



First Trust Exchange-Traded Fund

Book 1

First Trust Dow Jones Select MicroCap Index Fund (FDM)

First Trust Morningstar Dividend Leaders Index Fund (FDL)

First Trust US IPO Index Fund (FPX)

First Trust NYSE Arca Biotechnology Index Fund (FBT)

First Trust Dow Jones Internet Index Fund (FDN)

First Trust Capital Strength ETF (FTCS)

First Trust Total US Market AlphaDEX® ETF (TUSA)

(formerly known as First Trust Value Line® Equity Allocation Index Fund)

First Trust Value Line® Dividend Index Fund (FVD)

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

Annual Report
December 31, 2015

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December 31, 2015**

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Caution Regarding Forward-Looking Statements

This report contains certain forward-looking statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements regarding the goals, beliefs, plans or current expectations of First Trust Advisors L.P. (“First Trust” or the “Advisor”) and its representatives, taking into account the information currently available to them. Forward-looking statements include all statements that do not relate solely to current or historical fact. For example, forward-looking statements include the use of words such as “anticipate,” “estimate,” “intend,” “expect,” “believe,” “plan,” “may,” “should,” “would” or other words that convey uncertainty of future events or outcomes.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of any series of First Trust Exchange-Traded Fund (the “Trust”) described in this report (each such series is referred to as a “Fund” and collectively, as the “Funds”) to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. When evaluating the information included in this report, you are cautioned not to place undue reliance on these forward-looking statements, which reflect the judgment of the Advisor and its representatives only as of the date hereof. We undertake no obligation to publicly revise or update these forward-looking statements to reflect events and circumstances that arise after the date hereof.

Performance and Risk Disclosure

There is no assurance that any Fund described in this report will achieve its investment objective. Each Fund is subject to market risk, which is the possibility that the market values of securities owned by the Fund will decline and that the value of the Fund shares may therefore be less than what you paid for them. Accordingly, you can lose money by investing in a Fund. See “Risk Considerations” in the Additional Information Section of this report for a discussion of other risks of investing in the Funds.

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please visit <http://www.ftportfolios.com> or speak with your financial advisor. Investment returns, net asset value and share price will fluctuate and Fund shares, when sold, may be worth more or less than their original cost.

The Advisor may also periodically provide additional information on Fund performance on each Fund’s webpage at <http://www.ftportfolios.com>.

How to Read This Report

This report contains information that may help you evaluate your investment. It includes details about each Fund’s portfolio and presents data and analysis that provide insight into each Fund’s performance and investment approach.

By reading the market overview by Robert F. Carey, Chief Market Strategist of the Advisor, you may obtain an understanding of how the market environment affected the performance of each Fund. The statistical information that follows may help you understand each Fund’s performance compared to that of relevant market benchmarks.

It is important to keep in mind that the opinions expressed by personnel of the Advisor are just that: informed opinions. They should not be considered to be promises or advice. The opinions, like the statistics, cover the period through the date on the cover of this report. The material risks of investing in each Fund are spelled out in its prospectus, statement of additional information, this report and other Fund regulatory filings.

**First Trust Exchange-Traded Fund
Annual Letter from the Chairman and CEO
December 31, 2015**

Dear Shareholders:

Thank you for your investment in First Trust Exchange-Traded Fund (the “Trust”).

First Trust Advisors L.P. (“First Trust”) is pleased to provide you with this annual report which contains detailed information about your investment for the 12 months ended December 31, 2015, including a performance analysis and a market outlook. Additionally, First Trust has compiled the Trust’s financial statements for you to review. We encourage you to read this report and discuss it with your financial advisor.

While markets were up and down during 2015, we believe there are three important things to remember: first, the U.S. economy grew, in spite of the massive decline in oil prices; and second, the tapering that began in 2014 by the Federal Reserve (the “Fed”) did not stop growth in the U.S. economy either. Finally, the long-anticipated rate hike by the Fed in December had little effect on the money supply, and the stock market was not shocked by the hike. We remain positive on U.S. markets, although we know that markets will always move up and down.

First Trust believes that having a long-term investment horizon and being invested in quality products can help you reach your goals, despite how the market behaves. We have always maintained perspective about the markets and believe investors should as well. We will continue to strive to provide quality investments each and every day, which has been one of the hallmarks of our firm since its inception nearly 25 years ago.

Thank you for giving First Trust the opportunity to be a part of your investment plan. We value our relationship with you and will continue to focus on helping investors like you reach your financial goals.

Sincerely,

A handwritten signature in black ink, appearing to read "James A. Bowen". The signature is fluid and cursive, with a large initial "J" and "A".

James A. Bowen
Chairman of the Board of Trustees
Chief Executive Officer of First Trust Advisors L.P.

**First Trust Exchange-Traded Fund
Annual Report
December 31, 2015**

Robert F. Carey, CFA
Senior Vice President and Chief Market Strategist
First Trust Advisors L.P.

Mr. Carey is responsible for the overall management of research and analysis of the First Trust product line. Mr. Carey has 25 years of experience as an Equity and Fixed-Income Analyst and is a recipient of the Chartered Financial Analyst (“CFA”) designation. He is a graduate of the University of Illinois at Champaign-Urbana with a B.S. in Physics. He is also a member of the Investment Analysts Society of Chicago and the CFA Institute. Mr. Carey has appeared as a guest on such programs as Bloomberg TV, CNBC, and WBBM Radio, and has been quoted by several publications, including *The Wall Street Journal*, *The Wall Street Reporter*, *Bloomberg News Service*, and *Registered Rep*.

State of the Economy/Investing

The International Monetary Fund (IMF) updates its forecasts for U.S. and global economic growth throughout the year. In its most recent report, the IMF set its global growth rate estimates for 2016 and 2017 at 3.4% and 3.6%, respectively, both up from 3.0% in 2015, according to its own release. Its 2016 and 2017 estimates for U.S. real GDP growth rates were 2.7% and 2.5%, respectively, both up from 2.1% in 2015. While economic growth rate targets remain modest overall, the key takeaway is that current indicators do not suggest that a recession is looming. With the exception of the U.S., many central banks around the world are still applying stimulus measures to their respective economies.

Dealogic reported that the total value of global mergers and acquisition (“M&A”) activity (announced) topped \$5.0 trillion in 2015, surpassing the previous high set in 2007 by around 9%, according to PRNewswire. There were 10 transactions valued at \$50 billion or more in 2015 and seven of them involved U.S. companies. These 10 transactions combined were worth \$798.9 billion. The U.S. accounted for half of all global M&A activity, or about \$2.5 trillion. The two most active sectors were Health Care (\$723.7 billion) and Technology (\$713.1 billion). A robust M&A climate indicates that companies are comfortable taking risks with their capital, in our opinion.

ETFGI LLP, an industry research group, reported that total assets invested in exchange-traded funds (ETFs) and other exchange-traded products reached \$2.99 trillion globally in December 2015, up from \$2.78 billion a year ago, according to its own release. The industry took in a record \$372.0 billion in net new assets in 2015, topping the previous record of \$338.3 billion in 2014.

U.S. Stocks and Bonds

In 2015, the major U.S. stock indices posted mixed results. The S&P 500® Index, S&P MidCap 400® Index and S&P SmallCap 600® Index posted total returns of 1.38%, -2.18%, and -1.97%, respectively, according to Bloomberg. Five of the 10 major S&P 500® Index sectors posted positive total returns. The top-performing sectors were Consumer Discretionary, Health Care and Consumer Staples, up 10.11%, 6.89% and 6.60%, respectively. The worst-performing sector indices were Energy, Materials and Utilities, down 21.12%, 8.38% and 4.84%, respectively.

