its Index and associated trade names, trademarks and service marks (the "Intellectual Property") in connection with the name and investment strategies of a Fund. Such license and related sublicense may be terminated by the Index Provider, and, as a result, a Fund may lose its ability to use the Intellectual Property. There is also no guarantee that the Index Provider has all rights to license the Intellectual Property for use by a Fund. Accordingly, in the event the license is terminated or the Index Provider does not have rights to license the Intellectual Property, it may have a significant effect on the operation of a Fund.

**ISSUER SPECIFIC CHANGES RISK.** The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

**LEGISLATION/LITIGATION RISK.** From time to time, various legislative initiatives are proposed in the United States and abroad, which may have a negative impact on certain companies in which a Fund invests. In addition, litigation regarding any of the issuers of the securities owned by a Fund, or industries represented by these issuers, may negatively impact the value of the securities. Such legislation or litigation may cause a Fund to lose value or may result in higher portfolio turnover if the Advisor determines to sell such a holding.

## **Fund Organization**

Each Fund is a series of the Trust, an investment company registered under the 1940 Act. Each Fund is treated as a separate fund with its own investment objectives and policies. The Trust is organized as a Massachusetts business trust. The Trust's Board is responsible for the overall management and direction of the Trust. The Board elects the Trust's officers and approves all significant agreements, including those with the investment advisor, custodian and fund administrative and accounting agent.

## Management of the Funds

First Trust Advisors L.P., 120 East Liberty Drive, Wheaton, Illinois 60187, is the investment advisor to the Funds. In this capacity, First Trust is responsible for the selection and ongoing monitoring of the securities in each Fund's portfolio and certain other services necessary for the management of the portfolios.

First Trust is a limited partnership with one limited partner, Grace Partners of DuPage L.P., and one general partner, The Charger Corporation. Grace Partners of DuPage L.P. is a limited partnership with one general partner, The Charger Corporation, and a number of limited partners. The Charger Corporation is an Illinois corporation controlled by James A. Bowen, the Chief Executive Officer of First Trust. First Trust discharges its responsibilities subject to the policies of the Board.

First Trust serves as advisor or sub-advisor for seven mutual fund portfolios, ten exchange-traded funds consisting of 118 series and 16 closed-end funds. It is also the portfolio supervisor of certain unit investment trusts sponsored by First Trust Portfolios L.P. ("*FTP*"), an affiliate of First Trust, 120 East Liberty Drive, Wheaton, Illinois 60187. FTP specializes in the underwriting, trading and distribution of unit investment trusts and other securities. FTP is the principal underwriter of the shares of each Fund.

There is no one individual primarily responsible for portfolio management decisions for the Funds. Investments are made under the direction of the Investment Committee. The Investment Committee consists of Daniel J. Lindquist, Jon C. Erickson, David G. McGarel, Roger F. Testin, Stan Ueland and Chris A. Peterson.

- Mr. Lindquist is Chairman of the Investment Committee and presides over Investment Committee meetings. Mr. Lindquist is responsible for overseeing the implementation of each Fund's investment strategy. Mr. Lindquist was a Senior Vice President of First Trust and FTP from September 2005 to July 2012 and is now a Managing Director of First Trust and FTP.
- Mr. Erickson joined First Trust in 1994 and is a Senior Vice President of First Trust and FTP. As the head of First Trust's Equity Research Group, Mr. Erickson is responsible for determining the securities to be purchased and sold by funds that do not utilize quantitative investment strategies.
- Mr. McGarel is the Chief Investment Officer, Chief Operating Officer and a Managing Director of First Trust and FTP. As First Trust's Chief Investment Officer, Mr. McGarel consults with the other members of the Investment Committee on market conditions and First Trust's general investment philosophy. Mr. McGarel was a Senior Vice President of First Trust and FTP from January 2004 to July 2012.
- Mr. Testin is a Senior Vice President of First Trust and FTP. Mr. Testin is the head of First Trust's Portfolio Management Group. Mr. Testin has been a Senior Vice President of First Trust and FTP since November 2003.
- Mr. Ueland joined First Trust as a Vice President in August 2005 and has been a Senior Vice President of First Trust and FTP since September 2012. At First Trust, he plays an important role in executing the investment strategies of each portfolio of exchange-traded funds advised by First Trust.
- Mr. Peterson is a Senior Vice President and head of First Trust's strategy research group. He joined First Trust in January of 2000. Mr. Peterson is responsible for developing and implementing quantitative equity investment strategies. Mr. Peterson received his B.S. in Finance from Bradley University in 1997 and his M.B.A. from the University of Chicago Booth School of Business in 2005. He has over 18 years of financial services industry experience and is a recipient of the Chartered Financial Analyst designation.

For additional information concerning First Trust, including a description of the services provided to the Funds, see the Funds' SAI. Additional information about the compensation of Investment Committee members, other accounts managed by members of the Investment Committee and ownership by members of the Investment Committee of shares of the Funds is provided in the SAI.

### Management Fee

For each Fund, First Trust is paid an annual management fee at the specified rate of such Fund's average daily net assets as set forth in the table below. The Trust and the Advisor have entered into an Expense Reimbursement, Fee Waiver and Recovery Agreement ("*Recovery Agreement*") in which the Advisor has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of each such Fund (excluding interest expense, brokerage commissions and other trading expenses, acquired fund fees and expenses, taxes and extraordinary expenses) exceed the amounts set forth in the table below as a percentage of such Fund's average daily net assets per year (the "*Expense Cap*") at least through Expense Cap termination date listed in the table below. Expenses reimbursed and fees waived by First Trust under the Recovery Agreement are subject to recovery by First Trust for up to three years from the date the fee was waived or expense was incurred, but no

reimbursement payment will be made by a Fund if it results in the Fund exceeding an expense ratio equal to the Expense Cap in place at the time the expenses were reimbursed or fees waived by First Trust.

The table below sets forth the annual management fee that First Trust may receive from the Fund. In addition, the table shows the Expense Cap of each Fund and the termination date of each such Expense Cap. The table also shows the amounts paid by the Funds to First Trust for the fiscal year ended December 31, 2016 (net of expense reimbursements) as a percentage of average daily net assets.

<b>Fund</b>	<b>Annual Management Fee (% of average daily net assets)</b>	<b>Annual Expense Cap (% of average daily net assets)</b>	<b>Expense Cap Termination Date</b>	<b>Management Fee Paid for the Year Ended 12/31/2016 (% of average daily net assets)</b>
First Trust Capital Strength ETF	0.50%	0.65%	April 30, 2018	0.50%
First Trust Dow Jones Internet Index Fund	0.40%	0.60%	April 30, 2018	0.40%
First Trust Dow Jones Select MicroCap Index Fund	0.50%	0.60%	April 30, 2018	0.35%
First Trust Chindia ETF	0.40%	0.60%	April 30, 2018	0.40%
First Trust Natural Gas ETF	0.40%	0.60%	April 30, 2018	0.37%
First Trust Water ETF	0.40%	0.60%	April 30, 2018	0.40%
First Trust Morningstar Dividend Leaders Index Fund	0.30%	0.45%	April 30, 2018	0.27%
First Trust NASDAQ-100 Equal Weighted Index Fund	0.40%	0.60%	April 30, 2018	0.39%
First Trust NASDAQ-100 Ex-Technology Sector Index Fund	0.40%	0.60%	April 30, 2018	0.36%
First Trust NASDAQ-100-Technology Sector Index Fund	0.40%	0.60%	April 30, 2018	0.40%
First Trust NASDAQ® ABA Community Bank Index Fund	0.40%	0.60%	April 30, 2018	0.39%
First Trust NASDAQ® Clean Edge® Green Energy Index Fund	0.40%	0.60%	April 30, 2018	0.32%
First Trust NYSE Arca Biotechnology Index Fund	0.40%	0.60%	April 30, 2018	0.40%
First Trust S&P REIT Index Fund	0.30%	0.50%	April 30, 2018	0.30%
First Trust US Equity Opportunities ETF	0.40%	0.60%	April 30, 2018	0.40%
First Trust Value Line® 100 Exchange-Traded Fund	0.50%	0.70%	April 30, 2018	0.33%
First Trust Value Line® Dividend Index Fund	0.50%	0.70%	April 30, 2018	0.47%

A discussion regarding the basis of the Board's approval of the continuation of the Investment Management Agreement for all of the Funds is available in the Semi-Annual Report to Shareholders for the period ended June 30, 2016.

## How to Buy and Sell Shares

Most investors will buy and sell shares of a Fund in secondary market transactions through brokers. Shares of the Funds are listed for trading on the secondary market on the applicable Exchange. Shares can be bought and sold throughout the trading day like other publicly traded shares. There is no minimum investment when buying shares on an Exchange. Although shares are generally purchased and sold in "round lots" of 100 shares, brokerage firms typically permit investors to purchase or sell shares in smaller "odd lots," at no per-share price differential. When buying or selling shares through a broker, investors should expect to incur customary brokerage commissions, investors may receive less than the net asset value of the shares because shares are bought and sold at market prices rather than at net asset value, and investors may pay some or all of the spread between the bid and the offer price in the secondary market on each leg of a round trip (purchase and sale) transaction. Share prices are reported in dollars and cents per share.

For purposes of the 1940 Act, a Fund is treated as a registered investment company, and the acquisition of shares by other registered investment companies and companies relying on Sections 3(c)(1) or 3(c)(7) of the 1940 Act is subject to the restrictions of Section 12(d)(1) of the 1940 Act. The Trust, on behalf of the Funds, has received an exemptive order from the Securities and Exchange Commission that permits certain registered investment companies to invest in a Fund beyond the limits set forth in Section 12(d)(1), subject to certain terms and conditions, including that any such investment companies enter into agreements with a Fund regarding the terms of any investment.



## Book Entry

Shares are held in book-entry form, which means that no share certificates are issued. The Depository Trust Company (“DTC”) or its nominee is the record owner of all outstanding shares of the Funds and is recognized as the owner of all shares for all purposes.

Investors owning shares are beneficial owners as shown on the records of DTC or its participants. DTC serves as the securities depository for all shares. Participants in DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other institutions that directly or indirectly maintain a custodial relationship with DTC. As a beneficial owner of shares, you are not entitled to receive physical delivery of share certificates or to have shares registered in your name, and you are not considered a registered owner of shares. Therefore, to exercise any right as an owner of shares, you must rely upon the procedures of DTC and its participants. These procedures are the same as those that apply to any other stocks that you hold in book-entry or “street name” form.

## Share Trading Prices

The trading price of shares of a Fund on the applicable Exchange is based on market price and may differ from such Fund’s daily net asset value and can be affected by market forces of supply and demand, economic conditions and other factors.

Information regarding the intra-day value of the shares of a Fund, also referred to as the “indicative optimized portfolio value” (“IOPV”), is disseminated every 15 seconds throughout such Fund’s trading day by the national securities exchange on which the shares are listed or by market data vendors or other information providers. The IOPV should not be viewed as a “real-time” update of the net asset value per share of a Fund because the IOPV may not be calculated in the same manner as the net asset value, which is computed once a day, generally at the end of the business day. The price of a non-U.S. security that is primarily traded on a non-U.S. exchange shall be updated, using the last sale price, every 15 seconds throughout the trading day, provided that upon the closing of such non-U.S. exchange, the closing price of the security, after being converted to U.S. dollars, will be used. Furthermore, in calculating the IOPV of a Fund’s shares, exchange rates may be used throughout the day (9:00 a.m. to 4:15 p.m., Eastern Time) that may differ from those used to calculate the net asset value per share of a Fund and consequently may result in differences between the net asset value and the IOPV. A Fund is not involved in, or responsible for, the calculation or dissemination of the IOPV of shares of a Fund and a Fund does not make any warranty as to its accuracy.

## Frequent Purchases and Redemptions of the Funds' Shares

The Funds impose no restrictions on the frequency of purchases and redemptions (“*market timing*”). In determining not to approve a written, established policy, the Board evaluated the risks of market timing activities by the Funds’ shareholders. The Board considered that the Funds’ shares can only be purchased and redeemed directly from the Funds in Creation Units by broker-dealers and large institutional investors that have entered into participation agreements (*i.e.*, authorized participants (“APs”)) and that the vast majority of trading in the Funds’ shares occurs on the secondary market. Because the secondary market trades do not involve the Funds directly, it is unlikely those trades would cause many of the harmful effects of market timing, including dilution, disruption of portfolio management, increases in the Funds’ trading costs and the realization of capital gains. With respect to trades directly with the Funds, to the extent effected in-kind (*i.e.*, for securities), those trades do not cause any of the harmful effects that may result from frequent cash trades. To the extent that the Funds may effect the purchase or redemption of Creation Units in exchange wholly or partially for cash, the Board noted that such trades could result in dilution to a Fund and increased transaction costs, which could negatively impact the Funds’ ability to achieve their investment objective. However, the Board noted that direct trading by APs is critical to ensuring that the shares trade at or close to net asset value. In addition, the Funds impose fixed and variable transaction fees on purchases and redemptions of Creation Units to cover the custodial and other costs incurred by the Funds in effecting trades. Finally, the Advisor monitors purchase and redemption orders from APs for patterns of abusive trading and the Funds reserve the right to not accept orders from APs that the Advisor has determined may be disruptive to the management of the Funds, or otherwise not in the Funds’ best interests.

## Dividends, Distributions and Taxes

Dividends from net investment income from the Funds, if any, are declared and paid quarterly by each Fund. Each Fund distributes its net realized capital gains, if any, to shareholders at least annually.

Distributions in cash may be reinvested automatically in additional whole shares only if the broker through whom you purchased shares makes such option available. Such shares will generally be reinvested by the broker based upon the market price of those shares and investors may be subject to customary brokerage commissions charged by the broker.

## Federal Tax Matters

This section summarizes some of the main U.S. federal income tax consequences of owning shares of the Funds. This section is current as of the date of this prospectus. Tax laws and interpretations change frequently, and these summaries do not describe all of the tax consequences to all taxpayers. For example, these summaries generally do not describe your situation if you are a corporation, a non-U.S. person, a broker-dealer, or other investor with special circumstances. In addition, this section does not describe your state, local or non-U.S. tax consequences.

This federal income tax summary is based in part on the advice of counsel to the Funds. The Internal Revenue Service could disagree with any conclusions set forth in this section. In addition, counsel to the Funds was not asked to review, and has not reached a conclusion with respect to, the federal income tax treatment of the assets to be included in the Funds. This may not be sufficient for you to use for the purpose of avoiding penalties under federal tax law.

As with any investment, you should seek advice based on your individual circumstances from your own tax advisor.

### Fund Status

Each Fund intends to qualify as a "regulated investment company" under the federal tax laws. If a Fund qualifies as a regulated investment company and distributes its income as required by the tax law, the Fund generally will not pay federal income taxes.

### Distributions

The Funds' distributions are generally taxable. After the end of each year, you will receive a tax statement that separates the distributions of a Fund into two categories: ordinary income distributions and capital gain dividends. Ordinary income distributions are generally taxed at your ordinary tax rate, however, as further discussed below, certain ordinary income distributions received from a Fund may be taxed at the capital gains tax rates. Generally, you will treat all capital gain dividends as long-term capital gains regardless of how long you have owned your shares.

To determine your actual tax liability for your capital gain dividends, you must calculate your total net capital gain or loss for the tax year after considering all of your other taxable transactions, as described below. In addition, the Funds may make distributions that represent a return of capital for tax purposes and thus will generally not be taxable to you; however, such distributions may reduce your tax basis in your shares, which could result in you having to pay higher taxes in the future when shares are sold or redeemed, even if you sell or redeem the shares at a loss from your original investment. The tax status of your distributions from a Fund is not affected by whether you reinvest your distributions in additional shares or receive them in cash. The income from a Fund that you must take into account for federal income tax purposes is not reduced by amounts used to pay a deferred sales fee, if any. The tax laws may require you to treat distributions made to you in January as if you had received them on December 31 of the previous year.

Income from a Fund may also be subject to a 3.8% "Medicare tax." This tax generally applies to your net investment income if your adjusted gross income exceeds certain threshold amounts, which are \$250,000 in the case of married couples filing joint returns and \$200,000 in the case of single individuals.

### Capital Gains and Losses and Certain Ordinary Income Dividends

If you are an individual, the maximum stated marginal federal tax rate for net capital gain is generally 20% for taxpayers in the 39.6% tax bracket, 15% for taxpayers in the 25%, 28%, 33% and 35% tax brackets and 0% for taxpayers in the 10% and 15% tax brackets. Capital gain received from assets held for more than one year that is considered "unrecaptured section 1250 gain" (which may be the case, for example, with some capital gains attributable to equity interests in real estate investment trusts that constitute interests in entities treated as real estate investments trusts for federal income tax purposes) is taxed at a maximum stated marginal federal tax rate of 25%. In the case of capital gain dividends, the determination of which portion of the capital gain dividend, if any, is subject to the 25% tax rate, will be made based on rules prescribed by the United States Treasury. Some portion of your capital gain dividends may be taxed at a higher maximum stated federal tax rate. Capital gains may also be subject to the Medicare tax described above.

Net capital gain equals net long-term capital gain minus net short-term capital loss for the taxable year. Capital gain or loss is long-term if the holding period for the asset is more than one year and is short-term if the holding period for the asset is one year or less. You must exclude the date you purchase your shares to determine your holding period. However, if you receive a capital gain dividend from a Fund and sell your shares at a loss after holding it for six months or less, the loss will be recharacterized as long-term capital loss to the extent of the capital gain dividend received. The tax rates for capital gains

realized from assets held for one year or less are generally the same as for ordinary income. The Internal Revenue Code of 1986, as amended, treats certain capital gains as ordinary income in special situations.

Ordinary income dividends received by an individual shareholder from a regulated investment company such as the Funds are generally taxed at the same rates that apply to net capital gain (as discussed above), provided certain holding period requirements are satisfied and provided the dividends are attributable to qualifying dividends received by the Funds themselves. Distributions with respect to shares in real estate investment trusts are qualifying dividends only in limited circumstances. Each Fund will provide notice to its shareholders of the amount of any distribution which may be taken into account as a dividend which is eligible for the capital gains tax rates.

### **Dividends Received Deduction**

A corporation that owns shares generally will not be entitled to the dividends received deduction with respect to dividends received from the Funds because the dividends received deduction is generally not available for distributions from regulated investment companies. However, certain ordinary income dividends on shares that are attributable to qualifying dividends received by the Funds from certain corporations may be reported by the Funds as being eligible for the dividends received deduction.

### **Sale of Shares**

If you sell or redeem your shares, you will generally recognize a taxable gain or loss. To determine the amount of this gain or loss, you must subtract your tax basis in your shares from the amount you receive in the transaction. Your tax basis in your shares is generally equal to the cost of your shares, generally including sales charges. In some cases, however, you may have to adjust your tax basis after you purchase your shares.

### **Taxes on Purchase and Redemption of Creation Units**

If you exchange equity securities for Creation Units, you will generally recognize a gain or a loss. The gain or loss will be equal to the difference between the market value of the Creation Units at the time and your aggregate basis in the securities surrendered and the cash component paid. If you exchange Creation Units for equity securities, you will generally recognize a gain or loss equal to the difference between your basis in the Creation Units and the aggregate market value of the securities received and the cash redemption amount. The Internal Revenue Service, however, may assert that a loss realized upon an exchange of securities for Creation Units or Creation Units for securities cannot be deducted currently under the rules governing "wash sales," or on the basis that there has been no significant change in economic position.

### **Deductibility of Fund Expenses**

Expenses incurred and deducted by the Funds will generally not be treated as income taxable to you. In some cases, however, you may be required to treat your portion of these Fund expenses as income. In these cases you may be able to take a deduction for these expenses. However, certain miscellaneous itemized deductions, such as investment expenses, may be deducted by individuals only to the extent that all of these deductions exceed 2% of the individual's adjusted gross income. Some individuals may also be subject to further limitations on the amount of their itemized deductions, depending on their income.

