

>> Fund Objective

This exchange-traded 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 US Smart Pharmaceuticals Index.

>> Fund Facts

Fund Ticker	FTXH
CUSIP	33738R837
Intraday NAV	FTXHIV
Fund Inception Date	9/20/16
Expense Ratio	0.60%
Rebalance Frequency	Quarterly
Primary Listing	Nasdaq

>> Index Facts

Index Ticker	NQSSPHT
Index Inception Date	7/8/16

>> Index Description

- >> The Nasdaq US Smart Pharmaceuticals Index is a modified factor weighted index created and administered by Nasdaq, Inc. ("Nasdaq") designed to provide exposure to US companies within the pharmaceuticals industry.
- >> Nasdaq selects the 30 most liquid eligible pharmaceuticals securities from the NASDAQ US Benchmark Index and then ranks those securities based on three factors:
 - Volatility – trailing 12-month price fluctuation.
 - Value – cash flow to price.
 - Growth – the 3-, 6-, 9-, and 12-month average price appreciation.
- >> The securities are weighted based on their score on the three factors.
- >> The index weighting methodology includes caps to prevent high concentrations among single stocks.
- >> The index is reconstituted annually and rebalanced quarterly.

>> Performance Summary (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance*							
Net Asset Value (NAV)	8.38	10.95	18.11	—	—	—	9.55
After Tax Held	8.33	10.64	17.78	—	—	—	8.82
After Tax Sold	4.74	6.18	10.24	—	—	—	6.98
Market Price	7.93	10.94	18.16	—	—	—	9.57
Index Performance**							
Nasdaq US Smart Pharmaceuticals Index	8.56	11.52	18.90	—	—	—	10.31
Nasdaq US Benchmark Pharma Index	15.00	13.38	15.74	—	—	—	14.02
NASDAQ US Benchmark Index	7.21	10.49	17.79	—	—	—	18.84

Performance data quoted represents past performance. Past performance is not a guarantee of future results and current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and shares when sold or redeemed, may be worth more or less than their original cost. You can obtain performance information which is current through the most recent month-end by visiting www.ftportfolios.com.

*NAV returns are based on the fund's net asset value which represents the fund's net assets (assets less liabilities) divided by the fund's outstanding shares. **After Tax Held** returns represent return after taxes on distributions. Assumes shares have not been sold. **After Tax Sold** returns represent the return after taxes on distributions and the sale of fund shares. Returns do not represent the returns you would receive if you traded shares at other times. **Market Price** returns are based on the midpoint of the bid/ask spread on the stock exchange on which shares of the fund are listed for trading as of the time that the fund's NAV is calculated. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

**Performance information for the Nasdaq US Smart Pharmaceuticals Index is for illustrative purposes only and does not represent actual fund performance. Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. Indexes are unmanaged and an investor cannot invest directly in an index.

>> Portfolio Information

Number Of Holdings	30
Maximum Market Cap.	\$370.68 Billion
Median Market Cap.	\$5.18 Billion
Minimum Market Cap.	\$809 Million
Price/Book	3.87
Price/Cash Flow	26.21
Price/Sales	4.18

>> Top Holdings (%)

Pfizer, Inc.	8.60
Eli Lilly and Company	7.81
Abbott Laboratories	7.77
Madrigal Pharmaceuticals, Inc.	7.26
Johnson & Johnson	6.71
Merck & Co., Inc.	4.19
Zoetis, Inc.	4.09
Bristol-Myers Squibb Company	4.08
Allergan Plc	4.02
Jazz Pharmaceuticals Plc	3.98

>> Top Industry Exposure (%)

Pharmaceuticals	100.00
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You should consider the fund's investment objectives, risks, and charges and expenses carefully before investing. Contact First Trust Portfolios L.P. at 1-800-621-1675 or visit www.ftportfolios.com to obtain a prospectus or summary prospectus which contains this and other information about the fund. The prospectus or summary prospectus should be read carefully before investing.

ETF Characteristics

The fund lists and principally trades its shares on The Nasdaq Stock Market LLC.

The fund's return may not match the return of the Nasdaq US Smart Pharmaceuticals Index. Securities held by the fund will generally not be bought or sold in response to market fluctuations.

Investors buying or selling fund shares on the secondary market may incur customary brokerage commissions. Market prices may differ to some degree from the net asset value of the shares. Investors who sell fund shares may receive less than the share's net asset value. Shares may be sold throughout the day on the exchange through any brokerage account. However, unlike mutual funds, shares may only be redeemed directly from the fund by authorized participants, in very large creation/redemption units. If the fund's authorized participants are unable to proceed with creation/redemption orders and no other authorized participant is able to step forward to create or redeem, fund shares may trade at a discount to the fund's net asset value and possibly face delisting.

Risk Considerations

The fund's shares will change in value, and you could lose money by investing in the fund. One of the principal risks of investing in the fund is market risk. Market risk is the risk that a particular stock owned by the fund, fund shares or stocks in general may fall in value. There can be no assurance that the fund's investment objective will be achieved.

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

The fund is concentrated in securities of the pharmaceuticals industry. 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.

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

The fund is classified as "non-diversified" and may invest a relatively high percentage of its assets in a limited number of issuers. As a result, the fund may be more susceptible to a single adverse economic or regulatory occurrence affecting one or more of these issuers, experience increased volatility and be highly concentrated in certain issuers.

First Trust Advisors L.P. is the adviser to the fund. First Trust Advisors L.P. is an affiliate of First Trust Portfolios L.P., the fund's distributor.

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Definitions

The **NASDAQ US Benchmark Pharmaceuticals Index** is a float adjusted market capitalization-weighted index which includes securities in the US Benchmark Index that are classified in the Pharmaceuticals Subsector according to the Industry Classification Benchmark. The **NASDAQ US Benchmark Index** is a float adjusted market capitalization-weighted index designed to track the performance of securities assigned to the United States.

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