The S&P 500® Index outperformed the S&P 500® Bond Index in eight of the last 10 calendar years (thru 2015), according to S&P Dow Jones Indices and Bloomberg. The two years that bonds topped stocks were 2008 and 2011. In 2015, the S&P 500® Bond Index posted a total return of -0.06%, compared to 1.38% for the S&P 500® Index. As of December 31, 2015, the 10-year average annual total returns for the S&P 500® Index and S&P 500® Bond Index were 7.30% and 5.43%, respectively, according to Bloomberg.

In the U.S. bond market, the top-performing major debt group in 2015 was municipal bonds. The Barclays Municipal Bond: Long Bond (22+) Index posted a total return of 4.52%. The worst-performing major debt group was high-yield corporate bonds. The Barclays U.S. Corporate High Yield Index posted a total return of -4.47%. The yield on the benchmark 10-Year Treasury Note (T-Note) rose just 10 basis points, from 2.17% (12/31/14) to 2.27% (12/31/15). Over the past decade, the average yield on the 10-Year T-Note was 3.11%. On December 16, 2015, the Federal Reserve (the “Fed”) initiated its first increase in the federal fund target rate since June 2006. The Fed has stated that there is the potential for 3-4 additional hikes in 2016 should the data warrant them.

Foreign Stocks and Bonds

The U.S. dollar rose 9.26% against a basket of major currencies in 2015, as measured by the U.S. Dollar Index (“DXY”). The index has appreciated 23.63% since June 30, 2014. The DXY peaked in 2015 at a reading of 100.33 on March 13, 2015, and then traded from 93 to 100 the remainder of 2015. With respect to U.S. investors, a stronger U.S. dollar can negatively impact returns on foreign securities.

Foreign bond indices struggled in 2015. The Barclays EM Hard Currency Aggregate Index of emerging markets debt posted a total return of -0.18% (USD), while the Barclays Global Aggregate Index of higher quality debt declined by 3.15% (USD). Foreign equities finished 2015 in negative territory as well. The MSCI Emerging Markets Index of stocks posted a total return of -2.41% (USD), while the MSCI World Index (excluding the U.S.) posted a total return of -14.80% (USD).

Fund Performance Overview (Unaudited)

First Trust Dow Jones Select MicroCap Index Fund (FDM)

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 IndexSM (the “Index”). The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index. The Index measures the performance of selected U.S. micro-capitalization companies chosen from all common stocks traded on the New York Stock Exchange (“NYSE”), NYSE Amex and The Nasdaq Stock Market, Inc. (“Nasdaq[®]”) that are comparatively liquid and have strong fundamentals relative to the micro-capitalization segment as a whole. The Fund’s shares are listed for trading on the NYSE Arca, Inc. (“NYSE Arca”). The first day of secondary market trading in shares of the Fund was September 30, 2005.

Performance

	Average Annual Total Returns				Cumulative Total Returns		
	1 Year Ended 12/31/15	5 Years Ended 12/31/15	10 Years Ended 12/31/15	Inception (9/27/05) to 12/31/15	5 Years Ended 12/31/15	10 Years Ended 12/31/15	Inception (9/27/05) to 12/31/15
Fund Performance							
NAV	0.55%	9.46%	5.64%	5.87%	57.16%	73.13%	79.61%
Market Value	0.40%	9.43%	5.64%	5.86%	56.93%	73.14%	79.36%
Index Performance							
Dow Jones Select MicroCap Index SM	1.20%	10.16%	6.36%	6.60%	62.20%	85.28%	92.63%
Russell 2000 [®] Index	-4.41%	9.19%	6.80%	6.88%	55.18%	93.14%	97.99%

(See Notes to Fund Performance Overview on page 22.)

Performance Review

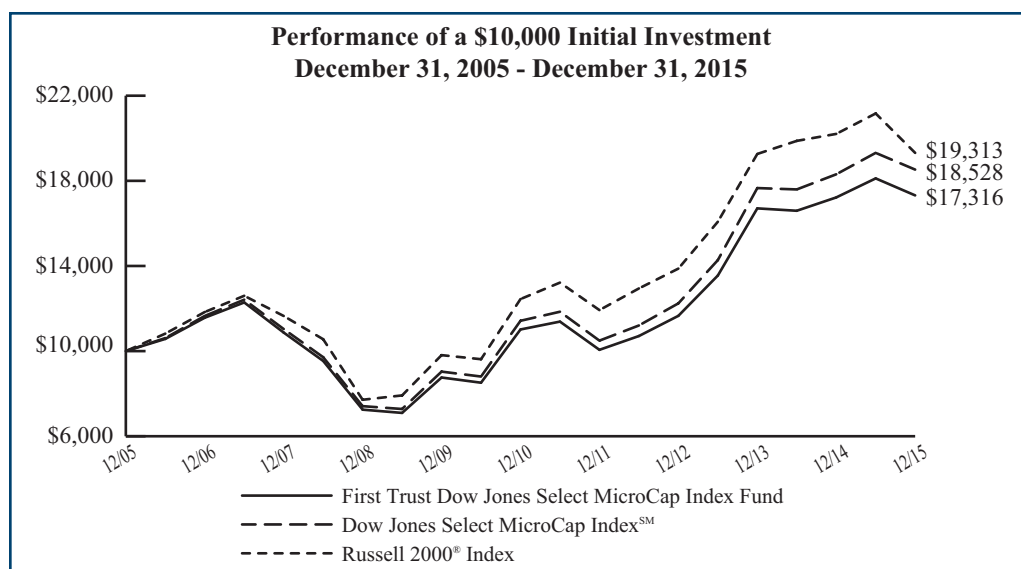
The Fund generated a net asset value (“NAV”) return of 0.55% during the 12-month period covered by this report. During the same period, the Russell 2000[®] Index (“benchmark”) generated a return of -4.41%. The Health Care sector was the top-performing and top-contributing sector. Over the period, the Fund’s holdings in the sector comprised an average weighting of 6.8%, returned 33.5%, and contributed 2.2% to the Fund’s overall performance. The Health Care Providers & Services industry, in particular, contributed 1.0%. The worst-contributing sector was the Industrials sector with a -2.4% contribution. The Energy sector was the worst-performing sector with a -44.0% return. With an average weighting of 3.1%, the Energy sector’s contribution was limited to -1.5%. On a relative basis, the Fund outperformed the benchmark by 4.96%. The Financials sector was the largest contributor. With an average 31.3% weighting and 5.7% return, the sector contributed 2.2% to the outperformance. Within the sector, the Banks industry was the leading contributor, outperforming the benchmark by 4.6% and allocating a weighting of almost 10% more, which together caused 1.9% of outperformance. The Industrials sector created -0.5% drag due to the Fund being overweight the poor-performing (-12.9% return) sector by 5.3%.

Dow Jones and Dow Jones Select MicroCap IndexSM are products of S&P Dow Jones Indices LLC (“SPDJI”), and have been licensed for use by First Trust on behalf of the Fund. The Fund, based on the Dow Jones Select MicroCap IndexSM, is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones Trademark Holdings LLC (“Dow Jones”) or their respective affiliates, and SPDJI, Dow Jones and their respective affiliates make no representation regarding the advisability of trading in the Fund.