### **Non-U.S. Tax Credit**

Because the Funds may invest in non-U.S. securities, the tax statement that you receive may include an item showing non-U.S. taxes a Fund paid to other countries. In this case, dividends taxed to you will include your share of the taxes a Fund paid to other countries. You may be able to deduct or receive a tax credit for your share of these taxes.

### **Non-U.S. Investors**

If you are a non-U.S. investor (*i.e.*, an investor other than a U.S. citizen or resident or a U.S. corporation, partnership, estate or trust), you should be aware that, generally, subject to applicable tax treaties, distributions from a Fund will be characterized as dividends for federal income tax purposes (other than dividends which a Fund properly reports as capital gain dividends) and will be subject to U.S. federal income taxes, including withholding taxes, subject to certain exceptions described below. However, distributions received by a non-U.S. investor from a Fund that are properly reported by a Fund as capital gain dividends may not be subject to U.S. federal income taxes, including withholding taxes, provided that a Fund makes certain elections and certain other conditions are met.

Distributions from a Fund that are properly reported by the Fund as an interest-related dividend attributable to certain interest income received by the Fund or as a short-term capital gain dividend attributable to certain net short-term capital gain income

received by the Fund may not be subject to U.S. federal income taxes, including withholding taxes when received by certain non-U.S. investors, provided that the Fund makes certain elections and certain other conditions are met.

Distributions may be subject to a U.S. withholding tax of 30% in the case of distributions to (i) certain non-U.S. financial institutions that have not entered into an agreement with the U.S. Treasury to collect and disclose certain information and are not resident in a jurisdiction that has entered into such an agreement with the U.S. Treasury and (ii) certain other non-U.S. entities that do not provide certain certifications and information about the entity's U.S. owners. Dispositions of shares by such persons may be subject to such withholding after December 31, 2018.

### **Investments in Certain Non-U.S. Corporations**

If a Fund holds an equity interest in any passive foreign investment companies ("PFICs"), which are generally certain non-U.S. corporations that receive at least 75% of their annual gross income from passive sources (such as interest, dividends, certain rents and royalties or capital gains) or that hold at least 50% of their assets in investments producing such passive income, a Fund could be subject to U.S. federal income tax and additional interest charges on gains and certain distributions with respect to those equity interests, even if all the income or gain is timely distributed to its shareholders. A Fund will not be able to pass through to its shareholders any credit or deduction for such taxes. A Fund may be able to make an election that could ameliorate these adverse tax consequences. In this case, a Fund would recognize as ordinary income any increase in the value of such PFIC shares, and as ordinary loss any decrease in such value to the extent it did not exceed prior increases included in income. Under this election, a Fund might be required to recognize in a year income in excess of its distributions from PFICs and its proceeds from dispositions of PFIC stock during that year, and such income would nevertheless be subject to the distribution requirement and would be taken into account for purposes of the 4% excise tax. Dividends paid by PFICs are not treated as qualified dividend income.

### **Distribution Plan**

FTP serves as the distributor of Creation Units for the Funds on an agency basis. FTP does not maintain a secondary market in shares.

The Board has adopted a Distribution and Service Plan pursuant to Rule 12b-1 under the 1940 Act. In accordance with the Rule 12b-1 plan, the Funds are authorized to pay an amount up to 0.25% of their average daily net assets each year to reimburse FTP for amounts expended to finance activities primarily intended to result in the sale of Creation Units or the provision of investor services. FTP may also use this amount to compensate securities dealers or other persons that are APs for providing distribution assistance, including broker-dealer and shareholder support and educational and promotional services.

The Funds do not currently pay 12b-1 fees, and pursuant to a contractual arrangement, the Funds will not pay 12b-1 fees any time before April 30, 2018. However, in the event 12b-1 fees are charged in the future, because these fees are paid out of the Funds' assets, over time these fees will increase the cost of your investment and may cost you more than certain other types of sales charges.

### **Net Asset Value**

Each Fund's net asset value is determined as of the close of trading (normally 4:00 p.m., Eastern Time) on each day the New York Stock Exchange is open for trading. If the NYSE closes early on a valuation day, the Fund's net asset value will be determined as of that time. Net asset value per share is calculated for a Fund by taking the market price of the Fund's total assets, including interest or dividends accrued but not yet collected, less all liabilities (including accrued expenses and dividends declared but unpaid), and dividing such amount by the total number of shares outstanding. The result, rounded to the nearest cent, is the net asset value per share. All valuations are subject to review by the Board or its delegate.

Each Fund's investments are valued daily at market value or, in the absence of market value with respect to any portfolio securities, at fair value, in accordance with valuation procedures adopted by the Board and in accordance with the 1940 Act. Portfolio securities listed on any exchange other than Nasdaq and the London Stock Exchange Alternative Investment Market ("AIM") are valued at the last sale price on the business day as of which such value is being determined. Securities listed on Nasdaq or AIM are valued at the official closing price on the business day as of which such value is being determined. If there has been no sale on such day, or no official closing price in the case of securities traded on Nasdaq or AIM, the securities are fair valued at the mean of their most recent bid and ask price on such day.

Portfolio securities traded on more than one securities exchange are valued at the last sale price or official closing price, as applicable, on the business day as of which such value is being determined at the close of the exchange representing the principal market for such securities. Portfolio securities traded in the over-the-counter market, but excluding securities trading on Nasdaq or AIM, are fair valued at the mean of their most recent bid and asked price, if available, and otherwise at the closing bid price. Short-term investments that mature in less than 60 days when purchased are fair valued at cost adjusted for amortization of premiums and accretion of discount, provided the Advisor's Pricing Committee has determined that the use of amortized cost is an appropriate reflection of fair value given market and issuer-specific conditions existing at the time of the determination.

Certain securities may not be able to be priced by pre-established pricing methods. Such securities may be valued by the Board or its delegate, the Advisor's Pricing Committee, at fair value. The use of fair value pricing by a Fund is governed by valuation procedures adopted by the Board and in accordance with the provisions of the 1940 Act. These securities generally include, but are not limited to, certain restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended (the "*Securities Act*")) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; a security whose market or fair value price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of the Fund's net asset value or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, does not reflect the security's fair value. As a general principle, the current fair value of a security would appear to be the amount which the owner might reasonably expect to receive for the security upon its current sale. When fair value prices are used, generally they will differ from the current market quotations or official closing prices on the applicable exchange. A variety of factors may be considered in determining the fair value of such securities. See the Funds' SAI for details.

Because foreign securities exchanges may be open on different days than the days during which an investor may buy or sell shares of a Fund, the value of a Fund's securities may change on days when investors are not able to buy or sell shares of the Fund. The value of securities denominated in foreign currencies is converted into U.S. dollars at the exchange rates in effect at the time of valuation. Any use of a different rate from the rates used by a Fund's Index may adversely affect such Fund's ability to track its Index.

## **Fund Service Providers**

The Bank of New York Mellon Corporation, 101 Barclay Street, New York, New York 10286, acts as the administrator, custodian and fund accounting and transfer agent for the Funds. Chapman and Cutler LLP, 111 West Monroe Street, Chicago, Illinois 60603, serves as legal counsel to the Funds. First Trust serves as the fund reporting agent for the Funds.

## **Index Providers**

The Index that a Fund seeks to track is compiled by the applicable Index Provider. The Index Provider is not affiliated with the Funds or First Trust. A Fund is entitled to use the applicable Index pursuant to a sublicensing arrangement with First Trust, which in turn has a licensing agreement with each Index Provider. With the exception of the First Trust Value Line® 100 Exchange-Traded Fund and First Trust Value Line® Dividend Index Fund, each Index Provider or its agent also serves as calculation agent for the applicable Index (each, an "Index Calculation Agent"). NYSE Arca has assumed the role of Index Calculation Agent for each of First Trust Value Line® 100 Exchange-Traded Fund and First Trust Value Line® Dividend Index Fund and their applicable Indices. Each Index Calculation Agent is responsible for the management of the day-to-day operations of the applicable Index, including calculating the value of such Index every 15 seconds, widely disseminating the Index values every 15 seconds and tracking corporate actions resulting in Index adjustments.

## **Disclaimers**

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## **First Trust Capital Strength ETF**

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## **First Trust Dow Jones Internet Index Fund**

### **First Trust Dow Jones Select MicroCap Index Fund**

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### **First Trust Chindia ETF**

### **First Trust Natural Gas ETF**

### **First Trust Water ETF**

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THE INDEX PROVIDER DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEXES OR ANY DATA INCLUDED THEREIN AND THE INDEX PROVIDER SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS THEREIN. THE INDEX PROVIDER MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY FIRST TRUST, OWNERS OF THE FUNDS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEXES OR ANY DATA INCLUDED THEREIN. THE INDEX PROVIDER MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEXES OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE INDEX PROVIDER HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN THE INDEX PROVIDER AND FIRST TRUST.

### **First Trust Morningstar Dividend Leaders Index Fund**

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### **First Trust NASDAQ-100 Equal Weighted Index Fund**

### **First Trust NASDAQ-100 Ex-Technology Sector Index Fund**

### **First Trust NASDAQ-100-Technology Sector Index Fund**

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All price history data for the NASDAQ OMX<sup>®</sup> ABA Community Bank Index<sup>SM</sup> prior to its dissemination date, June 8, 2009 is indicative and NASDAQ OMX<sup>®</sup> makes no guarantee of the accuracy of back-tested data.

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### **First Trust US Equity Opportunities ETF**

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## **First Trust Value Line® 100 Exchange-Traded Fund**

### **First Trust Value Line® Dividend Index Fund**

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## **Index Information**

For each Index described below, in the event that the relevant Index is no longer calculated, the Index license is terminated or the identity or character of the Index is materially changed, the Board will seek to engage a replacement index. However, if that proves to be impracticable, the Board will take whatever action it deems to be in the best interests of the relevant Fund. The Board will also take whatever actions it deems to be in the best interests of the relevant Fund if the shares are delisted.

### **First Trust Capital Strength ETF**

Stocks are selected for inclusion in the Index in the following manner:

The Index Provider begins with the largest 500 U.S. companies included the NASDAQ US Benchmark Index and excludes the following: companies with less than \$1 billion in cash and short term investments; companies with long-term debt divided by market capitalization greater than 30%; and companies with return on equity less than 15%. The Index Provider then ranks all remaining stocks in the universe by one-year and three-month daily volatility (one-year and three-month daily volatility factors are equally weighted), and selects the top 50 companies, subject to a maximum weight of 30% from any one of the ten Industry Classification Benchmark industries. The stocks in the Index are equally weighted initially and on each reconstituting and rebalancing effective date. The Index is reconstituted and rebalanced on a quarterly basis.

### **First Trust Dow Jones Internet Index Fund**

The Index represents companies that generate the majority of their revenues via the Internet. The Index was designed and is maintained according to a set of rules that were devised with the goal of providing clear and accurate views of the growing Internet market segment. The Index aims to consistently represent 80% of the float-adjusted Internet equity universe. The Index contains two sub-indexes, the Dow Jones Internet Commerce Index and the Dow Jones Internet Services Index. For its

stock to be eligible for the "universe," a company must generate at least 50% of annual sales/revenues from the Internet. To be eligible for inclusion, a stock issued through an initial public offering must have a minimum of three months' trading history. Spin-offs require this history only if the parent stock has been trading for less than three months.

An Index-eligible stock must also have:

- Three-month average market capitalization of at least \$100 million; and
- Sufficient trading activity to pass liquidity tests.

Index components are selected using an equally-weighted combination of market capitalization and trading volume (three-month averages for both factors). All stocks are ranked by float-adjusted market capitalization and then by share volume. The ranks are then summed in order to determine a company's score. Companies are then sorted in descending order of score and possible additions or deletions are determined by a company's position within either the Internet services sector or the Internet commerce sector.

The Index is weighted by market capitalization, subject to certain limitations. A stock's market value is limited to no more than 10% of the Index. Additionally, the aggregate weight of individual securities within the Dow Jones Internet Composite Index with weights of 4.5% or more is limited to 45% of the Index. A stock's market value is also limited to 10% of each of the sub-indexes, the Dow Jones Internet Commerce Index<sup>SM</sup> or the Dow Jones Internet Services Index<sup>SM</sup>. These limitations are reviewed using pricing as of the Thursday prior to the second Friday of each March, June, September and December, with any changes taking effect at the close of trading on the third Friday, which means that it is possible for a stock to exceed a limitation between quarterly review cycles.

The Index was released by Dow Jones for circulation in February 1999. The composition of the Index is reviewed by Dow Jones quarterly and additions to or subtractions from the Index occur on the 3rd Friday of March, June, September and December, which may impact the relative weightings of the securities in the Index. Daily historical hypothetical Index values are calculated by Dow Jones and are available dating back to June 30, 1997. The base value, or initial value, of the Index was set at 100.00 as of the close of trading on June 30, 1998. The Index is modified capitalization weighted, adjusting for free float and to meet the following criteria:

- The weight of any individual security is restricted to 10% of the Dow Jones Internet Composite Index.
- The aggregate weight of individual securities with weights of 4.5% or more is restricted to 45%.

As of March 31, 2017, the Index consists of 41 common stocks. New components are not eligible to be displaced from the Index for a period of six months following their addition, except in cases of the companies being acquired. A non-component's score must rank 15th or higher in the Internet services sector and 10th or higher in the Internet commerce sector to be added. In such case, the lowest-ranking component will be deleted. A component ranking 45th or lower in the Internet services sector, or 25th or lower in the Internet commerce sector, will be deleted and replaced with the highest-ranking non-component. Dow Jones publishes the changes to the Index prior to the effective date of the change and on such effective date posts the changes on its website at [www.djindexes.com](http://www.djindexes.com). All replacement companies are selected based on the selection criteria set forth herein.

The Fund will make changes to its portfolio shortly after changes to the Index are released to the public. Investors are able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

### **First Trust Dow Jones Select MicroCap Index Fund**

All stocks traded on the NYSE are ranked by full market capitalization, and then are divided into deciles containing equal numbers of securities. Deciles nine and ten are defined as microcaps. All stocks traded on the NYSE, the NYSE MKT and Nasdaq whose market capitalizations are within or below the microcap range defined by the NYSE stocks are included in the selection universe.

Currently, the Index composition is determined by selecting stocks from the universe based on size, trading volume and financial indicators in the following manner:

1. Eliminate from the selection universe any securities that do not meet all three of the following criteria:
  - Within the top 1,000 stocks by full market capitalization
  - Within the top 1,000 stocks by three-month dollar volume
  - Within the top 1,500 stocks by one-month dollar volume

2. Exclude stocks that rank within the bottom 20% of the filtered selection universe based on any one of the following factors:
  - Trailing P/E ratio (highest are excluded)
  - Trailing price/sales ratio (highest are excluded)
  - Per-share profit change for the previous quarter (lowest are excluded)
  - Operating profit margin (lowest are excluded)
  - Six-month total return (lowest are excluded)

Individual securities with a negative or missing P/E ratio or negative operating profit margin are excluded.

The Index was released by Dow Jones for circulation in June 2005. The composition of the Index is reviewed by Dow Jones annually in August and additions to or subtractions from the Index occurs following this annual review. The shares outstanding and float factors are reconsidered by Dow Jones quarterly in March, June, September and December which may impact the relative weightings of the securities in the Index. Daily historical hypothetical Index values are calculated by Dow Jones and are available dating back to August 31, 1992. The base value, or initial value, of the Index was set at 100.00 as of that date. The Index is weighted based on float-adjusted market capitalization dating back to May 3, 2004. Prior to that date, the Index is weighted based on full market capitalization. Float-adjusted capitalization reflects what Dow Jones believes to be the outstanding shares minus non-publicly held shares multiplied by the market price. Full market capitalization represents the outstanding shares multiplied by the market price. Dow Jones believes that the change to the use of a float-adjusted capitalization, rather than full market capitalization, provides a better way to measure a company's impact on the markets. So as a result, companies with fewer publicly offered shares will have a smaller weighting in the Index.

Currently, the Index will consist of a maximum of 1,000 common stocks, less the stocks within the bottom 20% of the filtered selection universe based on any one of the five factors listed above.

The Fund will make changes to its portfolio shortly after changes to the Index are released to the public. Investors are able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

## **First Trust Chindia ETF**

This Index is constructed in the following manner:

1. Establish the universe of companies that are domiciled in either India or China and whose ADRs, ADSs and/or stocks are listed on a U.S. securities exchange.
2. Remove companies that do not meet the Component Eligibility Requirements (as defined below).
3. If a company has multiple share classes, include the most liquid issue for that company and remove the remaining classes.
4. Rank the stocks in descending order by unadjusted market capitalization. Assign a numerical score to each stock based on its rank (e.g., first stock gets a "1").
5. Rank the stocks in descending order by the average daily value of shares traded for the past three months. Assign a numerical score to each stock based on its rank.
6. Determine the "combined liquidity score" of each stock by adding the scores assigned during each ranking process above.
7. Within each country, rank the stocks by its "combined liquidity score."
8. Select the top 25 stocks within each country by liquidity score. If less than 25 stocks are available for a country, then continue selecting stocks from the other country until a maximum of 50 stocks are selected.
9. Weight the stocks according to the following methodology:
  - a. Top three rank stocks in each country are weighted at 7% each;
  - b. The next three stocks in each country are weighted at 4% each;
  - c. The next three stocks in each country are weighted at 2% each; and
  - d. The remaining stocks are then equally weighted.

The Component Eligibility Requirements for the Index are as follows:

1. A candidate must qualify as a "reported security" as defined in Rule 11Aa3-1 under the Securities Exchange Act of 1934, as amended (the "1934 Act"), and its common stock must be listed on the NYSE, the NYSE MKT or Nasdaq.
2. The company must be domiciled in either India or China (excluding Taiwan).
3. The company must be an operating company. Closed-end funds or exchange-traded funds are excluded.
4. Each component security has a three-month average daily trading value of at least \$1 million.
5. Each component security has been listed for the last 60 consecutive days.
6. Each component security has an unadjusted market capitalization of at least \$250 million.

After the initial selection of securities, the Index is rebalanced on the application of the above model on a semi-annual basis.

The Index is calculated and maintained by S&P Dow Jones Indices LLC ("S&P") based on a methodology developed by the Index Provider. Companies are added or removed by the Index Provider based on the methodology determined by the Index Provider.

The Index is calculated on a price and total return basis. The price component of the Index is calculated in real-time and disseminated in the Options Price Reporting Authority and market data window every day the U.S. equity markets are open. The total return component of the Index is calculated on an end-of-day basis. Both sets of values are available on ISE's website at [www.ise.com](http://www.ise.com).

The Index has been created to provide investors with a performance benchmark of Chinese or Indian companies whose shares are available to investors in the United States. It is the intention that products based on the Index will help investors to quickly gain exposure to those emerging markets in a quick, affordable and convenient manner.

The Index uses a modified market capitalization-weighted methodology to create a more uniform weight distribution. This prevents a few large component stocks from dominating the Index but still promotes portfolio diversification by retaining the economic attributes of capitalization ranking. Semi-annual reviews and rebalancing events are used to reset the weighting of each component such that each component has a proportionate influence on the Index performance.

The Index contains 50 different component stocks. Companies may not apply, and may not be nominated, for inclusion in the Index. Companies are added or removed by the Index Provider based on the methodology described herein. Whenever possible, the Index Provider will publicly announce changes to the Index on its website at least five trading days in advance of the actual change.

The Fund will make changes to its portfolio shortly after changes to the Index are released to the public. Investors are able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

### **First Trust Natural Gas ETF**

The Index is calculated and maintained by S&P based on a methodology developed by the Index Provider. Companies are added or removed by the Index Provider based on the methodology determined by the Index Provider.