Fund Performance Overview (Unaudited) (Continued)

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

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Financials	37.14%	Chimera Investment Corp.	2.93%
Industrials	16.76	Hersha Hospitality Trust	1.14
Consumer Discretionary	16.06	Photronics, Inc.	0.94
Information Technology	11.57	Gibraltar Industries, Inc.	0.85
Materials	4.49	CalAmp Corp.	0.83
Consumer Staples	4.40	CenterState Banks, Inc.	0.81
Health Care	4.29	Cavco Industries, Inc.	0.78
Telecommunication Services	2.13	U.S. Physical Therapy, Inc.	0.76
Utilities	1.59	Strayer Education, Inc.	0.75
Energy	1.57	RE/MAX Holdings, Inc., Class A	0.71
Total	<u>100.00%</u>	Total	<u>10.50%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV as of December 31, 2015

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period January 1, 2011 through December 31, 2015. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	87	2	0	0
01/01/12 - 12/31/12	70	0	0	0
01/01/13 - 12/31/13	151	1	0	0
01/01/14 - 12/31/14	93	1	0	0
01/01/15 - 12/31/15	112	0	0	0

For the Period	Number of Days Bid/Ask Midpoint Below NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	161	2	0	0
01/01/12 - 12/31/12	179	1	0	0
01/01/13 - 12/31/13	98	2	0	0
01/01/14 - 12/31/14	158	0	0	0
01/01/15 - 12/31/15	140	0	0	0

Fund Performance Overview (Unaudited) (Continued)

First Trust Morningstar Dividend Leaders Index Fund (FDL)

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 IndexSM (the “Index”). The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index. The Index offers 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. The Index consists of the top 100 stocks, based on dividend yield, of the securities listed on one of the three major exchanges (NYSE, NYSE Amex or Nasdaq[®]) that have been selected through the application of Morningstar, Inc.’s proprietary multi-step screening process. The Index is rebalanced four times annually in March, June, September and December. The Fund’s shares are listed for trading on the NYSE Arca. The first day of secondary market trading in shares of the Fund was March 15, 2006.

Performance

	Average Annual Total Returns			Cumulative Total Returns	
	1 Year Ended 12/31/15	5 Years Ended 12/31/15	Inception (3/9/06) to 12/31/15	5 Years Ended 12/31/15	Inception (3/9/06) to 12/31/15
Fund Performance					
NAV	2.73%	12.21%	5.79%	77.85%	73.79%
Market Value	2.69%	12.15%	5.79%	77.44%	73.67%
Index Performance					
Morningstar® Dividend Leaders Index SM	3.18%	12.78%	6.31%	82.46%	82.36%
S&P 500® Index	1.38%	12.57%	7.20%	80.75%	97.83%

(See Notes to Fund Performance Overview on page 22.)

Performance Review

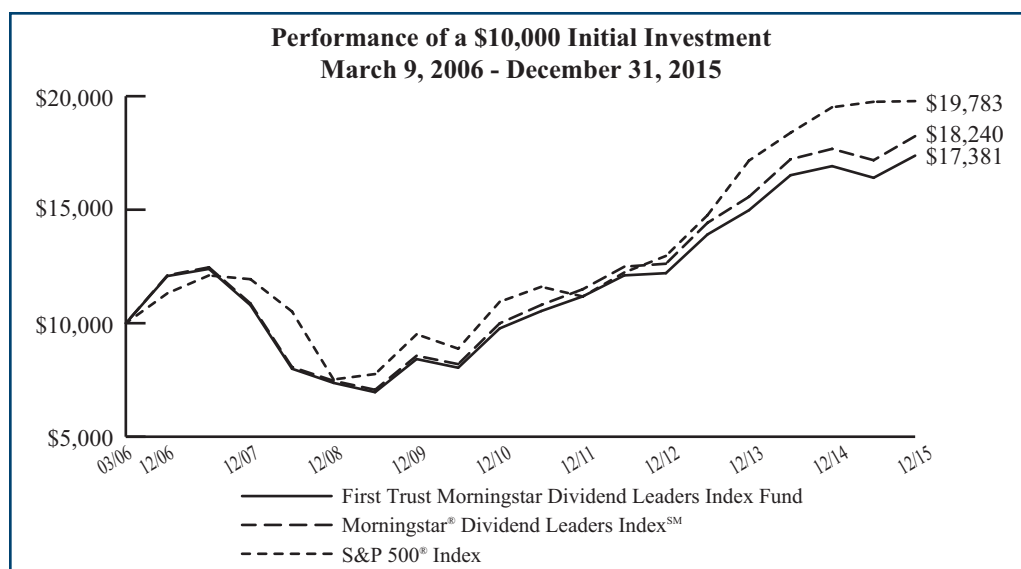
The Fund generated a NAV return of 2.73% during the 12-month period covered by this report. During the same period, the S&P 500® Index (“benchmark”) generated a return of 1.38%. The Consumer Staples sector was the top-contributing and top-performing sector, with a 2.9% contribution and a 16.5% return. The Tobacco industry within this sector made up 2.2% of the contribution, having an average weighting of 11.8% and a 21.9% return over the period. The Energy sector contributed -2.8%, had an average weighting of 13.3% over the period and returned -19.3%. On a relative basis, the Fund outperformed the benchmark by 1.35%. The Consumer Staples sector was the most significant cause of the Fund’s outperformance. The Fund had an 8.8% higher weighting and a 9.9% better return which led to 2.4% of outperformance. The Energy and Information Technology sectors together caused -2.8% of drag, -1.3% and -1.5%, respectively. The Fund was overweight the poor-performing Energy sector by 5.6% and underweight the Information Technology sector by 16.3% and underperformed by -8.9%.

Morningstar® is a service mark of Morningstar, Inc. and has been licensed for use by First Trust on behalf of the Fund. The Fund is not sponsored, endorsed, issued, sold or promoted by Morningstar, Inc., nor does this company make any representation regarding the advisability of investing in the Fund.

Fund Performance Overview (Unaudited) (Continued)

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

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Consumer Staples	21.94%	Exxon Mobil Corp.	9.92%
Utilities	20.59	AT&T, Inc.	9.40
Telecommunication Services	16.86	Verizon Communications, Inc.	7.46
Energy	11.40	General Electric Co.	7.08
Industrials	10.84	Procter & Gamble (The) Co.	5.91
Health Care	5.55	Pfizer, Inc.	5.55
Consumer Discretionary	4.97	Philip Morris International, Inc.	4.92
Financials	4.28	Coca-Cola (The) Co.	4.22
Materials	1.93	Altria Group, Inc.	3.67
Information Technology	1.64	McDonald's Corp.	2.75
Total	<u>100.00%</u>	Total	<u>60.88%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV as of December 31, 2015

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period January 1, 2011 through December 31, 2015. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	219	0	0	0
01/01/12 - 12/31/12	171	0	0	0
01/01/13 - 12/31/13	171	0	0	0
01/01/14 - 12/31/14	190	0	0	0
01/01/15 - 12/31/15	151	0	0	0

For the Period	Number of Days Bid/Ask Midpoint Below NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	33	0	0	0
01/01/12 - 12/31/12	79	0	0	0
01/01/13 - 12/31/13	81	0	0	0
01/01/14 - 12/31/14	62	0	0	0
01/01/15 - 12/31/15	101	0	0	0

Fund Performance Overview (Unaudited) (Continued)

First Trust US IPO Index Fund (FPX)

The First Trust US IPO 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 IPOX®-100 U.S. Index (the “Index”). The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index. The Index is a modified value-weighted price index measuring the performance of the top 100 U.S. companies ranked quarterly by market capitalization in the IPOX Global Composite Index. The Index utilizes a 10% capping on all constituents and includes the 100 largest, typically best performing and most liquid initial public offerings (“IPOs”) of the U.S. companies in the IPOX Global Composite Index. The IPOX Global Composite Index is reconstituted regularly with IPOs being added to the IPOX Global Composite Index at their seventh trading day upon “going public” and automatically exiting after 1,000 trading days or approximately four years thereafter. The Index is reconstituted quarterly to reflect changes in the stock market values of the IPOX Global Composite Index constituents and IPO activity during the past quarter, with potential new companies entering the Index while other companies reaching 1,000 days in the Index automatically drop out. The Fund’s shares are listed for trading on the NYSE Arca. The first day of secondary market trading in shares of the Fund was April 13, 2006.

Performance

	Average Annual Total Returns			Cumulative Total Returns	
	1 Year Ended 12/31/15	5 Years Ended 12/31/15	Inception (4/12/06) to 12/31/15	5 Years Ended 12/31/15	Inception (4/12/06) to 12/31/15
Fund Performance					
NAV	2.19%	17.80%	11.07%	126.85%	177.42%
Market Value	2.17%	17.78%	11.07%	126.61%	177.37%
Index Performance					
IPOX®-100 U.S. Index	2.79%	18.52%	11.75%	133.88%	194.52%
S&P 500® Index	1.38%	12.57%	7.12%	80.75%	95.13%
Russell 3000® Index	0.48%	12.18%	7.08%	77.64%	94.42%

(See Notes to Fund Performance Overview on page 22.)

Performance Review

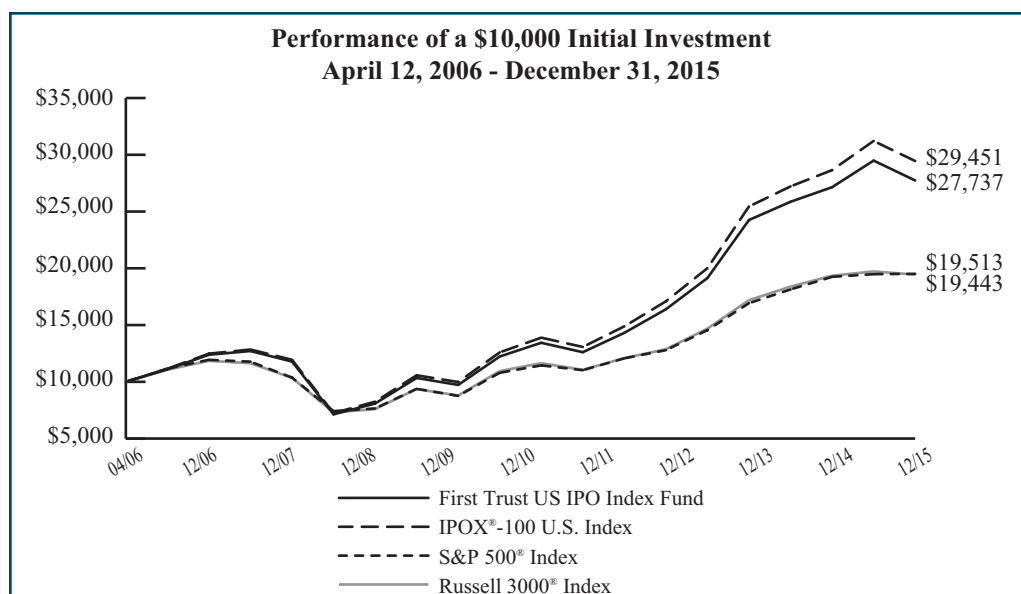
The Fund generated a NAV return of 2.19% during the 12-month period covered by this report. During the same period, the benchmark Russell 3000® Index (“benchmark”) generated a return of 0.48%. The Information Technology sector, which was the highest allocated sector with an average weighting of 24.1%, by far, had the highest contribution of 4.2%. The Internet Software & Services industry within this sector contributed 2.3% of the contribution. Facebook, Inc., in particular, had a significant impact on contribution of 2.9% by having a 10.5% weighting and returning 34.1% over the period. The Fund allocated 19.7% of its average weight to the Health Care sector, which returned -5.3% and contributed to -1.8% of the Fund’s overall return. On a relative basis, the Fund outperformed the benchmark by 1.71%. The Information Technology sector again was the leading cause of the Fund’s relative outperformance. The Fund had a 4.8% higher allocation to the sector and had a 15.3% higher return, which together led to 2.9% of outperformance. A drag of -2.6% was created within the Health Care sector by the Fund being overweight 5.1% and underperforming by -12.5%. Abbvie, Inc., which had a return of -6.4%, was a significant source of this drag by the Fund having an allocation of 9.1% versus the benchmark’s 0.5%.

The Fund is not sponsored, endorsed, sold or promoted by IPOX®. IPOX® makes no representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of trading in the Fund.

Fund Performance Overview (Unaudited) (Continued)

First Trust US IPO Index Fund (FPX) (Continued)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Information Technology	30.96%	Facebook, Inc., Class A	9.78%
Consumer Discretionary	21.52	AbbVie, Inc.	8.84
Health Care	18.28	Kraft Heinz (The) Co.	5.32
Consumer Staples	7.80	General Motors Co.	4.83
Financials	7.28	Phillips 66	3.98
Energy	6.26	PayPal Holdings, Inc.	2.81
Industrials	5.91	Hewlett Packard Enterprise Co.	2.50
Materials	1.16	Baxalta, Inc.	2.42
Telecommunication Services	0.59	Synchrony Financial	2.32
Utilities	0.24	Delphi Automotive PLC	2.19
Total	<u>100.00%</u>	Total	<u>44.99%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV as of December 31, 2015

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period January 1, 2011 through December 31, 2015. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	135	0	0	0
01/01/12 - 12/31/12	149	2	0	0
01/01/13 - 12/31/13	220	0	0	0
01/01/14 - 12/31/14	158	0	0	0
01/01/15 - 12/31/15	172	0	0	0

For the Period	Number of Days Bid/Ask Midpoint Below NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	116	1	0	0
01/01/12 - 12/31/12	97	2	0	0
01/01/13 - 12/31/13	32	0	0	0
01/01/14 - 12/31/14	94	0	0	0
01/01/15 - 12/31/15	80	0	0	0

Fund Performance Overview (Unaudited) (Continued)

First Trust NYSE Arca Biotechnology Index Fund (FBT)

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 IndexSM (the “Index”). The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index. 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. This 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 Fund’s shares are listed for trading on the NYSE Arca. The first day of secondary market trading in shares of the Fund was June 23, 2006.

Performance

	Average Annual Total Returns			Cumulative Total Returns	
	1 Year Ended 12/31/15	5 Years Ended 12/31/15	Inception (6/19/06) to 12/31/15	5 Years Ended 12/31/15	Inception (6/19/06) to 12/31/15
Fund Performance					
NAV	10.97%	23.72%	20.09%	189.83%	472.95%
Market Value	10.91%	23.68%	20.09%	189.43%	472.74%
Index Performance					
NYSE Arca Biotechnology Index SM	11.39%	24.30%	20.74%	196.67%	503.03%
S&P Composite 1500 Health Care Index	7.41%	20.34%	12.04%	152.38%	195.56%
NASDAQ [®] Biotechnology Index	11.77%	29.89%	18.44%	269.67%	401.86%
S&P 500 [®] Index	1.38%	12.57%	7.65%	80.75%	101.97%

(See Notes to Fund Performance Overview on page 22.)