The Index is calculated on a price and total return basis. The price component of the Index is calculated in real-time and disseminated via the Options Price Reporting Authority and market data vendors every day the U.S. equity markets are open. The total return component of the Index is calculated on an end-of-day basis. Both sets of values are freely available on the Index Provider's website at [www.ise.com](http://www.ise.com).

The Index is comprised of companies that derive a substantial portion of their revenues from the exploration and production of natural gas. To be part of the Index, a company must meet component eligibility requirements. The Index begins by establishing the universe of equity securities listed in the United States of companies that derive a significant portion of revenue from natural gas exploration and production and then eliminates stocks whose natural gas proved reserves are less than 40% of the candidate stock's total proved reserves using Barrels of Oil Equivalent (BOE), an industry standard calculation, where 1 BOE = 6,000 cubic feet of gas. Additionally the company must have a public float of at least 25% of the stock and must be an operating company or MLP and not a closed-end fund or exchange-traded fund.

To meet Index eligibility, the security must also satisfy market capitalization, liquidity and weighting concentration requirements. Each component security must have a market capitalization of at least \$500 million and have a share price of greater than five dollars. Average daily trading value of the past three months must also have been more than \$1 million, and no single

component security can represent more than 24% of the weight of the Index. The five highest weighted component securities may not in the aggregate account for more than 50% of the weight of the Index.

Eligible component securities are categorized based on whether they are issued by MLPs or non-MLPs, and 15% of the Index is allocated to MLP equity securities, with the remaining 85% consisting of non-MLP equity securities. The Index uses a linear-based capitalization-weighted methodology for each of the MLP and non-MLP group of constituents that initially ranks the equity securities in each group based on market capitalization and average daily trading volume, and then adjusts the combined rankings of each equity security by a factor relating to its market capitalization.

Components of the Index are float-adjusted to reflect the number of shares available to investors according to S&P's proprietary methodology. The float-adjusted number of shares is used during the component eligibility process, as described above, at initial component selection and at scheduled reviews.

The Fund will make changes to its portfolio shortly after changes to the Index are released to the public. Investors are able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

### **First Trust Water ETF**

The Index begins by ranking all the publicly traded companies in the potable and wastewater industries by their unadjusted market capitalization. From this universe, the Index removes the candidate stocks that do not meet the component eligibility requirements. If a company has multiple share classes, the Index considers the most liquid issue for inclusion in the Index and removes the remaining classes. The Index selects the top 36 stocks remaining by market capitalization. When the Index is initially configured or reconfigured (as noted below), the Index adjusts the assigned shares of the component stocks such that the weights conform to the following schedule:

1. Assign a weight of 4.00% to stocks 1 - 10.
2. Assign a weight of 3.50% to stocks 11 - 15.
3. Assign a weight of 3.00% to stocks 16 - 20.
4. Assign a weight of 2.00% to stocks 21 - 30.
5. Equally distribute weights among remaining stocks.

After the initial selection of securities, the Index is rebalanced on the application of the above model on a semi-annual basis. The holdings of the Fund and the composition and compilation methodology of the Index will be available on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

The Index is calculated and maintained by S&P based on a methodology developed by the Index Provider. Companies are added or removed by the Index Provider based on the methodology determined by the Index Provider.

The Index is calculated on a price and total return basis. The price component of the Index is calculated in real-time and disseminated in the Options Price Reporting Authority and market data window every day the U.S. equity markets are open. The total return component of the Index is calculated on an end-of-day basis. Both sets of values are available on the Index Provider's website at [www.ise.com](http://www.ise.com).

The Index is comprised of companies that derive a substantial portion of their revenues from the potable and wastewater industries. To be part of the Index, a company must meet component eligibility requirements. These requirements include the company being a "reported security" as defined in Rule 11Aa3-1 under the 1934 Act and have its common stock listed on the NYSE, NYSE Arca, the NYSE MKT or Nasdaq. Additionally the company must have a public float of at least 25% of the stock and must be an operating company.

To meet Index eligibility, the security must also satisfy market capitalization, liquidity and weighting concentration requirements. Each component security must have a market capitalization of at least \$100 million, with trading volume of at least one million shares for each of the last six months, except that for each of the lowest weighted component securities in the Index that in aggregate account for no more than 10% of the weight of the Index, trading volume has been at least 500,000 shares for each of the last six months. The lesser of the five highest weighted component securities in the index or the highest weighted component securities in the Index that in aggregate represent at least 30% of the total number of component securities in the Index each must have had an average monthly trading volume of at least

2,000,000 shares over the past six months and no single component security can represent more than 24% of the weight of the Index. The five highest weighted component securities may not in the aggregate account for more than 50% of the weight of the Index.

Components of the Index are float-adjusted to reflect the number of shares available to investors according to S&P's proprietary methodology. The float-adjusted number of shares is used during the component eligibility process, as described above, at initial component selection and at scheduled reviews.

The Fund will make changes to its portfolio shortly after changes to the Index are released to the public. Investors are able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

## **First Trust Morningstar Dividend Leaders Index Fund**

The securities selected for the Index are determined by a proprietary screening model developed by Morningstar. Morningstar has established the investable universe of the securities that may be included in the Index and Index eligibility. The investable universe and Index eligibility criteria are applied in the sequence in which they appear below. Each criterion is applied only to the "survivors" of the criteria applied previously.

### **Investable Universe**

To qualify for inclusion in the investable universe, a security must meet the following criteria:

1. It must trade on one of the three major exchanges – the NYSE, the NYSE MKT or Nasdaq;
2. The issuing company's country of domicile should be the United States or the issuing company's primary stock market activities are carried out in the United States;
3. Securities that have more than 10 non-trading days in the prior quarter are excluded;
4. The following security types do not qualify:
  - ADRs and ADSs
  - Fixed-dividend shares
  - Convertible notes, warrants and rights
  - Tracking stocks
  - Limited partnerships and holding companies.

### **Index Eligibility**

To qualify for inclusion in the Index, a security's liquidity score must be among the top 75% of the companies in the investable universe. A security's liquidity score is the average of its ranks on each of the following measures:

1. The average monthly trading volume in U.S. dollars during the six calendar months immediately prior to reconstitution or, in the case of corporate entities younger than six months, since the security was first issued (partial month periods are prorated by number of trading days in the month); and
2. The lowest two months' total trading volume during the six calendar months immediately prior to reconstitution (the months need not be sequential).

Additionally, all eligible securities must meet all of the following criteria:

1. Company dividends are "qualified income;"
2. Company should have a 5-year dividend growth greater than or equal to 0; and
3. Company should have a coverage ratio greater than 1.0. Coverage ratio equals the one year forecast of earnings per share for a security divided by the indicated dividend per share.

After the above criteria are applied, the top 100 stocks by indicated dividend yield are selected for inclusion in the Index. The higher coverage ratio breaks all ties. The Index is weighted according to the dividends paid to investors by each company. Therefore, the available dividend dollar value is the product of the security's shares outstanding, indicated dividend per share, and free float factor. Free float factor is the percentage of shares that are readily available for trading in the market after block ownership and restricted shares are subtracted from the total number of shares outstanding. Morningstar makes adjustments to the Index weighting when a single constituent's weighting exceeds the maximum weight allowed (as established by regulatory or tax limits). In such instances, the excess weight is distributed among the remaining constituents.



The Index's base market value at inception (June 30, 1997) was 1,000. The Index values are calculated once a day at the close of business; however, Index values are not calculated when U.S. exchanges are closed. The Index is reconstituted — *i.e.*, the Index membership is reset — once annually, on the Monday following the third Friday of June. If the Monday is a holiday, reconstitution occurs on the Tuesday immediately following. Reconstitution is carried out after the day's closing when the Index values have been determined. The Index is rebalanced — *i.e.*, the number of free float shares and the indicated dividend per share of each constituent are adjusted — four times annually. Adjustments are made on the Monday following the third Friday of March, June, September and December. If the Monday is a holiday, rebalancing occurs on the Tuesday immediately following. Rebalancing is carried out after the day's closing index values have been determined. Market data used for rebalancing is from the last trading day of the first month of each quarter. The Index constituent float factors and shares outstanding updates are announced at rebalancing. Information regarding the methodology for calculating the Index is also found on the Morningstar website ([www.morningstar.com](http://www.morningstar.com)).

Companies are removed from the Index primarily due to mergers/acquisitions and bankruptcies. A component security may also be removed from the Index if it is no longer trading on the respective stock exchange.

The updated values of the Index are distributed by Dow Jones during trading hours (8:30 a.m. to 3:15 p.m.) every 15 seconds through its quotation network to a variety of data vendors. In addition, delayed quotations of the Index are available on Bloomberg every 15 minutes during regular trading hours.

The Fund will make changes to its portfolio shortly after changes to the Index are released to the public. Investors are able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

### **First Trust NASDAQ-100 Equal Weighted Index Fund**

The Index is the equal-weighted version of the NASDAQ-100 Index<sup>®</sup> and represents the largest non-financial domestic and international securities listed on Nasdaq. The NASDAQ-100 Index<sup>®</sup> is calculated under a modified capitalization-weighted methodology.

#### **Initial Eligibility Criteria**

(For the purposes of Index eligibility criteria, if the security is a depositary receipt representing a security of a non-U.S. issuer, then references to the "issuer" are references to the issuer of the underlying security.)

To be eligible for initial inclusion in the Index, a security must be listed on Nasdaq and meet the following criteria:

- the security's U.S. listing must be exclusively on Nasdaq (unless the security was dually listed on another U.S. market prior to January 1, 2004 and has continuously maintained such listing);
- the security must be of a non-financial company;
- the security may not be issued by an issuer currently in bankruptcy proceedings;
- the security must have average daily trading volume of at least 200,000 shares;
- if the issuer of the security is organized under the laws of a jurisdiction outside the United States, then such security must have listed options on a recognized options market in the United States or be eligible for listed-options trading on a recognized options market in the United States;
- only one class of security per issuer is allowed;
- the issuer of the security may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible;
- the issuer of the security may not have annual financial statements with an audit opinion that is currently withdrawn;
- the issuer of the security must have "seasoned" on Nasdaq or another recognized market (generally, a company is considered to be seasoned if it has been listed on a market for at least two years; in the case of spin-offs, the operating history of the spin-off will be considered); and
- if the security would otherwise qualify to be in the top 25% of the securities included in the Index by market capitalization for the six prior consecutive month-ends, then a one-year "seasoning" criterion would apply.

#### **Continued Eligibility Criteria**

(For the purposes of Index eligibility criteria, if the security is a depositary receipt representing a security of a non-U.S. issuer, then references to the "issuer" are references to the issuer of the underlying security.)

To be eligible for continued inclusion in the Index, the following criteria apply:

- the security's U.S. listing must be exclusively on Nasdaq (unless the security was dually listed on another U.S. market prior to January 1, 2004 and has continuously maintained such listing);
- the security must be of a non-financial company;
- the security may not be issued by an issuer currently in bankruptcy proceedings;
- the security must have average daily trading volume of at least 200,000 shares (measured annually during the ranking review process);
- if the issuer of the security is organized under the laws of a jurisdiction outside the United States, then such security must have listed options on a recognized options market in the United States or be eligible for listed-options trading on a recognized options market in the United States (measured annually during the ranking review process);
- the security must have an adjusted market capitalization equal to or exceeding 0.10% of the aggregate adjusted market capitalization of the Index at each month-end. In the event a company does not meet this criterion for two consecutive month-ends, it will be removed from the Index effective after the close of trading on the third Friday of the following month; and
- the issuer of the security may not have annual financial statements with an audit opinion that is currently withdrawn.

In administering the Index, Nasdaq will exercise reasonable discretion as it deems appropriate.

### **NASDAQ-100 Index® Ranking Review**

Except under extraordinary circumstances that may result in an interim evaluation, NASDAQ-100 Index® composition is reviewed on an annual basis as follows (such evaluation is referred to herein as the "*Ranking Review*"). Securities listed on Nasdaq which meet the applicable eligibility criteria (above) are ranked by market value. NASDAQ-100 Index®-eligible securities which are already in the NASDAQ-100 Index® and which are ranked in the top 100 eligible securities (based on market value) are retained in the NASDAQ-100 Index®. A security that is ranked 101 to 125 is also retained, provided that such security was ranked in the top 100 eligible securities as of the previous Ranking Review. Securities not meeting such criteria are replaced. The replacement securities chosen are those NASDAQ-100 Index®-eligible securities not currently in the NASDAQ-100 Index® that have the largest market capitalization. The data used in the ranking includes end of October Nasdaq market data and is updated for total shares outstanding submitted in a publicly filed Securities and Exchange Commission document via EDGAR through the end of November.

Generally, the list of annual additions and deletions is publicly announced via a press release in the early part of December. Replacements are made effective after the close of trading on the third Friday in December. Moreover, if at any time during the year a NASDAQ-100 Index® security is determined by Nasdaq to become ineligible for continued inclusion in the NASDAQ-100 Index® based on the Continued Eligibility Criteria (above), the security will be replaced with the largest market capitalization security not currently in the NASDAQ-100 Index® and meeting the Initial NASDAQ-100 Index® eligibility criteria listed above.

In addition to the Ranking Review, the securities in the NASDAQ-100 Index® are monitored every day by Nasdaq with respect to changes in total shares outstanding arising from secondary offerings, stock repurchases, conversions, or other corporate actions. Nasdaq has adopted the following weight adjustment procedures with respect to such changes. Changes in total shares outstanding arising from stock splits, stock dividends, or spin-offs are generally made to the NASDAQ-100 Index® on the evening prior to the effective date of such corporate action. If the change in total shares outstanding arising from other corporate actions is greater than or equal to 5.0%, the change will be made as soon as practicable, normally within ten (10) days of such action. Otherwise, if the change in total shares outstanding is less than 5%, then all such changes are accumulated and made effective at one time on a quarterly basis after the close of trading on the third Friday in each of March, June, September, and December.

### **Index Calculation**

The Index is an equal-weighted index. The value of the Index equals the aggregate value of the Index share weights, also known as the Index shares, of each of the Index securities multiplied by each such security's Nasdaq Official Closing Price ("*NOCP*"), divided by the divisor. The divisor serves the purpose of scaling such aggregate index value to a lower order of magnitude which is more desirable for Index reporting purposes. If trading in an Index security is halted while the market is open, the

last Nasdaq traded price for that security is used for all index computations until trading resumes. If trading is halted before the market is open, the previous day's NOCP is used. The Index began on June 20, 2005 at a base value, or initial value, of 1000.00.

The formula for Index value is as follows:

$\text{Aggregate Adjusted Market Value} / \text{Divisor}$

The formula for the Divisor is as follows:

$(\text{Market Value after Adjustments} / \text{Market Value before Adjustments}) \times \text{Divisor before Adjustments}$

The Index is generally calculated without regard to cash dividends on component securities.

The Index is calculated using Nasdaq prices (not consolidated) during the day (from 09:30:15 to 16:01:30) and the NOCP for the close. The Index is disseminated every 15 seconds from 09:30:15 to 17:16:00 Eastern time through the NASDAQ Index Dissemination Services<sup>SM</sup>. The closing value of the Index may change up until 17:15:00 Eastern time due to corrections to the NOCP of the component securities.

### **Index Maintenance**

The Index is rebalanced quarterly such that each security is set at a weight of 1.00% of the Index. Index share changes are not made during the quarter however changes arising from stock splits and stock dividends are made to the Index on the evening prior to the effective date of such corporate action. In the case of spin-offs of component securities, the price of the security will be adjusted and a corresponding adjustment will be made to the Index shares of the security such that the weight of the security in the Index will not change. In the case of a special cash dividend or rights issuance, Nasdaq will determine on an individual basis whether to make a change to the price of an Index security. If it is determined that a change will be made, it will become effective on the ex-date and a corresponding adjustment will be made to the Index shares of the security such that the weight of the security in the Index will not change. If a component of the NASDAQ-100 Index<sup>®</sup> changes, the new security will assume the weight of the removed security on the effective date.

### **Index Rebalancing**

The Index is rebalanced quarterly such that each security is initially set at a weight of 1.00% of the Index at the time of calculation. The quarterly Index shares are based upon the aggregate capitalization of the Index at the close of trading on the Tuesday in the week immediately preceding the week of the third Friday in March, June, September, and December. Changes to the Index shares will be made effective after the close of trading on the third Friday in March, June, September and December and an adjustment to the divisor will be made to ensure continuity of the Index.

In administering the Index, NASDAQ<sup>®</sup> will exercise reasonable discretion as it deems appropriate. Information regarding the methodology for calculating the Index is found on the NASDAQ<sup>®</sup> website (<https://indexes.nasdaqomx.com/>).

The Fund will make changes to its portfolio shortly after changes to the Index are released to the public. Investors are able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

### **First Trust NASDAQ-100 Ex-Technology Sector Index Fund**

The Index contains the securities of the NASDAQ-100 Index<sup>®</sup> that are not classified as "technology" according to the ICB classification system. Please note that whether a company is considered to be "non-technology" for purposes of being included in the Index will be exclusively determined by Nasdaq without regard to the Fund. In addition, such classifications may not necessarily be applicable for the financial statements prepared by the Fund or certain other purposes. The Index is generally calculated without regard to cash dividends on component securities. The Index began on February 22, 2006 with a base value, or initial value, of 1000.00.

### **NASDAQ-100 Index<sup>®</sup> Initial Eligibility Criteria**

(For the purposes of NASDAQ-100 Index<sup>®</sup> eligibility criteria, if the security is a depositary receipt representing a security of a non-U.S. issuer, then references to the "issuer" are references to the issuer of the underlying security.)

To be eligible for initial inclusion in the NASDAQ-100 Index<sup>®</sup>, a security must be listed on Nasdaq and meet the following criteria:

- the security's U.S. listing must be exclusively on Nasdaq (unless the security was dually listed on another U.S. market prior to January 1, 2004 and has continuously maintained such listing);
- the security must be of a non-financial company;
- the security may not be issued by an issuer currently in bankruptcy proceedings;
- the security must have average daily trading volume of at least 200,000 shares;
- if the issuer of the security is organized under the laws of a jurisdiction outside the United States, then such security must have listed options on a recognized options market in the United States or be eligible for listed options trading on a recognized options market in the United States;
- only one class of security per issuer is allowed;
- the issuer of the security may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible;
- the issuer of the security may not have annual financial statements with an audit opinion that is currently withdrawn;
- the issuer of the security must have "seasoned" on Nasdaq or another recognized market (generally, a company is considered to be seasoned if it has been listed on a market for at least two years; in the case of spin-offs, the operating history of the spin-off will be considered); and
- if the security would otherwise qualify to be in the top 25% of the securities included in the NASDAQ-100 Index<sup>®</sup> by market capitalization for the six prior consecutive month-ends, then a one-year "seasoning" criterion would apply.

### **NASDAQ-100 Index<sup>®</sup> Continued Eligibility Criteria**

(For the purposes of NASDAQ-100 Index<sup>®</sup> eligibility criteria, if the security is a depositary receipt representing a security of a non-U.S. issuer, then references to the "issuer" are references to the issuer of the underlying security.)

To be eligible for continued inclusion in the NASDAQ-100 Index<sup>®</sup>, the following criteria apply:

- the security's U.S. listing must be exclusively on Nasdaq (unless the security was dually listed on another U.S. market prior to January 1, 2004 and has continuously maintained such listing);
- the security must be of a non-financial company;
- the security may not be issued by an issuer currently in bankruptcy proceedings;
- the security must have average daily trading volume of at least 200,000 shares (measured annually during the ranking review process);
- if the issuer of the security is organized under the laws of a jurisdiction outside the United States, then such security must have listed options on a recognized options market in the United States or be eligible for listed options trading on a recognized options market in the United States (measured annually during the ranking review process);
- the security must have an adjusted market capitalization equal to or exceeding 0.10% of the aggregate adjusted market capitalization of the NASDAQ-100 Index<sup>®</sup> at each month-end. In the event a company does not meet this criterion for two consecutive month-ends, it will be removed from the NASDAQ-100 Index<sup>®</sup> effective after the close of trading on the third Friday of the following month; and
- the issuer of the security may not have annual financial statements with an audit opinion that is currently withdrawn.