Performance Review

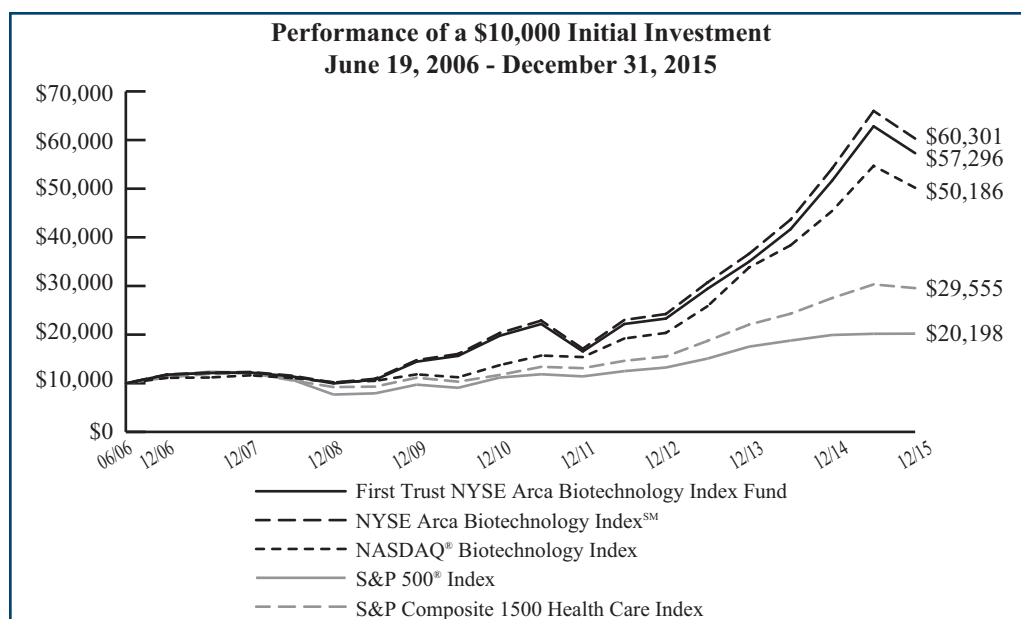
The Fund generated a NAV return of 10.97% during the 12-month period covered by this report. During the same period, the S&P Composite 1500 Health Care Index (“benchmark”) generated a return of 7.41%. Pharmacyclics, Inc. was, by far, the best-performing security held in the Fund with a 110.6% return and a 3.0% contribution to the Fund’s return. This security was acquired on May 27, 2015 by Abbvie, Inc. Exact Sciences Corp., which was held at an average weighting of 2.4% over the period, was the worst performer, returning -70.8% and contributing -2.9% to the Fund’s return. From 2013 to 2014 Exact Sciences Corp. returned 134.7% on news that its Colorguard DNA test will be covered by Medicare Part B for certain beneficiaries. During the reporting period, Exact Sciences Corp. plunged on news that the test would be considered an alternative test rather than a recommended test. On a relative basis, the Fund outperformed the benchmark by 3.56%. The outperformance can be attributed to the Fund’s heavier weighting among well-performing pure Biotechnology companies.

The NYSE Arca Biotechnology IndexSM is a trademark of NYSE Euronext or its affiliates (“NYSE Euronext”) and is licensed for use by First Trust on behalf of the Fund. The Fund is not sponsored or endorsed by NYSE Euronext. NYSE Euronext makes no representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in the Fund or the ability of the Fund to track the performance of the various sectors represented in the stock market.

Fund Performance Overview (Unaudited) (Continued)

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

Industry Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Biotechnology	78.74%	Nektar Therapeutics	4.68%
Life Sciences Tools & Services	16.58	Ionis Pharmaceuticals, Inc.	4.19
Pharmaceuticals	4.68	Dyax Corp.	4.06
Total	<u>100.00%</u>	Alkermes PLC	3.91
		Illumina, Inc.	3.86
		United Therapeutics Corp.	3.68
		Charles River Laboratories International, Inc.	3.68
		Alexion Pharmaceuticals, Inc.	3.58
		Seattle Genetics, Inc.	3.42
		Biogen, Inc.	3.40
		Total	<u>38.46%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV as of December 31, 2015

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period January 1, 2011 through December 31, 2015. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	151	1	0	0
01/01/12 - 12/31/12	121	0	0	0
01/01/13 - 12/31/13	204	0	0	0
01/01/14 - 12/31/14	183	0	0	0
01/01/15 - 12/31/15	159	0	0	0

For the Period	Number of Days Bid/Ask Midpoint Below NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	100	0	0	0
01/01/12 - 12/31/12	128	1	0	0
01/01/13 - 12/31/13	48	0	0	0
01/01/14 - 12/31/14	69	0	0	0
01/01/15 - 12/31/15	93	0	0	0

Fund Performance Overview (Unaudited) (Continued)

First Trust Dow Jones Internet Index Fund (FDN)

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 IndexSM (the “Index”). The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index. 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-indices, 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, and be currently included in the Dow Jones U.S. Index. The Fund’s shares are listed for trading on the NYSE Arca. The first day of secondary market trading in shares of the Fund was June 23, 2006.

Performance

	Average Annual Total Returns			Cumulative Total Returns	
	1 Year Ended 12/31/15	5 Years Ended 12/31/15	Inception (6/19/06) to 12/31/15	5 Years Ended 12/31/15	Inception (6/19/06) to 12/31/15
Fund Performance					
NAV	21.77%	16.86%	14.86%	117.91%	274.76%
Market Value	21.71%	16.83%	14.86%	117.63%	274.71%
Index Performance					
Dow Jones Internet Composite Index SM	22.40%	17.52%	15.48%	124.15%	294.57%
S&P 500 [®] Index	1.38%	12.57%	7.65%	80.75%	101.97%
S&P Composite 1500 Information Technology Index	5.60%	13.46%	10.50%	88.02%	159.02%

(See Notes to Fund Performance Overview on page 22.)

Performance Review

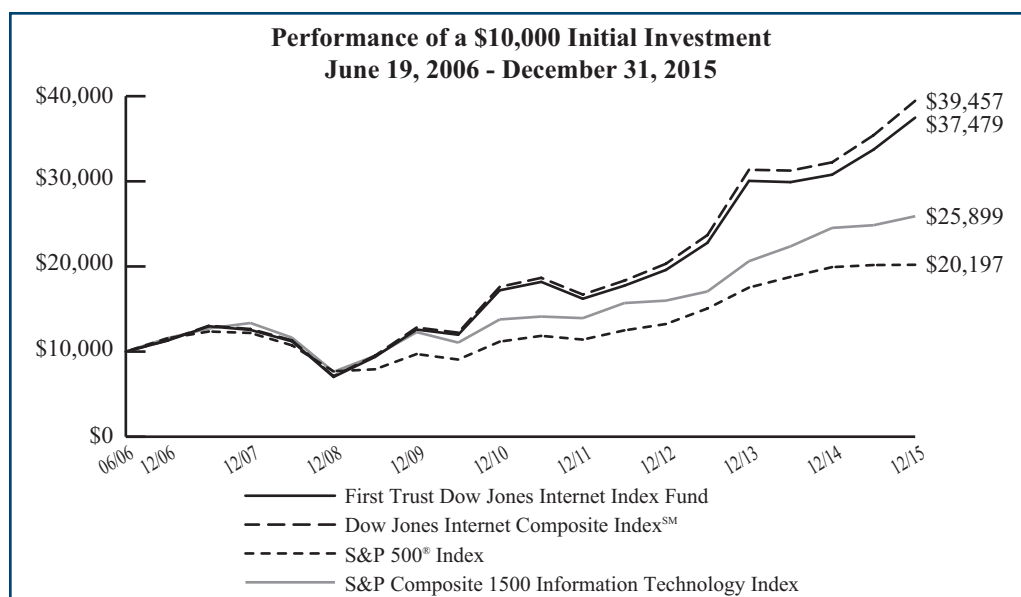
The Fund generated a NAV return of 21.77% during the 12-month period covered by this report. During the same period, the S&P Composite 1500 Information Technology Index (“benchmark”) generated a return of 5.60%. The Internet & Catalog Retail industry was the highest-contributing industry with a 13.5% contribution. Amazon.com, Inc. within this industry, accounted for 8.2% of the industry’s contribution. Amazon.com, Inc. was held at an average weighting of 9.7% over the period and returned 117.8%. The IT Services industry, which was held at an average weighting of 1.9%, was the worst-performing industry with a -10.9% return and -0.3% contribution. PayPal Holdings, Inc., in particular, returned -10.5% and contributed -0.3% to the Fund’s return. On a relative basis, the Fund outperformed the benchmark by 16.17%. The Fund’s holdings within the Internet & Catalog Retail industry contributed 12.3% of the outperformance. This industry is categorized as being part of the Consumer Discretionary sector by the Global Industry Classification Standard (“GICS”). The benchmark held no weighting within this well-performing industry, causing 12.4% of relative outperformance.