In administering the NASDAQ-100 Index<sup>®</sup>, Nasdaq will exercise reasonable discretion as it deems appropriate.

### **NASDAQ-100 Ex-Tech Sector Index<sup>SM</sup> Eligibility**

The Index contains securities of the NASDAQ-100 Index<sup>®</sup> not classified as "technology" according to ICB. The eligibility for the Index is determined in a two-step process and the security has to meet both criteria in order to become eligible for the Index.

1. The security must be part of the NASDAQ-100 Index<sup>®</sup>, which includes 100 of the largest domestic and international non-financial securities listed on Nasdaq and is re-ranked annually.
2. The security must not be classified as "technology" according to ICB.

## **NASDAQ-100 Ex-Tech Sector Index<sup>SM</sup> Maintenance**

The Index is rebalanced quarterly such that each security is set at an equal weight of the Index. Index share changes are not made during the period. However changes arising from stock splits, stock dividends are made to the Index on the evening prior to the effective date of such corporate action. In the case of spin-offs of component securities, the price of the security will be adjusted and a corresponding adjustment will be made to the Index shares of the security such that the weight of the security in the Index will not change.

In the case of a special cash dividend or rights issuance, Nasdaq will determine on a case-by-case basis whether to make a change to the price and/or Index components in accordance with its Index dividend policy. If it is determined that a change will be made, it will become effective on the ex-dividend date and a corresponding adjustment will be made to the Index shares of the security such that the weight of the security in the Index will not change. Component changes to the Index will be handled in the following manner:

1. If a component of the NASDAQ-100 Index<sup>®</sup> that is not classified as "technology" according to ICB is removed from the NASDAQ-100 Index<sup>®</sup>, it will also be removed from the Index and as such if the replacement security being added to the NASDAQ-100 Index<sup>®</sup> is not classified as "technology" according to ICB, it will be added to the Index and will assume the weight of the removed security on the effective date;
2. If a component of the NASDAQ-100 Index<sup>®</sup> that is classified as "technology" according to ICB is removed and the replacement security being added to the NASDAQ-100 Index<sup>®</sup> is not classified as "technology" according to ICB, the replacement security will be added to the Index at the next quarterly rebalancing; however, if the security change is not announced prior to the close of business of the Tuesday in the week immediately preceding the third Friday, the security's addition to the Index will be made in the following quarterly rebalance; and
3. If a component of the NASDAQ-100 Index<sup>®</sup> that is not classified as "technology" according to ICB is removed from the NASDAQ-100 Index<sup>®</sup> and the replacement security being added to the NASDAQ-100 Index<sup>®</sup> is classified as "technology" according to ICB, the security will be removed from the Index and the divisor of the Index will be adjusted to ensure Index continuity.

## **NASDAQ-100 Ex-Tech Sector Index<sup>SM</sup> Rebalancing**

The Index is rebalanced quarterly such that each security is initially set at an equal weight of the Index at the time of calculation. Equal weights are based upon the aggregate capitalization of the Index, incorporating quarterly changes for the NASDAQ-100 Index<sup>®</sup>, and the corresponding last sale price of the security at the close of trading on the Tuesday in the week immediately preceding the week of the third Friday in March, June, September, and December. Changes to the Index shares will be made effective after the close of trading on the third Friday in March, June, September and December.

In administering the Index, Nasdaq will exercise reasonable discretion as it deems appropriate.

Information regarding the methodology for calculating the Index is also found on the Nasdaq website (<https://indexes.nasdaqomx.com/>). The Fund expects to make changes to its portfolio shortly after changes to the Index are released to the public via the Nasdaq website. Investors will be able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

## **First Trust NASDAQ-100-Technology Sector Index Fund**

The Index contains the securities of the NASDAQ-100 Index<sup>®</sup> that are classified as "technology" according to the ICB classification system.

### **NASDAQ-100 Index<sup>®</sup> Initial Eligibility Criteria**

(For the purposes of NASDAQ-100 Index<sup>®</sup> eligibility criteria, if the security is a depositary receipt representing a security of a non-U.S. issuer, then references to the "issuer" are references to the issuer of the underlying security.)

To be eligible for initial inclusion in the NASDAQ-100 Index<sup>®</sup>, a security must be listed on Nasdaq and meet the following criteria:

- the security's U.S. listing must be exclusively on Nasdaq (unless the security was dually listed on another U.S. market prior to January 1, 2004 and has continuously maintained such listing);
- the security must be of a non-financial company;
- the security may not be issued by an issuer currently in bankruptcy proceedings;

- the security must have average daily trading volume of at least 200,000 shares;
- if the issuer of the security is organized under the laws of a jurisdiction outside the United States, then such security must have listed options on a recognized options market in the United States or be eligible for listed-options trading on a recognized options market in the United States;
- only one class of security per issuer is allowed;
- the issuer of the security may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible;
- the issuer of the security may not have annual financial statements with an audit opinion that is currently withdrawn;
- the issuer of the security must have "seasoned" on Nasdaq or another recognized market (generally, a company is considered to be seasoned if it has been listed on a market for at least two years; in the case of spin-offs, the operating history of the spin-off will be considered); and
- if the security would otherwise qualify to be in the top 25% of the securities included in the NASDAQ-100 Index<sup>®</sup> by market capitalization for the six prior consecutive month-ends, then a one-year "seasoning" criterion would apply.

### **NASDAQ-100 Index<sup>®</sup> Continued Eligibility Criteria**

(For the purposes of NASDAQ-100 Index<sup>®</sup> eligibility criteria, if the security is a depositary receipt representing a security of a non-U.S. issuer, then references to the "issuer" are references to the issuer of the underlying security.)

To be eligible for continued inclusion in the NASDAQ-100 Index<sup>®</sup>, the following criteria apply:

- the security's U.S. listing must be exclusively on Nasdaq (unless the security was dually listed on another U.S. market prior to January 1, 2004 and has continuously maintained such listing);
- the security must be of a non-financial company;
- the security may not be issued by an issuer currently in bankruptcy proceedings;
- the security must have average daily trading volume of at least 200,000 shares (measured annually during the ranking review process);
- if the issuer of the security is organized under the laws of a jurisdiction outside the United States, then such security must have listed options on a recognized options market in the United States or be eligible for listed-options trading on a recognized options market in the United States (measured annually during the ranking review process);
- the security must have an adjusted market capitalization equal to or exceeding 0.10% of the aggregate adjusted market capitalization of the NASDAQ-100 Index<sup>®</sup> at each month-end. In the event a company does not meet this criterion for two consecutive month-ends, it will be removed from the NASDAQ-100 Index<sup>®</sup> effective after the close of trading on the third Friday of the following month; and
- the issuer of the security may not have annual financial statements with an audit opinion that is currently withdrawn.

### **Index Calculation**

The Index is an equal-weighted index. The value of the Index equals the aggregate value of the Index share weights, also known as the Index shares, of each of the Index securities multiplied by each such security's last sale price, if during the trading day, or the NOCP, if at the end of the trading day, divided by the divisor. The divisor serves the purpose of scaling such aggregate index value to a lower order of magnitude which is more desirable for Index reporting purposes. If trading in an Index security is halted while the market is open, the last Nasdaq traded price for that security is used for all Index computations until trading resumes. If trading is halted before the market is open, the previous day's NOCP is used. The Index began on February 22, 2006 at a base value, or initial value, of 1000.00.

The formula for Index value is as follows:

$$\text{Aggregate Adjusted Market Value/Divisor}$$

The formula for the Divisor is as follows:

$$(\text{Market Value after Adjustments/Market Value before Adjustments}) \times \text{Divisor before Adjustments}$$

The Index is generally calculated without regard to cash dividends on component securities.

The Index is calculated using Nasdaq prices (not consolidated) during the day (from 09:30:15 to 16:01:30) and the NOCP for the close. The Index is disseminated every 15 seconds from 09:30:15 to 17:16:00 ET through the Nasdaq Index Dissemination Services<sup>SM</sup> (NIDS<sup>SM</sup>). The closing value of the Index may change up until 17:15:00 ET due to corrections to the NOCP of the component securities.

### **Index Eligibility**

The Index contains securities of the NASDAQ-100 Index<sup>®</sup> classified as “technology” according to ICB. The eligibility for the Index is determined in a two step process and the security has to meet both criteria in order to become eligible for the Index.

1. The security must be part of the NASDAQ-100 Index<sup>®</sup>, which includes 100 of the largest domestic and international non-financial securities listed on Nasdaq and is re-ranked annually.
2. The security must be classified as “technology” according to ICB.

### **Index Maintenance**

The Index is rebalanced quarterly such that each security is set at an equal weight of the Index. Index share changes are not made during the period. However changes arising from stock splits, stock dividends are made to the Index on the evening prior to the effective date of such corporate action. In the case of spin-offs of component securities, the price of the security will be adjusted and a corresponding adjustment will be made to the Index shares of the security such that the weight of the security in the Index will not change.

In the case of a special cash dividend or rights issuance, Nasdaq will determine on an individual basis whether to make a change to the price and/or index shares of an Index security in accordance with Nasdaq Index dividend policy. If it is determined that a change will be made, it will become effective on the morning of the ex-date and a corresponding adjustment will be made to the Index shares of the security such that the weight of the security in the Index will not change. Component changes to the Index will be handled in the following manner:

1. If a component of the NASDAQ-100 Index<sup>®</sup> that is classified as “technology” according to ICB is removed from the NASDAQ-100 Index<sup>®</sup>, it will also be removed from the Index and as such if the replacement security being added to the NASDAQ-100 Index<sup>®</sup> is classified as “technology” according to ICB it will be added to the Index and will assume the weight of the removed security on the effective date;
2. If a component of the NASDAQ-100 Index<sup>®</sup> that is not classified as “technology” according to ICB is removed and the replacement security being added to the NASDAQ-100 Index<sup>®</sup> is classified as “technology” according to ICB, the replacement security will be added to the Index at the next quarterly rebalancing; however, if the security change is not announced prior to the close of business of the Tuesday before the third Friday, the security’s addition to the Index will be made in the following quarterly rebalance; and
3. If a component of the NASDAQ-100 Index<sup>®</sup> that is classified as “technology” according to ICB is removed from the NASDAQ-100 Index<sup>®</sup> and the replacement security being added to the NASDAQ-100 Index<sup>®</sup> is not classified as “technology” according to ICB, the security will be removed from the Index and the divisor of the Index will be adjusted to ensure Index continuity.

### **Index Rebalancing**

The Index is rebalanced quarterly such that each security is initially set at an equal weight of the Index at the time of calculation. Equal weights are based upon the aggregate capitalization of the Index, incorporating quarterly changes for the underlying index, and the corresponding NOCP of the security at the close of trading on the Tuesday in the week immediately preceding the week of the third Friday in March, June, September, and December. Changes to the Index shares will be made effective after the close of trading on the third Friday in March, June, September and December and an adjustment to the divisor will be made to ensure continuity of the Index.

In administering the Index, Nasdaq will exercise reasonable discretion as it deems appropriate. Information regarding the methodology for calculating the Index is found on the Nasdaq website (<https://indexes.nasdaqomx.com/>).

The Fund will make changes to its portfolio shortly after changes to the Index are released to the public. Investors are able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund’s website at [www.ftportfolios.com](http://www.ftportfolios.com).

## First Trust NASDAQ<sup>®</sup> ABA Community Bank Index Fund

### Index Construction

To be eligible for inclusion in the Index, the security's U.S. listing must be exclusively on Nasdaq (unless the security was dually listed on another U.S. market prior to January 1, 2004 and has continuously maintained such listing).

The Index includes all Nasdaq listed banks and thrifts or their holding companies (HCs) with an ICB (Industry Classification Benchmark) Code of 8355 (or that the ABA determines should be classified as such), excluding:

1. Any of the 50 largest banks or thrifts based on asset size (and their HCs), as determined by the most recently available call report data as compiled by the FDIC.
2. Any banks or thrifts classified as having an international specialization, as determined by the most recently available call report data as compiled by the FDIC, provided that such institutions constitute the majority of assets if in a holding company.
3. Any banks or thrifts classified as having a credit card specialization, as determined by the most recently available call report data as compiled by the FDIC, provided that such institutions constitute the majority of assets if in a holding company.

In addition, a security must meet the following:

- a market capitalization of at least \$200 million;
- a three-month average daily dollar trading volume of at least \$500 thousand;
- the issuer of the security may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible;
- the security may not be issued by an issuer currently in bankruptcy proceedings;
- the issuer of the security may not have annual financial statements with an audit opinion that is currently withdrawn; and
- the issuer of the security must have "seasoned" on a recognized market (generally, a company is considered to be seasoned if it has been listed on a market for at least six months; in the case of spin-offs, the operating history of the spin-off will be considered).

### Index Calculation

The Index is a market capitalization-weighted index. The value of the Index equals the aggregate value of the Index share weights, also known as the "Index Shares," of each of the securities included in the Index ("*Index Securities*") multiplied by each such security's Last Sale Price, and divided by the divisor of the Index. For purposes of this document, Last Sale Price refers to the last sale price on Nasdaq, which may be the NASDAQ Official Closing Price (NOCP). The divisor serves the purpose of scaling such aggregate value to a lower order of magnitude which is more desirable for Index reporting purposes. If trading in an Index Security is halted on its primary listing market, the most recent Last Sale Price for that security is used for all index computations until trading on such market resumes. Likewise, the most recent Last Sale Price is used if trading in a security is halted on its primary listing market before the market is open. The Index began on June 8, 2009 at a base value, or initial value, of 1000.00.

The formula for index value is as follows:

$$\text{Aggregate Adjusted Market Value/Divisor}$$

The formula for the divisor is as follows:

$$(\text{Market Value after Adjustments/Market Value before Adjustments}) \times \text{Divisor before Adjustments}$$

Two versions of the Index are calculated – a price return index and a total return index. The price return index (NASDAQ: ABQI) is ordinarily calculated without regard to cash dividends on Index Securities. The total return index (NASDAQ: ABQX) reinvests cash dividends on the ex-date. Both Indexes reinvest extraordinary cash distributions.

The Index is calculated during the trading day and is disseminated once per second from 09:30:01 to 17:16:00 ET. The closing value of the Index may change up until 17:15:00 ET due to corrections to the Last Sale Price of the Index Securities.



## Eligibility

Index eligibility is limited to a specific security type only. The security type eligible for inclusion in the Index is common stocks. Security types not included in the Index are ADRs, closed-end funds, convertible debentures, exchange traded funds, limited partnership interests, ordinary shares, preferred stocks, rights, shares of beneficial interest, warrants, units and other derivative securities.

Additionally, if at any time during the year other than the Evaluation, an Index Security no longer meets the Eligibility Criteria, or is otherwise determined to have become ineligible for inclusion in the Index, the security is removed from the Index and is not replaced. In all cases, a security is removed from the Index at its Last Sale Price.

## Index Maintenance

Changes in the price and/or Index Shares driven by corporate events such as stock dividends, stock splits, and certain spin-offs and rights issuances are adjusted on the ex-date. If the change in total shares outstanding arising from other corporate actions is greater than or equal to 5.0%, the change is made as soon as practicable. Otherwise, if the change in total shares outstanding is less than 5%, then all such changes are accumulated and made effective at one time on a quarterly basis after the close of trading on the third Friday in each of March, June, September and December.

In the case of a special cash dividend, a determination is made on an individual basis whether to make a change to the price of an Index Security in accordance with its Index dividend policy. If it is determined that a change will be made, it will become effective on the ex-date.

Ordinarily, whenever there is a change in Index Shares, a change in an Index Security, or a change to the price of an Index Security due to spin-offs, rights issuances or special cash dividends, the divisor is adjusted to ensure that there is no discontinuity in the value of the Index which might otherwise be caused by any such change. All changes are announced in advance and are reflected in the Index prior to market open on the Index effective date.

## Index Rebalancing

On a quarterly basis coinciding with the scheduled quarterly Index Share adjustment procedures, the Index will be rebalanced if it is determined that: (1) the current weight of the single largest market capitalization Index Security is greater than 25.0% and (2) the "collective weight" of those Index Securities whose individual current weights are in excess of 5%, when added together, exceed 50.0% of the Index.

If either threshold is broken, the Index would be rebalanced using a modified market capitalization-weighting such that the maximum weight of any Index Security will not exceed 8% and no more than 5 securities are at that cap. The excess weight of any capped security would be distributed proportionally across the remaining Index Securities. If after redistribution, any of the 5 highest ranked Index Securities were weighted below 8%, these securities would not be capped. Next, any remaining Index Securities in excess of 4% would be capped at 4% and the excess weight would be redistributed proportionally across the remaining Index Securities. The process would be repeated, if necessary, to derive the final weights.

The above modified market capitalization-weighting methodology would be applied to the capitalization of each Index Security, using the Last Sale Price of the security at the close of trading on the last trading day in February, May, August and November and after applying quarterly changes to the total shares outstanding. Index Shares would then be calculated by multiplying the weight of the security derived above by the new market value of the Index and dividing the modified market capitalization for each Index Security by its corresponding Last Sale Price.

In addition, a special rebalancing of the Index may be conducted at any time if it is determined necessary to maintain the integrity of the Index.

In administering the Index, Nasdaq will exercise reasonable discretion as it deems appropriate to ensure Index integrity.

Information regarding the methodology for calculating the Index is also found on the Nasdaq website (<https://indexes.nasdaqomx.com/>). The Fund expects to make changes to its portfolio shortly after changes to the Index are released to the public via the Nasdaq website. Investors will be able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

## First Trust NASDAQ® Clean Edge® Green Energy Index Fund

The Index is designed to track the performance of clean-energy companies that are publicly traded in the United States. The Index is a modified market capitalization-weighted index designed to track the performance of companies that are primarily manufacturers, developers, distributors and/or installers of emerging clean energy technologies, as defined by Clean Edge®, Inc. ("Clean Edge®"). The Index began on November 17, 2006 with a base value, or initial value, of 250.00.

### Initial Eligibility Criteria

To be eligible for inclusion in the Index, the security must be listed on Nasdaq, the NYSE or the NYSE MKT.

Issuers of the security must be classified, according to Clean Edge®, as technology manufacturers, developers, distributors and/or installers of one of the following sub-sectors:

- Advanced materials (nanotech materials, advanced membranes, silicon-based materials and alternatives, bioplastics, etc. that enable clean-energy technologies and/or reduce the need for petroleum-based materials);
- Energy intelligence (conservation, automated meter reading, energy management systems, smart grid, super-conductors, power controls, etc.);
- Energy storage and conversion (advanced batteries, hybrid drivetrains, hydrogen, fuel cells for stationary, portable, and transportation applications, etc.); and
- Renewable electricity generation and renewable fuels (solar photovoltaics, concentrating solar, wind, geothermal, and ethanol, biodiesel, biofuel enabling enzymes, etc.).

As of the semi-annual re-evaluations, the security must also have:

- a minimum market capitalization of \$75 million;
- an average daily trading volume of a least 100,000 shares;
- a minimum closing price of \$1.00; and
- the issuer of the security may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible.

### Continued Eligibility Criteria

In addition to the criteria above, the following criteria will be monitored continually.

- The security may not be issued by an issuer currently in bankruptcy proceedings;
- The security may not be placed in a trading halt for two or more consecutive weeks; and
- The issuer of the security may not have annual financial statements with an audit opinion that is currently withdrawn.