Dow Jones and Dow Jones Internet Composite IndexSM are products of S&P Dow Jones Indices (“SPDJI”) and have been licensed for use by First Trust on behalf of the Fund. The Fund, based on the Dow Jones Internet Composite IndexSM, is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones Trademark Holdings LLC (“Dow Jones”) or their respective affiliates and SPDJI, Dow Jones and their respective affiliates make no representation regarding the advisability of trading in the Fund.

Fund Performance Overview (Unaudited) (Continued)

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

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Information Technology	69.87%	Amazon.com, Inc.	10.18%
Consumer Discretionary	22.16	Facebook, Inc., Class A	10.02
Financials	4.52	Alphabet, Inc., Class A	5.10
Health Care	2.62	Alphabet, Inc., Class C	5.07
Telecommunication Services	0.83	salesforce.com, Inc.	4.90
Total	<u>100.00%</u>	Netflix, Inc.	4.73
		PayPal Holdings, Inc.	4.60
		eBay, Inc.	3.91
		Yahoo!, Inc.	3.81
		LinkedIn Corp., Class A	3.64
		Total	<u>55.96%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV as of December 31, 2015

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period January 1, 2011 through December 31, 2015. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	151	0	0	0
01/01/12 - 12/31/12	122	0	0	0
01/01/13 - 12/31/13	200	0	0	0
01/01/14 - 12/31/14	148	0	0	0
01/01/15 - 12/31/15	201	0	0	0

For the Period	Number of Days Bid/Ask Midpoint Below NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	101	0	0	0
01/01/12 - 12/31/12	128	0	0	0
01/01/13 - 12/31/13	52	0	0	0
01/01/14 - 12/31/14	104	0	0	0
01/01/15 - 12/31/15	51	0	0	0

Fund Performance Overview (Unaudited) (Continued)

First Trust Capital Strength ETF (FTCS)

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”). The Index is initially equally-weighted and is made up of the top 50 stocks out of the universe of the largest 500 U.S. companies included in the Nasdaq US Benchmark Index, ranked by one- and three-year daily volatility. 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% are excluded from the Index. The Index is reconstituted and rebalanced on a quarterly basis. The Fund’s shares are listed for trading on the Nasdaq. The first day of secondary market trading in shares of the Fund was July 11, 2006.

Performance

	Average Annual Total Returns			Cumulative Total Returns	
	1 Year Ended 12/31/15	5 Years Ended 12/31/15	Inception (7/6/06) to 12/31/15	5 Years Ended 12/31/15	Inception (7/6/06) to 12/31/15
Fund Performance					
NAV	1.64%	12.70%	8.75%	81.81%	121.56%
Market Value	1.51%	12.69%	8.75%	81.73%	121.57%
Index Performance					
The Capital Strength Index™*	2.31%	N/A	N/A	N/A	N/A
S&P 500 Value Index	-3.13%	10.96%	5.37%	68.23%	64.27%
S&P 500® Index	1.38%	12.57%	7.37%	80.75%	96.39%

* 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 of 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 some of the periods disclosed.

(See Notes to Fund Performance Overview on page 22.)

Performance Review

The Fund generated a NAV return of 1.64% during the 12-month period covered by this report. During the same period, the S&P 500 Value Index (“benchmark”) generated a return of -3.13%. The Consumer Discretionary sector was the top-performing and top-contributing sector with a 12.5% return and 2.1% contribution. Within the Consumer Discretionary sector, Starbucks Corp. and McDonald’s Corp., both within the Hotels Restaurants & Leisure industry, contributed 0.7% and 0.6%, respectively, to the Fund’s return. The Energy sector was the worst-performing sector with a -8.5% return. The Energy sector was held at an average weighting of only 1.5%, so its contribution to return was limited to -0.14%. Exxon Mobil was the only Energy sector security held over the period. On a relative basis, the Fund outperformed the benchmark by 4.77%. Half of the outperformance (2.2%) was caused by the Consumer Discretionary sector, where the Fund was overweight by 7.3% and outperformed by 15.8%. The Health Care sector was the only sector to detract from relative performance. The Fund was overweight the Health Care sector by 3.3% and underperformed by -4.8%, leading to -0.3% of drag.

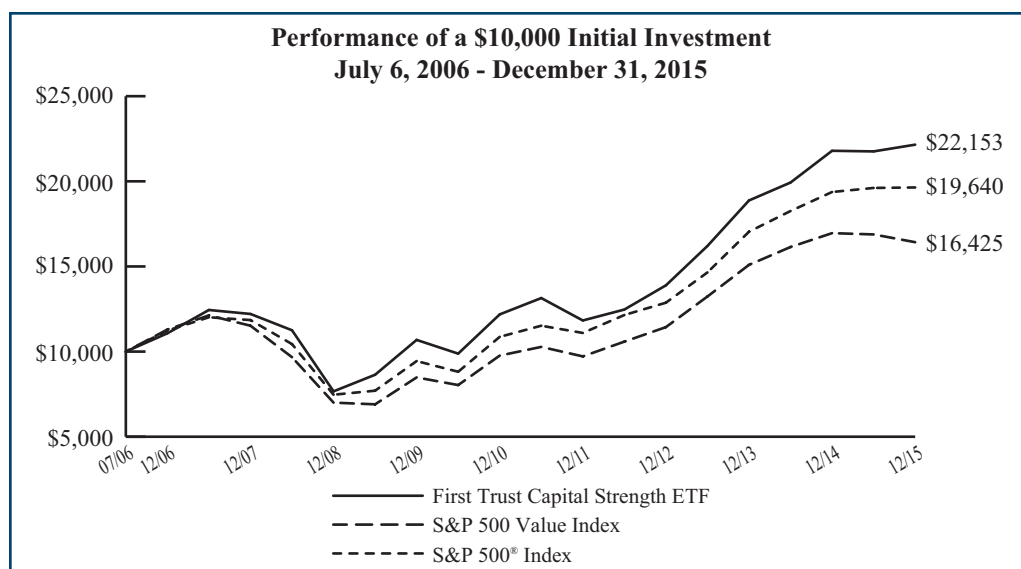
“Credit Suisse,” “HOLT” and “Credit Suisse U.S. Value Index, Powered by HOLT™,” are trademarks of Credit Suisse Group AG, Credit Suisse Securities (USA) LLC or one of their affiliates.

The Capital Strength Index™ is the trademark (the “Mark”) of the Nasdaq OMX Group (“Nasdaq OMX”). The Mark is licensed for use by First Trust Portfolios L.P. The Fund has not been passed on by Nasdaq OMX as to its legality or suitability. The Fund is not issued, endorsed, sold or promoted by Nasdaq OMX. The Fund should not be construed in any way as investment advice by Nasdaq OMX. **NASDAQ OMX MAKES NO WARRANTIES AND BEARS NO LIABILITY WITH RESPECT TO THE FUND OR THE CAPITAL STRENGTH INDEX™.**

Fund Performance Overview (Unaudited) (Continued)

First Trust Capital Strength ETF (FTCS) (Continued)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Industrials	25.90%	E.I. du Pont de Nemours and Co.	2.29%
Consumer Staples	20.24	McDonald's Corp.	2.22
Consumer Discretionary	16.06	Raytheon Co.	2.21
Health Care	14.42	Kroger (The) Co.	2.21
Information Technology	13.15	Cardinal Health, Inc.	2.19
Financials	5.79	Waters Corp.	2.19
Materials	4.44	Illinois Tool Works, Inc.	2.16
Total	<u>100.00%</u>	Monsanto Co.	2.15
		Northrop Grumman Corp.	2.13
		Home Depot (The), Inc.	2.12
		Total	<u>21.87%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV as of December 31, 2015

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period January 1, 2011 through December 31, 2015. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	129	0	0	0
01/01/12 - 12/31/12	147	0	0	0
01/01/13 - 12/31/13	134	0	0	0
01/01/14 - 12/31/14	108	9	0	0
01/01/15 - 12/31/15	190	2	0	0

For the Period	Number of Days Bid/Ask Midpoint Below NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	123	0	0	0
01/01/12 - 12/31/12	103	0	0	0
01/01/13 - 12/31/13	117	1	0	0
01/01/14 - 12/31/14	131	4	0	0
01/01/15 - 12/31/15	57	3	0	0

Fund Performance Overview (Unaudited) (Continued)

First Trust Total US Market AlphaDEX® ETF (TUSA)

The First Trust Total US Market AlphaDEX® ETF (formerly the First Trust Value Line® Equity Allocation 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 AlphaDEX® Total US Market Index (the “Index”). The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index. The Index is designed to quantitatively identify and select stocks across market capitalizations (including large-cap, mid-cap and small-cap companies) that exhibit growth and value factors and appear to have the greatest potential for capital appreciation. The Index is a modified equal-dollar weighted index. The Index is reconstituted and balanced on a quarterly basis. The Fund’s shares are listed for trading on the Nasdaq®. The first day of secondary market trading in shares of the Fund was December 7, 2006.

Performance

	Average Annual Total Returns			Cumulative Total Returns	
	1 Year Ended 12/31/15	5 Years Ended 12/31/15	Inception (12/5/06) to 12/31/15	5 Years Ended 12/31/15	Inception (12/5/06) to 12/31/15
Fund Performance					
NAV	-5.99%	4.97%	3.52%	27.42%	36.87%
Market Value	-6.07%	4.92%	3.51%	27.13%	36.78%
Index Performance					
NASDAQ AlphaDEX® Total US Market Index*	-5.10%	N/A	N/A	N/A	N/A
Russell 3000® Index	0.48%	12.18%	6.42%	77.64%	75.86%
Value Line® Equity Allocation Index*	N/A	N/A	N/A	N/A	N/A

* On January 9, 2015, the Fund’s underlying index changed from the Value Line® Equity Allocation Index to the NASDAQ AlphaDEX® Total US Market Index. Therefore, the Fund’s performance and total returns shown for the period prior to January 9, 2015, are not necessarily indicative of the performance the Fund, based on its current index, would have generated. Since the Fund’s new underlying index had an inception date of September 8, 2014, it was not in existence for all of the periods disclosed. The Value Line® Equity Allocation Index is not shown above as the index terminated on January 9, 2015 and information on this index is no longer available. (See Notes to Fund Performance Overview on page 22.)

Performance Review

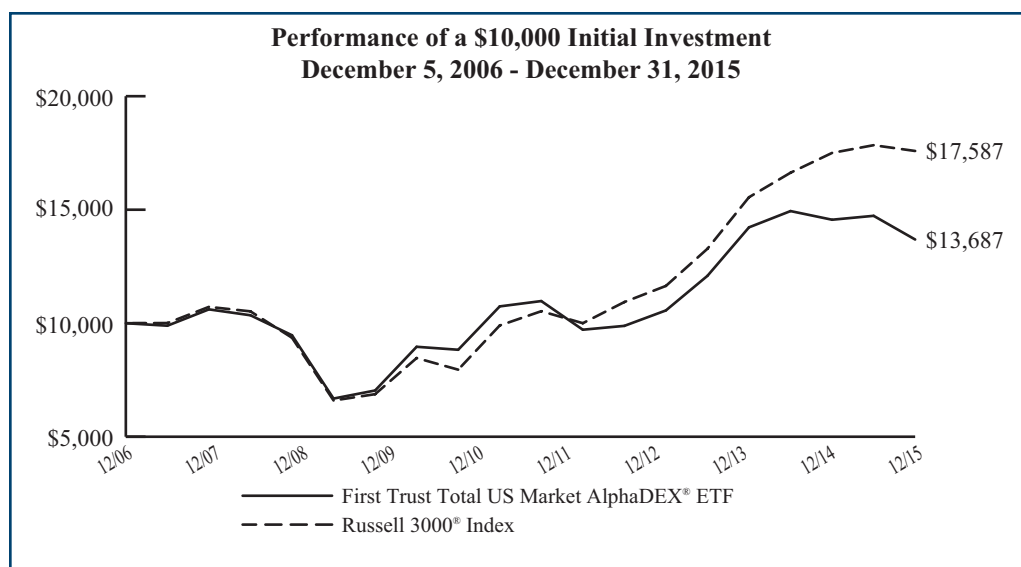
The Fund generated a NAV return of -5.99% during the 12-month period covered by this report. During the same period, the Russell 3000® Index (“benchmark”) generated a return of 0.48%. The top-contributing and second best-performing sector was the Consumer Staples sector with a 7.0% return and 0.3% contribution. Followed closely by the Health Care sector with a 7.5% return and 0.2% contribution. The Beverages industry, which was held at an average weighting of 0.8% and returned 35.4%, was the leading industry among the Consumer Staples sector. The Energy sector was the worst-performing sector with a -26.6% return. Among the Energy sector, the Oil Gas & Consumable Fuels industry was weighted at an average 6.5% over the period and contributed -1.6% from its -24.1% return. On a relative basis, the Fund underperformed the benchmark by -6.47%. With an average weighting of 17.9%, 4.7% higher than the benchmark, the Consumer Discretionary sector created -1.7% of drag over the period from being overweight and underperforming by -9.9%. Amazon.com, Inc., in particular, was the cause of -0.5% of relative underperformance. Amazon.com, Inc. was not added to the Fund until October 2015 so it did not participate as fully as the benchmark did in Amazon.com, Inc.’s upward momentum.

The NASDAQ AlphaDEX® Total US Market Index (the “Index”) is a trademark of The Nasdaq OMX Group and has been licensed for use by First Trust Portfolios L.P. AlphaDEX® is a trademark owned by First Trust Portfolios L.P. and has been licensed to The Nasdaq OMX Group for use in the name of the Index. The First Trust Total US Market AlphaDEX® ETF is not sponsored, endorsed, sold or promoted by The Nasdaq OMX Group and The Nasdaq OMX Group makes no representation or warranty regarding the advisability of investing in the First Trust Total US Market AlphaDEX® ETF or as to the result to be obtained by any person from use of the Index in connection with the trading of the First Trust Total US Market AlphaDEX® ETF.

Fund Performance Overview (Unaudited) (Continued)

First Trust Total US Market AlphaDEX® ETF (TUSA) (Continued)

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Consumer Discretionary	19.82%	Amazon.com, Inc.	0.53%
Information Technology	16.73	Valero Energy Corp.	0.48
Financials	16.55	Baxter International, Inc.	0.47
Industrials	13.44	Yahoo!, Inc.	0.47
Health Care	8.08	Intel Corp.	0.47
Energy	7.06	Chevron Corp.	0.46
Consumer Staples	5.88	Ulta Salon, Cosmetics & Fragrance, Inc.	0.46
Utilities	5.66	eBay, Inc.	0.46
Materials	5.38	SanDisk Corp.	0.46
Telecommunication Services	1.40	Marathon Petroleum Corp.	0.46
Total	<u>100.00%</u>	Total	<u>4.72%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the index does not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV as of December 31, 2015

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For the Period	Number of Days Bid/Ask Midpoint At/Above NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	146	1	0	0
01/01/12 - 12/31/12	124	1	0	0
01/01/13 - 12/31/13	140	0	0	0
01/01/14 - 12/31/14	178	0	0	0
01/01/15 - 12/31/15	115	15	0	0

For the Period	Number of Days Bid/Ask Midpoint Below NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	105	0	0	0
01/01/12 - 12/31/12	122	3	0	0
01/01/13 - 12/31/13	104	8	0	0
01/01/14 - 12/31/14	68	6	0	0
01/01/15 - 12/31/15	110	12	0	0

Fund Performance Overview (Unaudited) (Continued)

First Trust Value Line® Dividend Index Fund (FVD)

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”). The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index. The Index is designed to objectively identify and select those stocks from the universe of stocks which Value Line, Inc.® 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 achieve capital appreciation. The Index is rebalanced on a monthly basis. The Fund’s shares are listed for trading on the NYSE Arca.