For purposes of Index eligibility criteria, if the security is a depositary receipt representing a security of a non-U.S. issuer, then references to the "issuer" are references to the issuer of the underlying security.

### Semi-Annual Evaluation

The Index securities shall be evaluated semi-annually in March and September based on market data as monitored by Nasdaq. In such evaluations, Clean Edge® will provide Nasdaq a list of clean-energy companies as they have identified. The NASDAQ® Clean Edge® Green Energy Index<sup>SM</sup> Committee (the "Committee") will review and consider all recommendations provided. Once the list of clean-energy companies has been finalized, Nasdaq shall apply the above eligibility criteria using market data through the previous February and August. Securities meeting the criteria will be included in the Index. Upon each semi-annual evaluation, security additions and deletions shall be made effective after the close of trading on each third Friday in March and September.

Ordinarily, if at the time during the year an Index security no longer meets the Index inclusion criteria, or is otherwise determined to have become ineligible for continued inclusion in the Index, the security will be deleted. In addition, from time to time, the Committee may call a special meeting to review changes to clean-energy companies including acquisitions, divestitures or other actions that may affect a company's initial or continued eligibility. All changes to the Index will become effective at a time determined by the Committee. If an Index security is deleted, the Index divisor will be adjusted to ensure Index continuity.

## **Index Maintenance**

Changes in the price and/or Index shares driven by corporate events such as stock dividends, splits and certain spin-offs and rights issuance will be adjusted on the ex-dividend date. If the change in total shares outstanding arising from other corporate actions is greater than or equal to 5%, the change will be made as soon as practicable, normally within ten (10) days of such action. Otherwise, if the change in total shares outstanding is less than 5%, then all such changes are accumulated and made effective at one time on a quarterly basis after the close of trading on the third Friday in each of March, June, September, and December.

In the case of a special cash dividend, Nasdaq will determine on an individual basis whether to make a change to the price of an Index security in accordance with its Index dividend policy. If it is determined that a change will be made, it will become effective on the ex-dividend date and a corresponding adjustment will be made to the Index shares of the security such that the weight of the Index security will not change.

In addition, other Index share changes may be made between semi-annual evaluation periods only to the extent that the change in total shares outstanding equals or exceeds +5%. In this case, changes will be made effective as soon as practicable, normally within ten days of such action.

In general, an initial public offering or other securities will not be added to the Index between the semi-annual evaluations unless determined by the Committee.

Ordinarily, whenever there is a change in Index shares or a change in an Index security, the divisor is adjusted to ensure that there is no discontinuity in the value of the Index, which might otherwise be caused by any such change. All changes are announced in advance and will be reflected in the Index prior to market open on the Index effective date.

The formula for the Divisor can be determined as follows:

$$(\text{Market Value after Adjustments} / \text{Market Value before Adjustments}) \times \text{Divisor before Adjustments}$$

## **Index Rebalancing**

The Index shall employ a modified market capitalization-weighting methodology. On a quarterly basis coinciding with the third Friday of each March, June, September and December, the Index will be rebalanced such that the maximum weight of any security will not exceed 8% and no more than five securities shall be greater than 4%. Any security then in excess of 4% will be capped at 4%. The aggregate amount by which all securities over 8% and 4% is reduced will be redistributed proportionately across the remaining securities. The percentage weighting cap on the individual stock weighting may change from time to time, as necessary, to ensure continued representation of current market conditions. After the redistribution, if any other security then exceeds 4%, the security is set to 4% of the Index and the redistribution is repeated.

In administering the Index, Nasdaq will exercise reasonable discretion as it deems appropriate.

Information regarding the methodology for calculating the Index is also found on the Nasdaq website (<https://indexes.nasdaqomx.com/>). The Fund expects to make changes to its portfolio shortly after changes to the Index are released to the public via the Nasdaq website. Investors will be able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

## **First Trust NYSE Arca Biotechnology Index Fund**

### **Index Description**

The Index is an equal-dollar weighted index designed to measure the performance of a cross section of companies in the biotechnology industry that are primarily involved in the use of biological processes to develop products or provide services. Such processes include, but are not limited to, recombinant DNA technology, molecular biology, genetic engineering, monoclonal antibody-based technology, lipid/liposome technology, and genomics.

### **Index Calculation**

The Index is calculated using an equal-dollar weighting methodology to ensure that each of the component securities is represented in approximately equal dollar amounts in the Index. Equal-dollar weighting was established by designating the number of shares of each component security to represent approximately \$10,000 in market value, based on closing prices on October 18, 1991, the date the Index was established. The aggregate value of the stocks was reduced by a divisor to establish an Index benchmark value of 200.00.

## Index Eligibility and Maintenance

The Index is calculated and maintained by NYSE Arca. NYSE Arca may change the composition of the Index at any time to reflect the conditions of the biotechnology industry and to ensure that the component securities continue to represent the biotechnology industry. The Index requires that securities meet the following requirements in order to be eligible for inclusion in the Index:

- Each component security must be a common stock or ADR of a company involved in the biotechnology industry, and listed on the NYSE, Nasdaq, NYSE MKT, or another major U.S. exchange;
- Each component security must have a current market capitalization of at least \$1 billion (not adjusted for free float), except that for companies already in the Index, a minimum current market capitalization requirement of \$900 million will be applied;
- Average daily traded value of each component security must be at least \$1 million over the past three months, except that for companies already in the Index, a minimum 3-month average daily traded value requirement of \$900,000 will be applied;
- Each component security must have a current last traded price of greater than \$3.00, except that for companies already in the Index, a minimum current last traded price requirement of \$1.00 will be applied; and
- Components will be removed from the Index during the quarterly review if they fail to satisfy any of the aforementioned criteria, and are not chosen by the Index's Calculation Agent to remain in the Index under the discretion of the NYSE Arca Index Committee, as outlined in Rules 5.1 and 5.2.

Every quarter after the close of trading on the third Friday of January, April, July and October, the Index portfolio is adjusted by changing the number of shares of each component stock so that each one again represents an approximately equal dollar amount in the Index. The newly adjusted portfolio becomes the basis for the Index's value effective on the first trading day following the quarterly adjustments. If necessary, a divisor adjustment is made to ensure continuity of the Index's value.

The number of shares of each component stock in the Index portfolio remain fixed between quarterly reviews, except in the event of certain types of corporate actions such as the payment of a dividend, other than an ordinary cash dividend, stock distribution, stock split, reverse stock split, rights offering, or a distribution, reorganization, recapitalization, or some such similar event with respect to a component stock. When the Index is adjusted between quarterly reviews for such events, the number of shares of the relevant security will be adjusted, to the nearest whole share, to maintain the component's relative weight in the Index at the level immediately prior to the corporate action. The Index may also be adjusted in the event of a merger, consolidation, dissolution, or liquidation of an issuer of a component stock. In the event of a stock replacement, the dollar value of the stock being removed will be calculated and that amount invested in the new component stock to the nearest whole share. In choosing among biotechnology industry stocks that meet the minimum criteria set forth in NYSE Arca Rule 5.13(c), NYSE Arca represents that it will make every effort to add new stocks that are representative of the biotechnology industry and will take in account, among other factors, a stock's capitalization, liquidity, volatility, and name recognition. In connection with any adjustments to the Index, the Index divisor is adjusted to ensure that there are no changes to the Index level as a result of non-market forces. Similar to other index values published by NYSE Arca, the value of the Index is published every 15 seconds on the NYSE Global Index Feed (GIF).

Information regarding the methodology for calculating the Index is also found on the NYSE index website ([www.nyse.com/indices](http://www.nyse.com/indices)).

NYSE Arca publishes any changes to the Index three days prior to the effective date of the change, or, with as much advance notice as possible. All replacement companies are selected based on the selection criteria set forth herein.

The Fund will make changes to its portfolio shortly after changes to the Index are released to the public. Investors are able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

## First Trust S&P REIT Index Fund

Generally, REITs are companies that own and most often actively manage income-generating commercial real estate. Some REITs make or invest in loans and other obligations that are secured by real estate collateral.

The Index is a subset of the S&P Developed REIT Index, which measures the performance of more than 267 REITs or REIT-like structures in 14 developed markets. The S&P Developed REIT Index is a sub-index of the S&P Global BMI Index. The S&P Global

BMI Index contains more than 450 constituents from more than 30 countries and serves as the universe from which constituents of other property indices may be drawn.

The S&P Developed REIT Index aims to represent an accurate measure of the REIT developed equity market, reflecting the risk and return characteristics of this broad universe on an ongoing basis. The Index contains those constituents of the S&P Developed REIT Index that are domiciled in the United States. As of March 31, 2017, the Index is comprised of 152 companies.

The Index committee makes constituent changes on an as-needed basis. Share adjustments that exceed 5% are made at the time of the change. Share adjustments of less than 5% are made on a quarterly basis. The index committee announces all changes affecting the Index to the public via press releases, which are available on S&P's website.

### Criteria for Index Additions

- **Eligibility:** Only equity REITs are eligible for addition.
- **Major Exchange:** A REIT must trade on the NYSE, the NYSE MKT or Nasdaq to be considered for inclusion.
- **Market Capitalization:** A REIT must maintain a market capitalization in excess of \$100 million to be considered.
- **Dividend Payment:** A REIT must have made a dividend payment in the previous year to be considered for inclusion.
- **Public Float:** A REIT must have a public float of at least 50% of its stock.
- **Liquidity and Price:** A REIT must have adequate liquidity and reasonable per share price in that the ratio of annual dollar value traded to market capitalization should be 0.3 or greater. S&P believes that very low stock prices can affect a stock's liquidity.
- **Trading History:** After an initial public offering, a REIT must trade for at least six months before it will be considered for inclusion.
- **Financial Viability:** A REIT must demonstrate positive as-reported earnings, which are Generally Accepted Accounting Principles (GAAP) net income excluding discontinued operations and extraordinary items, usually measured over four consecutive quarters.
- **Sector Classification:** A REIT must be classified in the Real Estate Industry Group sub-classification of the financials sector of the Global Industry Classification Standard.

### Criteria for Index Removals

- REITs that substantially violate one or more of the criteria for Index additions.
- REITs that are consolidated into other REITs, or which restructure so that they no longer meet the criteria for Index inclusion.

### Index Methodology

The primary goal of the Index is to provide investors with a reliable indicator of the securitized U.S. real estate market. S&P makes constituent changes on an "as-needed" basis. Constituent adjustments that exceed 5% are made at the time of the change. Constituent adjustments of less than 5% are made on a quarterly basis. S&P announces all changes to the Index to the public via press releases. Information regarding changes to the Index, as well as the Index constituents, are available on S&P's website at <http://www.spindices.com>.

The Fund will make changes to its portfolio shortly after changes to the Index are released to the public. Investors are able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

### Real Estate Investment Trusts

Real estate investment trusts, or "REITs," are companies that own and most often actively manage income-generating commercial real estate. Some REITs make or invest in loans and other obligations that are secured by real estate collateral. Most REITs are publicly traded. REITs receive special tax considerations and are generally a highly liquid method of investing in real estate.

REITs are generally categorized as equity REITs, mortgage REITs or hybrid REITs. Equity REITs invest in and own properties, and thus are responsible for the equity or value of their real estate assets. Their revenues come principally from their properties' rents. Mortgage REITs deal in investment and ownership of property mortgages. These REITs loan money for mortgages to owners of real estate or purchase existing mortgages or mortgage-backed securities. Their revenues are generated primarily

by the interest that they earn on the mortgage loans. Hybrid REITs combine the investment strategies of equity REITs and mortgage REITs by investing in both properties and mortgages.

### **First Trust US Equity Opportunities ETF**

IPOX® is the creator of the Index. The Index is an applied, market-cap weighted price index measuring the performance of the top 100 U.S. companies ranked quarterly by market capitalization in the IPOX® U.S. Composite Index, a sub-index of the IPOX® Global Composite Index.

The IPOX® Global Composite Index is a fully market capitalization-weighted index that is dynamically rebalanced and is constructed and managed to provide a broad and objective view of global aftermarket performance of IPOs and spin-offs in all world countries (emerging and developed).

- After applying initial screens, all eligible constituents enter on the close of the sixth trading day and remain in the index for a pre-determined 1000 trading days or approximately four years thereafter. The criteria applied to select constituents of the former IPOX® Composite U.S. Index are now the criteria applied to select the U.S. constituents of the IPOX® Global Composite Index.
- On any given day, the value of the IPOX® Global Composite Index is the quotient of the total market capitalization of its constituents and its divisor. Continuity in the values of the IPOX® Global Composite Index is maintained by adjusting the divisor for all changes in the constituents share capital after the base date. This includes additions and deletions to the index, rights issues, share buybacks and issuances, and spin-offs, etc. The divisor's time series is, in effect, a chronological summary of all changes affecting the base capital of the IPOX® Global Composite Index. The divisor is adjusted such that the value of the IPOX® Global Composite Index at an instant just prior to a change in base capital equals the value at an instant immediately following that change.

The Index provides average, rather than median, exposure to the performance of IPOs, once companies are public. This is notable because of the well-known skewness in the distribution of long-run IPO returns. The underlying and well reported empirical features in IPOs make products benchmarked against the Index interesting for a number of market participants with varying investment horizons, such as the retail buy-and-hold community and high-net worth individuals seeking average IPO exposure, arbitrageurs, traders or index spreaders.

In certain instances, such as pending corporate actions, economically significant IPOs, or spin-offs, mergers or acquisitions involving Index constituents, exceptions may be made to the initial screening, rebalancing and exit processes described above. Additional information regarding the methodology for calculating the Index is also found on the IPOX® website ([www.ipoxschuster.com](http://www.ipoxschuster.com)).

IPOX® publishes the changes to the Index and posts the changes on its website at [www.ipoxschuster.com](http://www.ipoxschuster.com) two days prior to the effective date of any such change. All replacement companies are selected based on the selection criteria set forth herein.

The updated values of the Index are distributed by S&P and NYSE Arca during trading hours (9:30 a.m. to 4:00 p.m. New York time) every 15 seconds through their quotation network to a variety of data vendors. In addition, delayed quotations of the Index are available on [www.ipoxschuster.com](http://www.ipoxschuster.com) every five minutes during regular trading hours. S&P acts as the calculation agent for the IPOX® indices.

The Index is reviewed quarterly according to March, June, September and December Options and Futures Expiration Cycles. Specifically, on the close of the second Wednesday in the quarter, the constituents of the IPOX® Global Composite Index are ranked by full market capitalization. The top 100 U.S. constituents ranked by full market capitalization in the IPOX® Global Composite Index trading within their 1,000th trading day anniversary on the stock market at the time of the forthcoming quarterly expiration are then declared new Index constituents. The newly adjusted Index membership list takes effect on the Monday following the third Friday of every quarter until the next reconstitution process.

As of September 2012, the IPOX U.S. 100 Index (IPXO) is calculated by Structured Solutions AG.

The Fund will make changes to its portfolio shortly after changes to the Index are released to the public. Investors are able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

### **First Trust Value Line® 100 Exchange-Traded Fund**

The Index divisor was initially determined to yield a benchmark value of 1000.00 at the close of trading on January 16, 2007. The Fund will make changes to its portfolio holdings when changes are made by Value Line in the composition of the Index.

The holdings of the Fund and the composition and compilation methodology of the Index will be available on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com). Value Line's updated rankings are released weekly on its website at [www.valueline.com](http://www.valueline.com).

Daily historical Index values are calculated by NYSE Arca, as calculation agent for the Index, and available on its website at [www.nyxdata.com](http://www.nyxdata.com). The Index includes 100 stocks that Value Line gives a Timeliness Ranking of #1 using the Value Line Timeliness Ranking System. Value Line's updated rankings are released weekly on its website at [www.valueline.com](http://www.valueline.com).

### **The Value Line® Timeliness™ Ranking System**

The Value Line Timeliness Ranking System was introduced in its present form in 1965. Each week Value Line assigns a Timeliness rank to each of the approximately 1,700 stocks in the Value Line universe. As of March 31, 2017, according to the Value Line definition, approximately 47.8% of the stocks in the Value Line universe were large cap companies, approximately 39.4% were mid cap companies and approximately 12.8% were small cap companies. The market capitalization of the approximately 1,700 stocks in the Value Line universe ranged from \$73 million to \$754 billion as of this same date. The average market capitalization of the stocks in the Value Line universe was \$17.6 billion and the median market capitalization was \$4.7 billion as of this same date. Approximately 90.2% of the companies in the Value Line® universe were domiciled in the United States as of this same date.

According to information published by Value Line, the Value Line Timeliness rank measures the expected price performance relative to the other stocks in the universe over the following six to 12 months. According to reports published by Value Line, the factors considered in determining the Timeliness Rank include: (i) a company's earnings growth; (ii) a company's earnings growth over the past ten years in relation to the recent price performance of the company's stock relative to all of the approximately 1,700 stocks in the Value Line universe; (iii) a company's recent quarterly earnings performance; and (iv) a company's reporting of results that are significantly better or worse than market expectations. Value Line combines these factors to determine the Timeliness™ Rank. All data are known and actual.

Stocks ranked #1 (highest) and #2 (above average) are likely to outpace the year-ahead market. Those ranked #4 (below average) and #5 (lowest) are not expected to outperform most stocks over the next 12 months. Stocks ranked #3 (average) will probably advance or decline with the market in the year ahead. Please note that because Value Line assigns a Timeliness rank weekly and the Index reconstitutes monthly, the Index may, for the remainder of any given monthly period, contain securities that are no longer ranked #1 for Timeliness.

Value Line, Inc., founded in 1931, is known for the Value Line Investment Survey, a widely used independent investment service. The Value Line Investment Survey is a comprehensive source of information, covering approximately 1,700 stocks, more than 90 industries, the overall stock market and the economy. According to information published by Value Line, when selecting stocks for the Value Line Investment Survey, Value Line's stated primary goal is to choose issues that will be of most interest to their subscribers. In this regard, Value Line has stated that it looks for actively traded stocks, with reasonably large market capitalizations. Value Line has stated that it also attempts to provide broad industry coverage and will add stocks in industries that they think are underrepresented or that are in new industries that they have not previously followed. According to information published by Value Line, the companies selected for the Value Line Investment Survey are chosen based on the following criteria: (i) market capitalization should be at least \$500 million; (ii) the stock should trade for at least \$10 per share at the time of selection; and (iii) the stock's float must be more than 10 million shares.

The Fund will make changes to its portfolio shortly after changes to the Index are released to the public. Investors are able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

### **First Trust Value Line® Dividend Index Fund**

The Index begins with the universe of stocks that Value Line gives a Safety Ranking of #1 or #2 using the Value Line Safety Ranking System. All registered investment companies, limited partnerships and foreign securities not listed in the United States are removed from this universe. From those stocks, Value Line selects those companies with a higher than average dividend yield, as compared to the indicated dividend yield of the S&P 500 Index. Value Line then eliminates those companies with an equity market capitalization of less than \$1 billion. When the Index is initially configured or reconfigured (as noted below), the Index seeks to be equally weighted in each of the securities in the Index.

After the initial selection of securities, the Index is rebalanced by the application of the above model on a monthly basis. The Index divisor was initially determined to yield a benchmark value of 1,000.00 at the close of trading on July 3, 2006. The

holdings of the Fund and the composition and compilation methodology of the Index are available on the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com). Updated rankings of Value Line are released weekly on its website at [www.valueline.com](http://www.valueline.com).

Daily historical Index values are calculated by NYSE Arca, as calculation agent for the Index, and available on its website at [www.nyxdata.com](http://www.nyxdata.com). The Index includes the universe of stocks that Value Line gives a Safety Ranking of #1 or #2 using the Value Line Safety Ranking System. Value Line's updated rankings are released every Monday morning on its website at [www.valueline.com](http://www.valueline.com).

### **The Value Line® Safety™ Ranking System**

The Value Line Safety Ranking System was introduced in its present form in the mid-1960s. Each week Value Line assigns a Safety rank to each of the approximately 1,700 stocks in the Value Line universe. According to information published by Value Line, the Value Line Safety rank measures the total risk of a stock relative to the other stocks in the Value Line universe. According to information published by Value Line, the Value Line Safety rank is determined as follows: the Value Line Safety rank is derived from two equally weighted measurements, a stock's Price Stability rank and the Financial Strength rating of a company, each of which as determined by Value Line.

Value Line measures the volatility of each of the stocks in the Value Line universe through means of its Price Stability score. A stock's Price Stability score is based on a ranking of the standard deviation of weekly percent changes in the price of a stock over the last five years. Standard deviation is the measure of dispersion of historical returns around a mean rate of return, and a lower standard deviation indicates less volatility. To determine standard deviation, each week Value Line compares the common stock prices of each of the companies in the Value Line universe to their prices as of the previous week. Value Line performs this calculation for each weekly period over the previous five years and based on these calculations determines the standard deviation over this five year period of each stock in the Value Line universe. Based on the standard deviations scores, Value Line places each of the companies in the Value Line universe into 20 separate groups consisting of an approximately equal number of companies. Value Line reports Price Stability on a scale of 100 (highest) to 5 (lowest) in increments of 5. Stocks which receive a Price Stability rank of 100 by Value Line represent the 5% of the companies in the Value Line universe with the lowest standard deviation, whereas stocks which receive a Price Stability rank of 5 represent the 5% of the companies in the Value Line universe with the highest standard deviation.

A company's Financial Strength rating is Value Line's measure of the company's financial condition, and is reported on a scale of A++ (highest) to C (lowest). According to Value Line, it looks at a number of balance sheet and income statement factors in assigning the Financial Strength ratings. These include, but are not limited to, a company's long-term debt to total capital ratio, short-term debt, the amount of cash on hand, the level of net income, the level and growth of sales over time, and the consistency of sales, profits and returns on capital and equity over an extended timeframe. Value Line also looks at the type of industry a company is in, a company's position and performance within an industry, and the cyclical nature of an industry. Finally, Value Line considers a company's share price movement. According to Value Line, sharp declines in price in a short period of time (especially in a relatively stable equity market environment) can signal a future financial reversal while a rising stock price with no takeover news may be a sign of improving fundamentals. Based upon the foregoing, Value Line assigns the highest Financial Strength scores to what Value Line determines to be the largest companies with the strongest balance sheets.

Value Line assigns Safety ranks on a scale from 1 (safest) to 5 (riskiest). The number of stocks in each category from 1 to 5 is not fixed. According to information published by Value Line, stocks ranked #1 (Highest) for Safety, as a group, are (in Value Line's opinion) the safest, most stable, and least risky investments relative to the Value Line universe, which accounts for about 95% of the market volume of all stocks in the United States, and stocks ranked #2 (Above Average) for Safety, as a group, are safer and less risky than most.

Value Line, Inc., founded in 1931, is known for The Value Line Investment Survey®, a widely used independent investment service. The Value Line Investment Survey is a comprehensive source of information, covering approximately 1,700 stocks, more than 90 industries, the overall stock market and the economy. According to information published by Value Line, when selecting stocks for the Value Line Investment Survey, Value Line's stated primary goal is to choose issues that will be of most interest to their subscribers. In this regard, Value Line has stated that it looks for actively traded stocks, with reasonably large market capitalizations. Value Line has stated that it also attempts to provide broad industry coverage and will add stocks in industries that they think are underrepresented or that are in new industries that they have not previously followed. According to information published by Value Line, the companies selected for the Value Line Investment Survey are chosen based on the following criteria: (i) market capitalization should be at least \$500 million; (ii) the stock should trade for at least \$10 per share at the time of selection; (iii) the stock's float must be more than 10 million shares.



The Fund will make changes to its portfolio shortly after changes to the Index are released to the public. Investors are able to access the holdings of the Fund and the composition and compilation methodology of the Index through the Fund's website at [www.ftportfolios.com](http://www.ftportfolios.com).

## Premium/Discount Information

The tables that follow present information about the differences between each Fund's daily market price on the applicable Exchange and its net asset value. The "Market Price" of a Fund generally is determined using the midpoint between the highest bid and lowest offer on the Exchange, as of the time a Fund's net asset value is calculated. A Fund's Market Price may be at, above, or below its net asset value. The net asset value of a Fund will fluctuate with changes in the market value of its portfolio holdings. The Market Price of a Fund will fluctuate in accordance with changes in its net asset value, as well as market supply and demand.

Premiums or discounts are the differences (generally expressed as a percentage) between the net asset value and Market Price of a Fund on a given day, generally at the time net asset value is calculated. A premium is the amount that a Fund is trading above the reported net asset value. A discount is the amount that a Fund is trading below the reported net asset value.

The following information shows the frequency distribution of premiums and discounts of the daily bid/ask price of each Fund against its net asset value. The information shown for each Fund is for the periods indicated. Shareholders may pay more than net asset value when they buy Fund shares and receive less than net asset value when they sell those shares because shares are bought and sold at current market price. All data presented here represents past performance, which cannot be used to predict future results. Information about the premiums and discounts at which the Funds' shares have traded is available on the Funds' website at [www.ftportfolios.com](http://www.ftportfolios.com).

### First Trust Capital Strength ETF (FTCS) Bid/Ask Midpoint vs. Net Asset Value

#### Number of Days Bid/Ask Midpoint At/Above Net Asset Value

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	194	0	0	0
3 Months Ended 3/31/2017	46	0	0	0

#### Number of Days Bid/Ask Midpoint Below Net Asset Value

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	58	0	0	0
3 Months Ended 3/31/2017	16	0	0	0

### First Trust Chindia ETF (FNI) Bid/Ask Midpoint vs. Net Asset Value

#### Number of Days Bid/Ask Midpoint At/Above Net Asset Value

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	132	0	0	0
3 Months Ended 3/31/2017	46	0	0	0

#### Number of Days Bid/Ask Midpoint Below Net Asset Value

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	120	0	0	0
3 Months Ended 3/31/2017	16	0	0	0

**First Trust Dow Jones Internet Index Fund (FDN)  
Bid/Ask Midpoint vs. Net Asset Value**

**Number of Days Bid/Ask Midpoint At/Above Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	124	0	0	0
3 Months Ended 3/31/2017	29	0	0	0

**Number of Days Bid/Ask Midpoint Below Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	128	0	0	0
3 Months Ended 3/31/2017	33	0	0	0

**First Trust Dow Jones Select MicroCap Index Fund (FDM)  
Bid/Ask Midpoint vs. Net Asset Value**

**Number of Days Bid/Ask Midpoint At/Above Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	133	0	0	0
3 Months Ended 3/31/2017	35	0	0	0

**Number of Days Bid/Ask Midpoint Below Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	119	0	0	0
3 Months Ended 3/31/2017	27	0	0	0

**First Trust Morningstar Dividend Leaders Index Fund (FDL)  
Bid/Ask Midpoint vs. Net Asset Value**

**Number of Days Bid/Ask Midpoint At/Above Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	161	0	0	0
3 Months Ended 3/31/2017	41	0	0	0

**Number of Days Bid/Ask Midpoint Below Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	91	0	0	0
3 Months Ended 3/31/2017	21	0	0	0

**First Trust NASDAQ® ABA Community Bank Index Fund (QABA)  
Bid/Ask Midpoint vs. Net Asset Value**

**Number of Days Bid/Ask Midpoint At/Above Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	133	0	0	0
3 Months Ended 3/31/2017	50	0	0	0

**Number of Days Bid/Ask Midpoint Below Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	119	0	0	0
3 Months Ended 3/31/2017	12	0	0	0

**First Trust NASDAQ® Clean Edge® Green Energy Index Fund (QCLN)  
Bid/Ask Midpoint vs. Net Asset Value**

**Number of Days Bid/Ask Midpoint At/Above Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	68	0	0	0
3 Months Ended 3/31/2017	24	0	0	0

**Number of Days Bid/Ask Midpoint Below Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	184	0	0	0
3 Months Ended 3/31/2017	38	0	0	0

**First Trust NASDAQ-100 Equal Weighted Index Fund (QQEW)  
Bid/Ask Midpoint vs. Net Asset Value**

**Number of Days Bid/Ask Midpoint At/Above Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	107	0	0	0
3 Months Ended 3/31/2017	45	0	0	0

**Number of Days Bid/Ask Midpoint Below Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	145	0	0	0
3 Months Ended 3/31/2017	17	0	0	0

**First Trust NASDAQ-100 Ex-Technology Sector Index Fund (QQXT)  
Bid/Ask Midpoint vs. Net Asset Value**

**Number of Days Bid/Ask Midpoint At/Above Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	80	0	0	0
3 Months Ended 3/31/2017	16	0	0	0

**Number of Days Bid/Ask Midpoint Below Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	172	0	0	0
3 Months Ended 3/31/2017	46	0	0	0

**First Trust NASDAQ-100-Technology Sector Index Fund (QTEC)  
Bid/Ask Midpoint vs. Net Asset Value**

**Number of Days Bid/Ask Midpoint At/Above Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	147	0	0	0
3 Months Ended 3/31/2017	48	0	0	0

**Number of Days Bid/Ask Midpoint Below Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	105	0	0	0
3 Months Ended 3/31/2017	14	0	0	0

**First Trust Natural Gas ETF (FCG)  
Bid/Ask Midpoint vs. Net Asset Value**

**Number of Days Bid/Ask Midpoint At/Above Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	156	6	1	0
3 Months Ended 3/31/2017	29	0	0	0

**Number of Days Bid/Ask Midpoint Below Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	88	1	0	0
3 Months Ended 3/31/2017	33	0	0	0

**First Trust NYSE Arca Biotechnology Index Fund (FBT)  
Bid/Ask Midpoint vs. Net Asset Value**

**Number of Days Bid/Ask Midpoint At/Above Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	129	1	0	0
3 Months Ended 3/31/2017	24	0	0	0

**Number of Days Bid/Ask Midpoint Below Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	122	0	0	0
3 Months Ended 3/31/2017	38	0	0	0

**First Trust S&P REIT Index Fund (FRI)  
Bid/Ask Midpoint vs. Net Asset Value**

**Number of Days Bid/Ask Midpoint At/Above Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	156	0	0	0
3 Months Ended 3/31/2017	35	0	0	0

**Number of Days Bid/Ask Midpoint Below Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	96	0	0	0
3 Months Ended 3/31/2017	27	0	0	0

**First Trust US Equity Opportunities ETF (FPX)  
Bid/Ask Midpoint vs. Net Asset Value**

**Number of Days Bid/Ask Midpoint At/Above Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	118	0	0	0
3 Months Ended 3/31/2017	43	0	0	0

**Number of Days Bid/Ask Midpoint Below Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	134	0	0	0
3 Months Ended 3/31/2017	19	0	0	0

**First Trust Value Line® 100 Exchange-Traded Fund (FVL)  
Bid/Ask Midpoint vs. Net Asset Value**

**Number of Days Bid/Ask Midpoint At/Above Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	140	1	0	0
3 Months Ended 3/31/2017	42	1	0	0

**Number of Days Bid/Ask Midpoint Below Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	111	0	0	0
3 Months Ended 3/31/2017	19	0	0	0

**First Trust Value Line® Dividend Index Fund (FVD)  
Bid/Ask Midpoint vs. Net Asset Value**

**Number of Days Bid/Ask Midpoint At/Above Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	182	0	0	0
3 Months Ended 3/31/2017	48	0	0	0

**Number of Days Bid/Ask Midpoint Below Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	70	0	0	0
3 Months Ended 3/31/2017	14	0	0	0

**First Trust Water ETF (FIW)  
Bid/Ask Midpoint vs. Net Asset Value**

**Number of Days Bid/Ask Midpoint At/Above Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	152	0	0	0
3 Months Ended 3/31/2017	35	0	0	0

**Number of Days Bid/Ask Midpoint Below Net Asset Value**

	0.00% - 0.49%	0.50% - 0.99%	1.00% - 1.99%	>=2.00%
12 Months Ended 12/31/2016	100	0	0	0
3 Months Ended 3/31/2017	27	0	0	0

## Total Return Information

The tables below compare the total return of each Fund to the total return of the Index on which it is based and each Fund's benchmark index(es). The information presented for each Fund is for the period indicated. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by First Trust.

"Average annual total returns" represent the average annual change in the value of an investment over the period indicated. "Cumulative total returns" represent the total change in value of an investment over the period indicated. The net asset value

per share of a Fund is the value of one share of a Fund and is computed by dividing the value of all assets of the Fund (including accrued interest and dividends), less liabilities (including accrued expenses and dividends declared but unpaid), by the total number of outstanding shares. The net asset value return is based on the net asset value per share of a Fund, and the market return is based on the market price per share of a Fund. The price used to calculate market return ("Market Price") generally is determined by using the midpoint between the highest bid and the lowest offer on the Exchange on which the shares of a Fund are listed for trading, as of the time that a Fund's net asset value is calculated. Since the shares of each Fund typically do not trade in the secondary market until several days after a Fund's inception, for the period from inception to the first day of secondary market trading in shares of a Fund, the net asset value of a Fund is used as a proxy for the secondary market trading price to calculate market returns. Market and net asset value returns assume that all distributions have been reinvested in a Fund at Market Price and net asset value, respectively. An index is a statistical composite that tracks a specified financial market or sector. Unlike each Fund, an index does not actually hold a portfolio of securities and therefore does not incur the expenses incurred by a Fund. These expenses negatively impact the performance of each Fund. Also, market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included, market returns would be lower. The total returns reflect the reinvestment of dividends on securities in the Indices. The returns shown in the table below do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of shares of a Fund. The investment return and principal value of shares of a Fund will vary with changes in market conditions. Shares of a Fund may be worth more or less than their original cost when they are redeemed or sold in the market. The Funds' past performance is no guarantee of future results.

**First Trust Capital Strength ETF (FTCS)  
Total Returns as of December 31, 2016**

	Average Annual			Cumulative			
	1 Year	5 Years	10 Years	Inception (7/6/2006)	5 Years	10 Years	Inception (7/6/2006)
<b>Fund Performance</b>							
Net Asset Value	8.57%	15.25%	8.07%	8.73%	103.37%	117.23%	140.56%
Market Price	8.63%	15.29%	8.06%	8.74%	103.65%	117.04%	140.68%
<b>Index Performance</b>							
The Capital Strength Index™ <sup>(1)</sup>	9.31%	N/A	N/A	N/A	N/A	N/A	N/A
S&P 500 Value Index <sup>(2)</sup>	17.40%	14.69%	5.50%	6.46%	98.46%	70.75%	92.86%
S&P 500® Index	11.96%	14.66%	6.95%	7.80%	98.18%	95.72%	119.88%

<sup>(1)</sup> On June 4, 2013, the Fund's underlying index changed from the Credit Suisse U.S. Value Index, Powered by HOLT™ to The Capital Strength Index™. On June 18, 2010, the Fund's underlying index changed from the Deutsche Bank CROCI® US+ Index™ to the Credit Suisse U.S. Value Index, Powered by HOLT™. Therefore, the Fund's performance and total returns shown for the period prior to June 4, 2013 are not necessarily indicative of the performance that the Fund, based on its current index, would have generated. Since the Fund's new underlying index had an inception date of March 20, 2013, it was not in existence for all of the periods disclosed.

<sup>(2)</sup> The Fund no longer uses the S&P 500 Value Index as a comparative index for the Fund as the Advisor has determined that this index is no longer representative of the Fund's investment strategy and portfolio holdings. The S&P 500 Value Index will be represented in performance comparisons of the Fund until May 1, 2018.

**First Trust Dow Jones Internet Index Fund (FDN)**  
**Total Returns as of December 31, 2016**

	Average Annual				Cumulative		
	1 Year	5 Years	10 Years	Inception (6/19/2006)	5 Years	10 Years	Inception (6/19/2006)
<b>Fund Performance</b>							
Net Asset Value	6.91%	19.84%	13.51%	14.08%	147.18%	255.05%	300.67%
Market Price	6.98%	19.85%	13.50%	14.09%	147.30%	254.91%	300.87%
<b>Index Performance</b>							
Dow Jones Internet Composite Index <sup>SM</sup>	7.45%	20.48%	14.12%	14.70%	153.84%	274.72%	323.98%
S&P 500 <sup>®</sup> Index	11.96%	14.66%	6.95%	8.05%	98.18%	95.72%	126.13%
S&P Composite 1500 <sup>®</sup> Information Technology Index	14.78%	16.37%	9.89%	10.90%	113.43%	156.86%	197.31%

**First Trust Dow Jones Select MicroCap Index Fund (FDM)**  
**Total Returns as of December 31, 2016**

	Average Annual				Cumulative		
	1 Year	5 Years	10 Years	Inception (9/27/2005)	5 Years	10 Years	Inception (9/27/2005)
<b>Fund Performance</b>							
Net Asset Value	35.45%	18.44%	7.32%	8.22%	133.12%	102.72%	143.28%
Market Price	35.87%	18.65%	7.33%	8.23%	135.14%	102.89%	143.69%
<b>Index Performance</b>							
Dow Jones Select MicroCap Index <sup>SM</sup>	36.19%	19.19%	8.03%	8.94%	140.52%	116.55%	162.35%
Russell 2000 <sup>®</sup> Index	21.31%	14.46%	7.07%	8.09%	96.45%	97.93%	140.18%

**First Trust Chindia ETF (FNI)**  
**Total Returns as of December 31, 2016**

	Average Annual			Cumulative	
	1 Year	5 Years	Inception (5/8/2007)	5 Years	Inception (5/8/2007)
<b>Fund Performance</b>					
Net Asset Value	-2.15%	9.69%	4.35%	58.80%	50.80%
Market Price	-2.22%	9.71%	4.34%	58.97%	50.64%
<b>Index Performance</b>					
ISE ChIndia <sup>™</sup> Index	-1.53%	10.19%	4.90%	62.45%	58.70%
MSCI Emerging Markets Index	11.19%	1.28%	0.94%	6.55%	9.46%
Russell 3000 <sup>®</sup> Index	12.74%	14.67%	6.57%	98.23%	84.72%



**First Trust Natural Gas ETF (FCG)**  
**Total Returns as of December 31, 2016**

	1 Year	Average Annual		Cumulative	
		5 Years	Inception (5/8/2007)	5 Years	Inception (5/8/2007)
<b>Fund Performance</b>					
Net Asset Value	19.48%	-21.05%	-12.18%	-69.33%	-71.46%
Market Price	19.26%	-21.04%	-12.18%	-69.30%	-71.44%
<b>Index Performance</b>					
ISE-Revere Natural Gas™ Index	19.78%	-21.07%	-11.89%	-69.36%	-70.52%
Russell 3000® Index	12.74%	14.67%	6.57%	98.23%	84.72%
S&P Composite 1500® Energy Index	27.31%	3.35%	3.18%	17.91%	35.22%

**First Trust Water ETF (FIW)**  
**Total Returns as of December 31, 2016**

	1 Year	Average Annual		Cumulative	
		5 Years	Inception (5/8/2007)	5 Years	Inception (5/8/2007)
<b>Fund Performance</b>					
Net Asset Value	32.21%	14.72%	8.17%	98.69%	113.37%
Market Price	32.36%	14.78%	8.18%	99.26%	113.46%
<b>Index Performance</b>					
ISE Water™ Index	33.03%	15.49%	8.89%	105.42%	127.52%
Russell 3000® Index	12.74%	14.67%	6.57%	98.23%	84.72%

**First Trust Morningstar Dividend Leaders Index Fund (FDL)**  
**Total Returns as of December 31, 2016**

	1 Year	Average Annual			Cumulative		
		5 Years	10 Years	Inception (3/9/2006)	5 Years	10 Years	Inception (3/9/2006)
<b>Fund Performance</b>							
Net Asset Value	20.72%	13.41%	5.68%	7.09%	87.62%	73.71%	109.79%
Market Price	20.85%	13.43%	5.69%	7.10%	85.75%	73.86%	109.88%
<b>Index Performance</b>							
Morningstar® Dividend Leaders Index <sup>SM</sup>	21.34%	13.99%	6.21%	7.62%	92.48%	82.71%	121.27%
S&P 500® Index	11.96%	14.66%	6.95%	7.63%	98.18%	95.72%	121.49%

**First Trust NASDAQ-100 Equal Weighted Index Fund (QEWE)  
Total Returns as of December 31, 2016**

	Average Annual				Cumulative		
	1 Year	5 Years	10 Years	Inception (4/19/2006)	5 Years	10 Years	Inception (4/19/2006)
<b>Fund Performance</b>							
Net Asset Value	7.02%	15.94%	9.25%	8.68%	109.48%	142.31%	143.77%
Market Price	7.09%	15.96%	9.27%	8.69%	109.66%	142.66%	143.87%
<b>Index Performance</b>							
NASDAQ-100 Equal Weighted Index <sup>SM</sup>	7.65%	16.66%	9.95%	9.36%	116.06%	158.09%	160.59%
S&P 500 <sup>®</sup> Index	11.96%	14.66%	6.95%	7.41%	98.18%	95.72%	114.81%
NASDAQ-100 Index <sup>®</sup>	7.27%	17.90%	11.82%	11.18%	127.80%	205.58%	210.71%

**First Trust NASDAQ-100 Ex-Technology Sector Index Fund (QQXT)  
Total Returns as of December 31, 2016**

	Average Annual			Cumulative	
	1 Year	5 Years	Inception (2/8/2007)	5 Years	Inception (2/8/2007)
<b>Fund Performance</b>					
Net Asset Value	-2.13%	14.98%	7.90%	100.95%	112.18%
Market Price	-2.04%	14.98%	7.89%	100.95%	112.07%
<b>Index Performance</b>					
NASDAQ-100 Ex-Tech Sector Index <sup>SM</sup>	-1.66%	15.67%	8.57%	107.05%	125.66%
Russell 1000 <sup>®</sup> Index	12.05%	14.69%	6.86%	98.44%	92.71%

**First Trust NASDAQ-100-Technology Sector Index Fund (QTEC)  
Total Returns as of December 31, 2016**

	Average Annual				Cumulative		
	1 Year	5 Years	10 Years	Inception (4/19/2006)	5 Years	10 Years	Inception (4/19/2006)
<b>Fund Performance</b>							
Net Asset Value	25.27%	18.14%	10.86%	10.10%	130.10%	180.34%	179.92%
Market Price	25.31%	18.16%	10.88%	10.10%	130.37%	180.83%	180.13%
<b>Index Performance</b>							
NASDAQ-100 Technology Sector Index <sup>SM</sup>	26.18%	18.90%	11.57%	10.80%	137.64%	198.99%	199.60%
S&P 500 <sup>®</sup> Index	11.96%	14.66%	6.95%	7.41%	98.18%	95.72%	114.81%
S&P 500 Information Technology Index	13.85%	16.39%	9.93%	9.55%	113.61%	157.81%	165.43%

**First Trust NASDAQ® ABA Community Bank Index Fund (QABA)**  
**Total Returns as of December 31, 2016**

	1 Year	Average Annual		Cumulative	
		5 Years	Inception (6/29/2009)	5 Years	Inception (6/29/2009)
<b>Fund Performance</b>					
Net Asset Value	37.57%	19.85%	15.46%	147.29%	194.19%
Market Price	37.71%	20.05%	15.48%	149.31%	194.66%
<b>Index Performance</b>					
NASDAQ OMX® ABA Community Bank Index <sup>SM</sup>	38.47%	20.61%	16.20%	155.20%	208.70%
Russell 3000® Index	12.74%	14.67%	15.04%	98.23%	186.25%
S&P Composite 1500® Financials Index	24.28%	19.30%	14.80%	141.65%	181.81%

**First Trust NASDAQ® Clean Edge® Green Energy Index Fund (QCLN)**  
**Total Returns as of December 31, 2016**

	1 Year	Average Annual		Cumulative	
		5 Years	Inception (2/8/2007)	5 Years	Inception (2/8/2007)
<b>Fund Performance</b>					
Net Asset Value	-2.12%	10.89%	-2.12%	67.68%	-19.10%
Market Price	-2.06%	10.98%	-2.11%	68.33%	-19.03%
<b>Index Performance</b>					
NASDAQ® Clean Edge® Green Energy Index <sup>SM</sup>	-2.65%	10.53%	-1.94%	64.96%	-17.65%
Russell 2000® Index	21.31%	14.46%	6.75%	96.45%	90.80%

**First Trust NYSE Arca Biotechnology Index Fund (FBT)**  
**Total Returns as of December 31, 2016**

	1 Year	Average Annual			Cumulative		
		5 Years	10 Years	Inception (6/19/2006)	5 Years	10 Years	Inception (6/19/2006)
<b>Fund Performance</b>							
Net Asset Value	-19.60%	22.74%	14.61%	15.60%	178.58%	291.20%	360.64%
Market Price	-19.51%	22.77%	14.61%	15.61%	178.88%	291.00%	360.99%
<b>Index Performance</b>							
NASDAQ® Biotech Index	-21.35%	21.00%	13.51%	13.92%	159.41%	255.15%	294.72%
NYSE Arca Biotechnology Index <sup>SM</sup>	-19.15%	23.30%	15.23%	16.23%	185.03%	312.67%	387.57%
S&P 500® Index	11.96%	14.66%	6.95%	8.05%	98.18%	95.72%	126.13%
S&P Composite 1500® Health Care Index	-2.05%	17.18%	9.97%	10.62%	120.94%	158.60%	189.49%

**First Trust S&P REIT Index Fund (FRI)**  
**Total Returns as of December 31, 2016**

	1 Year	Average Annual		Cumulative	
		5 Years	Inception (5/8/2007)	5 Years	Inception (5/8/2007)
<b>Fund Performance</b>					
Net Asset Value	7.92%	11.26%	4.20%	70.48%	48.79%
Market Price	7.86%	11.27%	4.21%	70.55%	48.86%
<b>Index Performance</b>					
FTSE EPRA/NAREIT North America Index	8.18%	11.05%	4.39%	68.86%	51.40%
Russell 3000® Index	12.74%	14.67%	6.57%	98.23%	84.72%
S&P United States REIT Index <sup>(1)</sup>	8.49%	11.85%	N/A	75.08%	N/A

<sup>(1)</sup> On November 6, 2008, the Fund's underlying index changed from the S&P REIT Composite Index to the S&P United States REIT Index. Effective December 31, 2008, the S&P REIT Composite Index was discontinued. Therefore, the Fund's performance and historical total returns shown for the periods prior to November 6, 2008, are not necessarily indicative of the performance that the Fund, based on its current Index, would have generated. Because the Fund's Index had an inception date of June 30, 2008, it was not in existence for all the periods disclosed.

**First Trust US Equity Opportunities ETF (FPX)**  
**Total Returns as of December 31, 2016**

	1 Year	Average Annual			Cumulative		
		5 Years	10 Years	Inception (4/12/2006)	5 Years	10 Years	Inception (4/12/2006)
<b>Fund Performance</b>							
Net Asset Value	6.70%	18.61%	10.31%	10.65%	134.75%	166.68%	196.01%
Market Price	6.86%	18.65%	10.33%	10.67%	135.15%	167.27%	196.40%
<b>Index Performance</b>							
IPOX®-100 U.S. Index	7.24%	19.30%	10.97%	11.32%	141.66%	183.16%	215.84%
Russell 3000® Index	12.74%	14.67%	7.07%	7.59%	98.23%	98.10%	119.18%
S&P 500® Index	11.96%	14.66%	6.95%	7.56%	98.18%	95.72%	118.47%

**First Trust Value Line® 100 Exchange-Traded Fund (FVL)  
Total Returns as of December 31, 2016**

	Average Annual				Cumulative		
	1 Year	5 Years	10 Years	Inception (6/12/2003)	5 Years	10 Years	Inception (6/12/2003)
<b>Fund Performance</b>							
Net Asset Value	10.14%	12.44%	4.13%	5.97%	79.76%	49.83%	119.46%
Market Price	10.24%	12.45%	4.99%	5.97%	79.84%	62.70%	119.56%
<b>Index Performance</b>							
Russell 3000® Index	12.74%	14.67%	7.07%	8.69%	98.23%	98.10%	209.54%
Value Line® 100 Index <sup>(1)</sup>	11.29%	13.49%	N/A	N/A	88.29%	N/A	N/A

<sup>(1)</sup> On June 15, 2007, the Fund acquired the assets and adopted the financial and performance history of First Trust Value Line® 100 Fund (the "Predecessor FVL Fund," a closed-end fund), which had an inception date of June 12, 2003. The inception date total returns at Net Asset Value include the sales load of \$0.675 per share on the initial offering. The investment goals, strategies and policies of the Fund are substantially similar to those of the Predecessor FVL Fund. The inception date of the Index was January 16, 2007. Returns for the Index are only disclosed for those periods in which the Index was in existence for the entire period. The cumulative total returns for the period from the reorganization date (06/15/07) through period end (12/31/16) were 33.15% and 33.27% at Net Asset Value and Market Value, respectively. That compares to an Index return of 45.39% for that same period. The average annual total returns for the period from the reorganization date (6/15/07) through period end (12/31/16) were 3.04% and 3.05% at Net Asset Value and Market Value, respectively. That compares to an Index return of 4.00% for the same period. Net Asset Value and Market Value returns assume that all dividend distributions have been reinvested in the Fund at Net Asset Value and Market Value, respectively. Prior to June 15, 2007, Net Asset Value and Market Value returns assumed that all dividend distributions were reinvested at prices obtained by the Dividend Reinvestment Plan of the Predecessor FVL Fund and the price used to calculate Market Value return was the AMEX (now known as the NYSE MKT) closing market price of the Predecessor FVL Fund. Performance data is not available for all the periods shown in the table for the index, because performance data does not exist for each of the entire periods.

**First Trust Value Line® Dividend Index Fund (FVD)  
Total Returns as of December 31, 2016**

	Average Annual				Cumulative		
	1 Year	5 Years	10 Years	Inception (8/19/2003)	5 Years	10 Years	Inception (8/19/2003)
<b>Fund Performance</b>							
Net Asset Value	19.94%	14.66%	8.19%	9.93%	98.14%	119.63%	254.41%
Market Price	20.07%	14.68%	8.20%	9.94%	98.35%	120.00%	254.79%
<b>Index Performance</b>							
Dow Jones U.S. Select Dividend <sup>SM</sup> Index	21.98%	14.64%	6.72%	N/A	98.00%	91.59%	N/A
S&P 500® Index	11.96%	14.66%	6.95%	8.41%	98.18%	95.72%	194.38%
Value Line® Dividend Index <sup>(1)</sup>	20.92%	15.60%	9.04%	N/A	106.43%	137.70%	N/A

<sup>(1)</sup> On December 15, 2006, the Fund acquired the assets and adopted the financial and performance history of First Trust Value Line® Dividend Fund (the "Predecessor FVD Fund," a closed-end fund), which had an inception date of August 19, 2003. The inception date total returns at Net Asset Value include the sales load of \$0.675 per share on the initial offering. The investment goals, strategies and policies of the Fund are substantially similar to those of the Predecessor FVD Fund. The inception date of the Index was July 3, 2006. Returns for the Index are only disclosed for those periods in which the Index was in existence for the entire period. The cumulative total returns for the period from the reorganization date (12/15/06) through period end (12/31/16) were 119.11% and 120.39% at Net Asset Value and Market Value, respectively. That compares to an Index return of 137.92% for the same period. The average annual total returns for the period from the reorganization date (12/15/06) through period end (12/31/16) were 8.12% and 8.19% at Net Asset Value and Market Value, respectively. That compares to an Index return of 9.02% for the same period. Net Asset Value and Market Value returns assume that all dividend distributions have been reinvested in the Fund at Net Asset Value and Market Value, respectively. Prior to December 15, 2006, Net Asset Value and Market Value returns assumed that all dividend distributions were reinvested at prices obtained by the Dividend Reinvestment Plan of the Predecessor FVD Fund and the price used to calculate Market Value return was the AMEX (now known as the NYSE MKT) closing market price of the Predecessor FVD Fund. Performance data is not available for all the periods shown in the table for the index, because performance data does not exist for each of the entire periods.

## Financial Highlights

The financial highlights table is intended to help you understand each Fund's financial performance for the periods shown. Certain information reflects financial results for a single share of each Fund. The total returns represent the rate that an investor would have earned (or lost) on an investment in a Fund (assuming reinvestment of all dividends and distributions). The information for the periods indicated has been derived from financial statements audited by Deloitte & Touche LLP, whose report, along with each Fund's financial statements, is included in each Fund's Annual Report to Shareholders dated December 31, 2016 and is incorporated by reference in each Fund's SAI, which is available upon request.

### First Trust Exchange-Traded Fund

#### Financial Highlights

#### For a share outstanding throughout each period

#### First Trust Dow Jones Select MicroCap Index Fund (FDM)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 32.92	\$ 33.21	\$ 32.47	\$ 22.87	\$ 20.09
<b>Income from investment operations:</b>					
Net investment income (loss)	0.49	0.49	0.23	0.25	0.35
Net realized and unrealized gain (loss)	11.07	(0.30)	0.76	9.62	2.83
Total from investment operations	11.56	0.19	0.99	9.87	3.18
<b>Distributions paid to shareholders from:</b>					
Net investment income	(0.50)	(0.48)	(0.25)	(0.27)	(0.40)
<b>Net asset value, end of period</b>	\$ 43.98	\$ 32.92	\$ 33.21	\$ 32.47	\$ 22.87
<b>Total Return <sup>(a)</sup></b>	35.45%	0.55%	3.08%	43.32%	15.86%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$116,776	\$49,551	\$51,648	\$91,080	\$41,281
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.75%	0.73%	0.70%	0.72%	0.76%
Ratio of net expenses to average net assets	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	1.52%	1.46%	0.71%	0.93%	1.38%
Portfolio turnover rate <sup>(b)</sup>	48%	63%	49%	70%	71%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust Morningstar Dividend Leaders Index Fund (FDL)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 23.69	\$ 23.94	\$ 21.93	\$ 18.46	\$ 17.57
<b>Income from investment operations</b>					
Net investment income (loss)	0.82	0.86	0.80	0.69	0.71
Net realized and unrealized gain (loss)	4.05	(0.25)	2.01	3.47	0.89
Total from investment operations	4.87	0.61	2.81	4.16	1.60
<b>Distributions paid to shareholders from:</b>					
Net investment income	(0.81)	(0.86)	(0.80)	(0.69)	(0.71)
<b>Net asset value, end of period</b>	\$ 27.75	\$ 23.69	\$ 23.94	\$ 21.93	\$ 18.46
<b>Total Return <sup>(a)</sup></b>	20.72%	2.73%	12.96%	22.71%	9.14%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$1,778,464	\$875,294	\$985,151	\$687,437	\$545,517
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.48%	0.48%	0.49%	0.49%	0.51%
Ratio of net expenses to average net assets	0.45%	0.45%	0.45%	0.45%	0.45%
Ratio of net investment income (loss) to average net assets	3.27%	3.59%	3.55%	3.61%	3.88%
Portfolio turnover rate <sup>(b)</sup>	50%	61%	40%	35%	31%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust US Equity Opportunities ETF (FPX)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 51.11	\$ 50.32	\$ 45.34	\$ 30.82	\$ 23.99
<b>Income from investment operations:</b>					
Net investment income (loss)	0.31	0.31	0.41	0.22	0.31
Net realized and unrealized gain (loss)	3.10	0.80	4.97	14.53	6.87
Total from investment operations	3.41	1.11	5.38	14.75	7.18
<b>Distributions paid to shareholders from:</b>					
Net investment income	(0.42)	(0.32)	(0.40)	(0.23)	(0.35)
<b>Net asset value, end of period</b>	\$ 54.10	\$ 51.11	\$ 50.32	\$ 45.34	\$ 30.82
<b>Total Return <sup>(a)</sup></b>	6.70%	2.19%	11.91%	47.98%	30.01%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$614,024	\$789,693	\$535,943	\$351,376	\$24,659
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.60%	0.60%	0.60%	0.66%	1.01%
Ratio of net expenses to average net assets	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	0.58%	0.61%	0.89%	0.69%	1.27%
Portfolio turnover rate <sup>(b)</sup>	41%	41%	46%	30%	48%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.



## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust NYSE Arca Biotechnology Index Fund (FBT)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 113.06	\$ 101.99	\$ 69.12	\$ 46.05	\$ 32.68
<b>Income from investment operations:</b>					
Net investment income (loss)	(0.32)	0.09	0.04	(0.10)	(0.22)
Net realized and unrealized gain (loss)	(21.85)	11.11	32.88	23.17	13.59
Total from investment operations	(22.17)	11.20	32.92	23.07	13.37
<b>Distributions paid to shareholders from:</b>					
Net investment income	—	(0.13)	(0.05)	—	—
<b>Net asset value, end of period</b>	\$ 90.89	\$ 113.06	\$ 101.99	\$ 69.12	\$ 46.05
<b>Total Return <sup>(a)</sup></b>	(19.60)%	10.97%	47.63%	50.10%	40.91%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$804,385	\$3,437,024	\$2,126,581	\$953,910	\$239,445
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.56%	0.55%	0.58%	0.60%	0.61%
Ratio of net expenses to average net assets	0.56%	0.55%	0.58%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	(0.27)%	0.08%	0.06%	(0.26)%	(0.48)%
Portfolio turnover rate <sup>(b)</sup>	42%	30%	58%	48%	39%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust Dow Jones Internet Index Fund (FDN)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 74.64	\$ 61.30	\$ 59.84	\$ 39.01	\$ 32.28
<b>Income from investment operations:</b>					
Net investment income (loss)	(0.27)	(0.14)	(0.08)	(0.11)	(0.08)
Net realized and unrealized gain (loss)	5.42	13.48	1.54	20.94	6.81
Total from investment operations	5.15	13.34	1.46	20.83	6.73
<b>Distributions paid to shareholders from:</b>					
Net investment income	—	—	—	—	—
<b>Net asset value, end of period</b>	\$ 79.79	\$ 74.64	\$ 61.30	\$ 59.84	\$ 39.01
<b>Total Return <sup>(a)</sup></b>	6.91%	21.77%	2.42%	53.40%	20.85%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$3,486,734	\$4,914,821	\$1,976,793	\$1,929,852	\$557,882
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.54%	0.54%	0.54%	0.57%	0.60%
Ratio of net expenses to average net assets	0.54%	0.54%	0.54%	0.57%	0.60%
Ratio of net investment income (loss) to average net assets	(0.35)%	(0.29)%	(0.13)%	(0.28)%	(0.23)%
Portfolio turnover rate <sup>(b)</sup>	21%	28%	27%	17%	33%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust Capital Strength ETF (FTCS)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 38.12	\$ 38.08	\$ 33.70	\$ 25.16	\$ 21.82
<b>Income from investment operations:</b>					
Net investment income (loss)	0.58	0.57	0.72	0.45	0.45
Net realized and unrealized gain (loss)	2.67	0.04	4.43	8.54	3.34
Total from investment operations	3.25	0.61	5.15	8.99	3.79
<b>Distributions paid to shareholders from:</b>					
Net investment income	(0.58)	(0.57)	(0.77)	(0.45)	(0.45)
<b>Net asset value, end of period</b>	\$ 40.79	\$ 38.12	\$ 38.08	\$ 33.70	\$ 25.16
<b>Total Return <sup>(a)</sup></b>	8.57%	1.64%	15.46%	35.90%	17.45%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$320,190	\$165,815	\$85,686	\$65,706	\$32,707
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.64%	0.65%	0.66%	0.76%	0.83%
Ratio of net expenses to average net assets	0.64%	0.65%	0.65%	0.65%	0.65%
Ratio of net investment income (loss) to average net assets	1.55%	1.59%	2.07%	1.59%	1.84%
Portfolio turnover rate <sup>(b)</sup>	85%	96%	89%	156%	84%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust Value Line® Dividend Index Fund (FVD)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 23.86	\$ 24.13	\$ 21.36	\$ 17.29	\$ 16.01
<b>Income from investment operations:</b>					
Net investment income (loss)	0.56	0.55	0.58	0.50	0.50
Net realized and unrealized gain (loss)	4.17	(0.26)	2.78	4.06	1.28
Total from investment operations	4.73	0.29	3.36	4.56	1.78
<b>Distributions paid to shareholders from:</b>					
Net investment income	(0.57)	(0.56)	(0.59)	(0.49)	(0.50)
<b>Net asset value, end of period</b>	\$ 28.02	\$ 23.86	\$ 24.13	\$ 21.36	\$ 17.29
<b>Total Return <sup>(a)</sup></b>	19.94%	1.26%	15.94%	26.57%	11.17%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$2,892,982	\$1,188,031	\$1,089,299	\$796,361	\$508,103
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.73%	0.74%	0.75%	0.76%	0.78%
Ratio of net expenses to average net assets	0.70%	0.70%	0.70%	0.70%	0.70%
Ratio of net investment income (loss) to average net assets	2.31%	2.40%	2.63%	2.57%	3.03%
Portfolio turnover rate <sup>(b)</sup>	60%	82%	63%	71%	54%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust Value Line® 100 Exchange-Traded Fund (FVL)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 19.71	\$ 20.41	\$ 18.44	\$ 13.27	\$ 12.37
<b>Income from investment operations:</b>					
Net investment income (loss)	0.12	0.07	0.11	0.06	0.15
Net realized and unrealized gain (loss)	1.87	(0.71)(c)	1.98	5.17	0.90
Total from investment operations	1.99	(0.64)	2.09	5.23	1.05
<b>Distributions paid to shareholders from:</b>					
Net investment income	(0.12)	(0.06)	(0.12)	(0.06)	(0.15)
<b>Net asset value, end of period</b>	\$ 21.58	\$ 19.71	\$ 20.41	\$ 18.44	\$ 13.27
<b>Total Return <sup>(a)</sup></b>	10.14%	(3.13)% <sup>(c)</sup>	11.33%	39.44%	8.53%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$52,643	\$53,013	\$60,008	\$56,058	\$45,635
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.87%	0.84%	0.84%	0.87%	0.87%
Ratio of net expenses to average net assets	0.70%	0.70%	0.70%	0.70%	0.70%
Ratio of net investment income (loss) to average net assets	0.59%	0.32%	0.57%	0.35%	1.03%
Portfolio turnover rate <sup>(b)</sup>	491%	404%	325%	350%	304%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

(c) The Fund received a payment from the Advisor in the amount of \$95,996 in connection with a trade error, which represents \$0.03 per share. Since the Advisor reimbursed the Fund, there was no effect on the Fund's total return.

## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust NASDAQ-100 Equal Weighted Index Fund (QQEW)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 43.48	\$ 42.80	\$ 36.35	\$ 26.10	\$ 22.98
<b>Income from investment operations:</b>					
Net investment income (loss)	0.31	0.22	0.41	0.17	0.27
Net realized and unrealized gain (loss)	2.73	0.73	6.49	10.25	3.14
Total from investment operations	3.04	0.95	6.90	10.42	3.41
<b>Distributions paid to shareholders from:</b>					
Net investment income	(0.34)	(0.27)	(0.45)	(0.17)	(0.29)
<b>Net asset value, end of period</b>	\$ 46.18	\$ 43.48	\$ 42.80	\$ 36.35	\$ 26.10
<b>Total Return <sup>(a)</sup></b>	7.02%	2.22%	19.13%	39.95%	14.86%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$404,044	\$532,679	\$577,828	\$288,945	\$84,815
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.61%	0.60%	0.61%	0.63%	0.68%
Ratio of net expenses to average net assets	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	0.72%	0.51%	1.10%	0.60%	1.01%
Portfolio turnover rate <sup>(b)</sup>	29%	31%	27%	38%	34%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust NASDAQ-100-Technology Sector Index Fund (QTEC)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 42.64	\$ 43.67	\$ 35.43	\$ 25.86	\$ 24.14
<b>Income from investment operations:</b>					
Net investment income (loss)	0.67	0.37	0.45	0.24	0.19
Net realized and unrealized gain (loss)	9.99	(0.98)	8.32	9.59	1.74
Total from investment operations	10.66	(0.61)	8.77	9.83	1.93
<b>Distributions paid to shareholders from:</b>					
Net investment income	(0.68)	(0.42)	(0.53)	(0.26)	(0.21)
<b>Net asset value, end of period</b>	\$ 52.62	\$ 42.64	\$ 43.67	\$ 35.43	\$ 25.86
<b>Total Return <sup>(a)</sup></b>	25.27%	(1.37)%	24.83%	38.12%	8.02%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$1,570,855	\$302,735	\$366,869	\$177,165	\$106,008
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.60%	0.60%	0.61%	0.62%	0.65%
Ratio of net expenses to average net assets	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	1.40%	0.83%	1.32%	0.80%	0.63%
Portfolio turnover rate <sup>(b)</sup>	27%	23%	20%	33%	26%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust NASDAQ-100 Ex-Technology Sector Index Fund (QQXT)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 41.45	\$ 39.73	\$ 34.77	\$ 24.70	\$ 20.80
<b>Income from investment operations:</b>					
Net investment income (loss)	0.09	0.13	0.32	0.10	0.31
Net realized and unrealized gain (loss)	(0.98)	1.75	4.97	10.06	3.92
Total from investment operations	(0.89)	1.88	5.29	10.16	4.23
<b>Distributions paid to shareholders from:</b>					
Net investment income	(0.12)	(0.16)	(0.33)	(0.09)	(0.33)
<b>Net asset value, end of period</b>	\$ 40.44	\$ 41.45	\$ 39.73	\$ 34.77	\$ 24.70
<b>Total Return <sup>(a)</sup></b>	(2.13)%	4.75%	15.35%	41.24%	20.31%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$103,118	\$184,447	\$117,195	\$90,396	\$41,982
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.64%	0.63%	0.64%	0.67%	0.76%
Ratio of net expenses to average net assets	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	0.23%	0.33%	0.90%	0.38%	1.34%
Portfolio turnover rate <sup>(b)</sup>	30%	39%	23%	33%	40%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.



## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust NASDAQ® Clean Edge® Green Energy Index Fund (QCLN)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 16.01	\$ 17.23	\$ 17.90	\$ 9.48	\$ 9.65
<b>Income from investment operations:</b>					
Net investment income (loss)	0.17	0.11	0.13	0.07	0.13
Net realized and unrealized gain (loss)	(0.52)	(1.21)	(0.66)	8.42	(0.18)
Total from investment operations	(0.35)	(1.10)	(0.53)	8.49	(0.05)
<b>Distributions paid to shareholders from:</b>					
Net investment income	(0.19)	(0.12)	(0.14)	(0.07)	(0.12)
<b>Net asset value, end of period</b>	\$ 15.47	\$ 16.01	\$ 17.23	\$ 17.90	\$ 9.48
<b>Total Return <sup>(a)</sup></b>	(2.12)%	(6.43)%	(3.05)%	89.79%	(0.50)%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$51,837	\$69,655	\$89,616	\$97,574	\$13,740
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.68%	0.65%	0.64%	0.70%	0.98%
Ratio of net expenses to average net assets	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	1.18%	0.65%	0.61%	0.60%	1.19%
Portfolio turnover rate <sup>(b)</sup>	49%	35%	37%	49%	24%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust S&P REIT Index Fund (FRI)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 22.07	\$ 22.24	\$ 17.54	\$ 17.75	\$ 15.47
<b>Income from investment operations:</b>					
Net investment income (loss)	0.62	0.55	0.41	0.52	0.38
Net realized and unrealized gain (loss)	1.13	(0.13)	4.75	(0.19)	2.30
Total from investment operations	1.75	0.42	5.16	0.33	2.68
<b>Distributions paid to shareholders from:</b>					
Net investment income	(0.75)	(0.59)	(0.46)	(0.54)	(0.37)
Net realized gain	—	—	—	—	(0.03)
Total distributions	(0.75)	(0.59)	(0.46)	(0.54)	(0.40)
<b>Net asset value, end of period</b>	\$ 23.07	\$ 22.07	\$ 22.24	\$ 17.54	\$ 17.75
<b>Total Return <sup>(a)</sup></b>	7.92%	1.97%	29.61%	1.82%	17.39%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$236,426	\$226,250	\$339,130	\$148,210	\$402,888
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.49%	0.48%	0.50%	0.50%	0.50%
Ratio of net expenses to average net assets	0.49%	0.48%	0.50%	0.50%	0.50%
Ratio of net investment income (loss) to average net assets	2.52%	2.30%	2.35%	2.31%	2.15%
Portfolio turnover rate <sup>(b)</sup>	6%	8%	11%	11%	8%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust Water ETF (FIW)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 30.13	\$ 33.65	\$ 33.79	\$ 25.99	\$ 20.71
<b>Income from investment operations:</b>					
Net investment income (loss)	0.20	0.23	0.25	0.21	0.23
Net realized and unrealized gain (loss)	9.48	(3.52)	(0.14)	7.80	5.30
Total from investment operations	9.68	(3.29)	0.11	8.01	5.53
<b>Distributions paid to shareholders from:</b>					
Net investment income	(0.20)	(0.23)	(0.25)	(0.21)	(0.25)
<b>Net asset value, end of period</b>	\$ 39.61	\$ 30.13	\$ 33.65	\$ 33.79	\$ 25.99
<b>Total Return <sup>(a)</sup></b>	32.21%	(9.81)%	0.36%	30.91%	26.83%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$221,791	\$102,432	\$198,550	\$197,643	\$72,769
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.57%	0.57%	0.59%	0.60%	0.63%
Ratio of net expenses to average net assets	0.57%	0.57%	0.59%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	0.58%	0.70%	0.75%	0.75%	1.02%
Portfolio turnover rate <sup>(b)</sup>	42%	17%	24%	45%	31%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust Natural Gas ETF (FCG)

	Year Ended December 31,				
	2016	2015 (a)	2014 (a)	2013 (a)	2012 (a)
<b>Net asset value, beginning of period</b>	\$ 22.30	\$ 56.10	\$ 97.65	\$ 78.35	\$ 90.95
<b>Income from investment operations:</b>					
Net investment income (loss)	0.13	1.00	0.70	0.35	0.35
Net realized and unrealized gain (loss)	4.16	(33.75)	(41.50)	19.30	(12.60)
Total from investment operations	4.29	(32.75)	(40.80)	19.65	(12.25)
<b>Distributions paid to shareholders from:</b>					
Net investment income	(0.44)	(1.05)	(0.75)	(0.35)	(0.35)
<b>Net asset value, end of period</b>	\$ 26.15	\$ 22.30	\$ 56.10	\$ 97.65	\$ 78.35
<b>Total Return <sup>(b)</sup></b>	19.48%	(59.10)%	(42.02)%	25.13%	(13.51)%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$251,024	\$153,042	\$246,946	\$464,795	\$387,899
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.64%(c)	0.62%	0.61%	0.60%	0.63%
Ratio of net expenses to average net assets	0.61%(c)	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	0.54%	2.44%	0.74%	0.40%	0.40%
Portfolio turnover rate <sup>(d)</sup>	103%	67%	42%	49%	41%

(a) All per share amounts and net asset values have been adjusted to reflect the impact of the 1-for-5 reverse share split on May 2, 2016. The net asset values reported on December 31, 2015, 2014, 2013 and 2012 prior to the reverse share split restatement were \$4.46, \$11.22, \$19.53 and \$15.67, respectively.

(b) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(c) Includes excise tax. If this excise tax expense was not included, the total and net expense ratios would have been 0.63% and 0.60%, respectively.

(d) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust Chindia ETF (FNI)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 28.36	\$ 28.63	\$ 28.22	\$ 20.97	\$ 18.23
<b>Income from investment operations:</b>					
Net investment income (loss)	0.25	0.15	0.20	0.20	0.35
Net realized and unrealized gain (loss)	(0.85)	(0.24)	0.48	7.26	2.74
Total from investment operations	(0.60)	(0.09)	0.68	7.46	3.09
<b>Distributions paid to shareholders from:</b>					
Net investment income	(0.37)	(0.18)	(0.27)	(0.21)	(0.35)
<b>Net asset value, end of period</b>	\$ 27.39	\$ 28.36	\$ 28.63	\$ 28.22	\$ 20.97
<b>Total Return <sup>(a)</sup></b>	(2.15)%	(0.32)%	2.37%	35.81%	17.11%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$131,466	\$221,188	\$111,663	\$71,962	\$66,066
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.60%	0.62%	0.65%	0.66%	0.73%
Ratio of net expenses to average net assets	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	0.91%	0.64%	0.54%	0.79%	1.60%
Portfolio turnover rate <sup>(b)</sup>	47%	68%	40%	40%	29%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## First Trust Exchange-Traded Fund

### Financial Highlights

For a share outstanding throughout each period

#### First Trust NASDAQ® ABA Community Bank Index Fund (QABA)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of period</b>	\$ 38.94	\$ 36.61	\$ 36.11	\$ 25.56	\$22.97
<b>Income from investment operations:</b>					
Net investment income (loss)	0.58	0.56	0.47	0.37	0.48
Net realized and unrealized gain (loss)	13.89	2.31	0.50	10.55	2.62
Total from investment operations	14.47	2.87	0.97	10.92	3.10
<b>Distributions paid to shareholders from:</b>					
Net investment income	(0.60)	(0.54)	(0.47)	(0.37)	(0.51)
<b>Net asset value, end of period</b>	\$ 52.81	\$ 38.94	\$ 36.61	\$ 36.11	\$25.56
<b>Total Return <sup>(a)</sup></b>	37.57%	7.88%	2.72%	42.89%	13.52%
<b>Ratios/supplemental data:</b>					
Net assets, end of period (in 000's)	\$404,023	\$223,902	\$109,818	\$52,362	\$8,945
<b>Ratios to average net assets:</b>					
Ratio of total expenses to average net assets	0.61%	0.62%	0.64%	0.76%	1.04%
Ratio of net expenses to average net assets	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	1.54%	1.52%	1.41%	1.38%	1.90%
Portfolio turnover rate <sup>(b)</sup>	16%	19%	26%	29%	17%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all distributions at net asset value during the period, and redemption at net asset value on the last day of the period. The returns presented do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. Total return is calculated for the time period presented and is not annualized for periods of less than a year. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the investment advisor.

(b) Portfolio turnover is calculated for the time period presented and is not annualized for periods of less than a year and does not include securities received or delivered from processing creations or redemptions and in-kind transactions.

## Other Information

### Continuous Offering

Each Fund will issue, on a continuous offering basis, its shares in one or more groups of a fixed number of Fund shares (each such group of such specified number of individual Fund shares, a "Creation Unit Aggregation"). The method by which Creation Unit Aggregations of Fund shares are created and traded may raise certain issues under applicable securities laws. Because new Creation Unit Aggregations of shares are issued and sold by a Fund on an ongoing basis, a "distribution," as such term is used in the Securities Act, may occur at any point. Broker-dealers and other persons are cautioned that some activities on their part may, depending on the circumstances, result in their being deemed participants in a distribution in a manner which could render them statutory underwriters and subject them to the prospectus delivery requirement and liability provisions of the Securities Act.

For example, a broker-dealer firm or its client may be deemed a statutory underwriter if it takes Creation Unit Aggregations after placing an order with FTP, breaks them down into constituent shares and sells such shares directly to customers, or if it chooses to couple the creation of a supply of new shares with an active selling effort involving solicitation of secondary market demand for shares. A determination of whether one is an underwriter for purposes of the Securities Act must take into account all the facts and circumstances pertaining to the activities of the broker-dealer or its client in the particular case, and the examples mentioned above should not be considered a complete description of all the activities that could lead to a characterization as an underwriter.

Broker-dealer firms should also note that dealers who are not "underwriters" but are effecting transactions in shares, whether or not participating in the distribution of shares, are generally required to deliver a prospectus. This is because the prospectus

delivery exemption in Section 4(a)(3) of the Securities Act is not available in respect of such transactions as a result of Section 24(d) of the 1940 Act. The Trust, on behalf of each Fund, however, has received from the Securities and Exchange Commission an exemption from the prospectus delivery obligation in ordinary secondary market transactions under certain circumstances, on the condition that purchasers are provided with a product description of the shares. As a result, broker-dealer firms should note that dealers who are not underwriters but are participating in a distribution (as contrasted with ordinary secondary market transactions) and thus dealing with the shares that are part of an over-allotment within the meaning of Section 4(a)(3)(C) of the Securities Act would be unable to take advantage of the prospectus delivery exemption provided by Section 4(a)(3) of the Securities Act. Firms that incur a prospectus delivery obligation with respect to shares are reminded that, under the Securities Act Rule 153, a prospectus delivery obligation under Section 5(b)(2) of the Securities Act owed to a broker-dealer in connection with a sale on the Exchange is satisfied by the fact that the prospectus is available from the Exchange upon request. The prospectus delivery mechanism provided in Rule 153 is available with respect to transactions on a national securities exchange, a trading facility or an alternative trading system.

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First Trust Capital Strength ETF  
First Trust Dow Jones Internet Index Fund  
First Trust Dow Jones Select MicroCap Index Fund  
First Trust Chindia ETF  
First Trust Natural Gas ETF  
First Trust Water ETF  
First Trust Morningstar Dividend Leaders Index Fund  
First Trust NASDAQ-100 Equal Weighted Index Fund  
First Trust NASDAQ-100 Ex-Technology Sector Index Fund  
First Trust NASDAQ-100-Technology Sector Index Fund  
First Trust NASDAQ<sup>®</sup> ABA Community Bank Index Fund  
First Trust NASDAQ<sup>®</sup> Clean Edge<sup>®</sup> Green Energy Index Fund  
First Trust NYSE Arca Biotechnology Index Fund  
First Trust S&P REIT Index Fund  
First Trust US Equity Opportunities ETF  
First Trust Value Line<sup>®</sup> 100 Exchange-Traded Fund  
First Trust Value Line<sup>®</sup> Dividend Index Fund

### For More Information

For more detailed information on the Funds, several additional sources of information are available to you. The SAI, incorporated by reference into this prospectus, contains detailed information on the Funds' policies and operation. Additional information about the Funds' investments is available in the annual and semi-annual reports to shareholders. In the Funds' annual reports, you will find a discussion of the market conditions and investment strategies that significantly impacted the Funds' performance during the last fiscal year. The Funds' most recent SAI, annual and semi-annual reports and certain other information are available free of charge by calling the Funds at (800) 621-1675, on the Funds' website at [www.ftportfolios.com](http://www.ftportfolios.com) or through your financial advisor. Shareholders may call the toll-free number above with any inquiries.

You may obtain this and other information regarding the Funds, including the SAI and the Codes of Ethics adopted by First Trust, FTP and the Trust, directly from the Securities and Exchange Commission (the "SEC"). Information on the SEC's website is free of charge. Visit the SEC's online EDGAR database at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C., or call the SEC at (202) 551-8090 for information on the Public Reference Room. You may also request information regarding the Funds by sending a request (along with a duplication fee) to the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549-1520 or by sending an electronic request to [publicinfo@sec.gov](mailto:publicinfo@sec.gov).