Performance

	Average Annual Total Returns				Cumulative Total Returns		
	1 Year Ended 12/31/15	5 Years Ended 12/31/15	10 Years Ended 12/31/15	Inception (8/19/03) to 12/31/15	5 Years Ended 12/31/15	10 Years Ended 12/31/15	Inception (8/19/03) to 12/31/15
Fund Performance							
NAV	1.26%	12.49%	8.20%	9.16%	80.12%	119.93%	195.49%
Market Value	1.26%	12.47%	9.68%	9.16%	80.00%	151.89%	195.49%
Index Performance							
Value Line® Dividend Index™*	2.09%	13.41%	N/A	N/A	87.58%	N/A	N/A
S&P 500® Index	1.38%	12.57%	7.31%	8.13%	80.75%	102.42%	162.93%
Dow Jones U.S. Select Dividend Index ^{SM*}	-1.64%	12.78%	6.50%	N/A	82.47%	87.76%	N/A

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 (“NAV”) 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 (12/31/15) were 82.68% and 83.56% at NAV and Market Value, respectively. That compares to an Index return of 96.14% for the same period. The average annual total returns for the period from the reorganization date (12/15/06) through period end (12/31/15) were 6.89% and 6.95% at NAV and Market Value, respectively. That compares to an Index return of 7.74% for the same period.

NAV and Market Value returns assume that all distributions have been reinvested in the Fund at NAV and Market Value, respectively. Prior to December 15, 2006, NAV and Market Value returns assumed that all 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 because performance data does not exist for the periods shown.

(See Notes to Fund Performance Overview on page 22.)

Performance Review

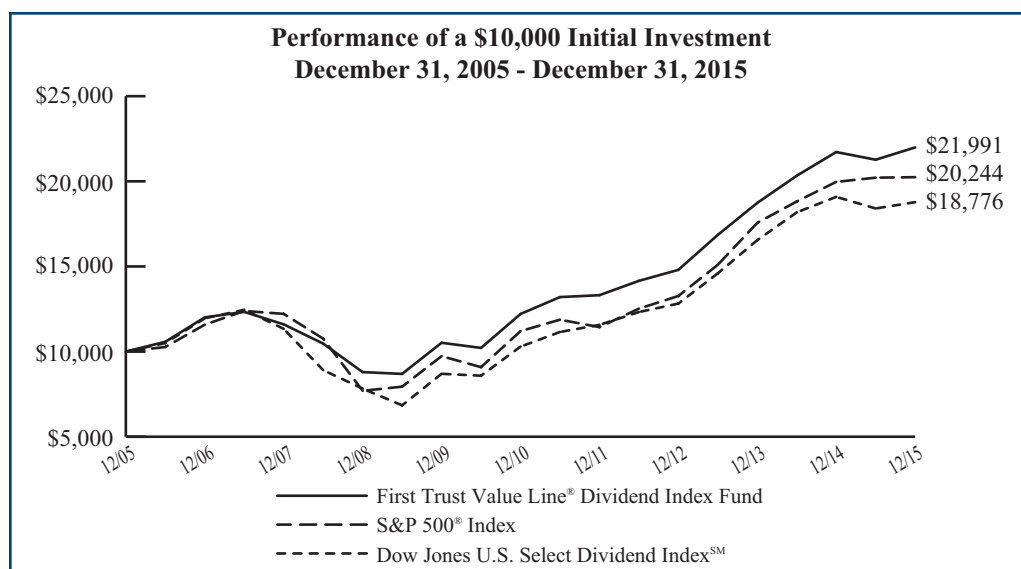
The Fund generated a NAV return of 1.26% during the 12-month period covered by this report. During the same period, the S&P 500® Index (“benchmark”) generated a return of 1.38%. The Consumer Staples sector was the Fund’s best-performing sector with an 11.5% return and 1.5% contribution. Kraft Heinz Co. performed particularly well within the Consumer Staples sector with a 44.3% return and 0.2% contribution. The Energy sector was the Fund’s worst-performing sector with a -19.8% return and -1.1% contribution. TransCanada Corp. performed particularly poorly within the Energy sector with a -30.7% return and -0.2% contribution. On a relative basis, the Fund underperformed the benchmark by -0.12%. The Fund was underweight the Consumer Discretionary sector by 6.0% and underperformed by -10.2% which created -1.2% of drag. The Financials sector, where the Fund outperformed the benchmark by 6.3%, created 1.1% of outperformance.

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Fund Performance Overview (Unaudited) (Continued)

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

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Utilities	23.77%	Weis Markets, Inc.	0.56%
Financials	17.78	Hubbell, Inc.	0.55
Industrials	14.29	Enbridge, Inc.	0.55
Consumer Staples	12.11	MDU Resources Group, Inc.	0.55
Information Technology	8.86	New Jersey Resources Corp.	0.55
Consumer Discretionary	6.84	Black Hills Corp.	0.55
Health Care	6.83	AbbVie, Inc.	0.55
Energy	4.79	Royal Dutch Shell PLC, Class B	0.55
Materials	3.17	Fastenal Co.	0.54
Telecommunication Services	1.56	Willis Towers Watson PLC	0.54
Total	<u>100.00%</u>	Total	<u>5.49%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV as of December 31, 2015

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period January 1, 2011 through December 31, 2015. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	218	1	0	0
01/01/12 - 12/31/12	205	0	0	0
01/01/13 - 12/31/13	238	0	0	0
01/01/14 - 12/31/14	223	0	0	0
01/01/15 - 12/31/15	179	0	0	0

For the Period	Number of Days Bid/Ask Midpoint Below NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	33	0	0	0
01/01/12 - 12/31/12	44	1	0	0
01/01/13 - 12/31/13	14	0	0	0
01/01/14 - 12/31/14	29	0	0	0
01/01/15 - 12/31/15	73	0	0	0

Fund Performance Overview (Unaudited) (Continued)

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

The First Trust Value Line® 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® 100 Index (the “Index”). The Fund will normally invest at least 90% of its assets in common stocks that comprise the Index. 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”). At any one time only 100 stocks are assigned a #1 ranking in the Ranking System. The Index is rebalanced quarterly. The Fund’s shares are listed for trading on the NYSE Arca.

Performance

	Average Annual Total Returns				Cumulative Total Returns		
	1 Year	5 Years	10 Years	Inception	5 Years	10 Years	Inception
	Ended 12/31/15	Ended 12/31/15	Ended 12/31/15	(6/12/03) to 12/31/15	Ended 12/31/15	Ended 12/31/15	(6/12/03) to 12/31/15
Fund Performance							
NAV	-3.13%	8.49%	3.59%	5.64%	50.29%	42.30%	99.26%
Market Value	-3.13%	8.48%	4.56%	5.64%	50.22%	56.25%	99.16%
Index Performance							
Value Line® 100 Index	-2.31%	9.48%	N/A	N/A	57.28%	N/A	N/A
Russell 3000® Index	0.48%	12.18%	7.35%	8.38%	77.64%	103.33%	174.58%

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 NAV 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 (12/31/15) were 20.95% and 20.89% at NAV and Market Value, respectively. That compares to an Index return of 30.09% for that same period. The average annual total returns for the period from the reorganization date (6/15/07) through period end (12/31/15) were 2.25% and 2.25% at NAV and Market Value, respectively. That compares to an Index return of 3.13% for the same period.

NAV and Market Value returns assume that all distributions have been reinvested in the Fund at NAV and Market Value, respectively. Prior to June 15, 2007, NAV and Market Value returns assumed that all 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.

(See Notes to Fund Performance Overview on page 22.)

Performance Review

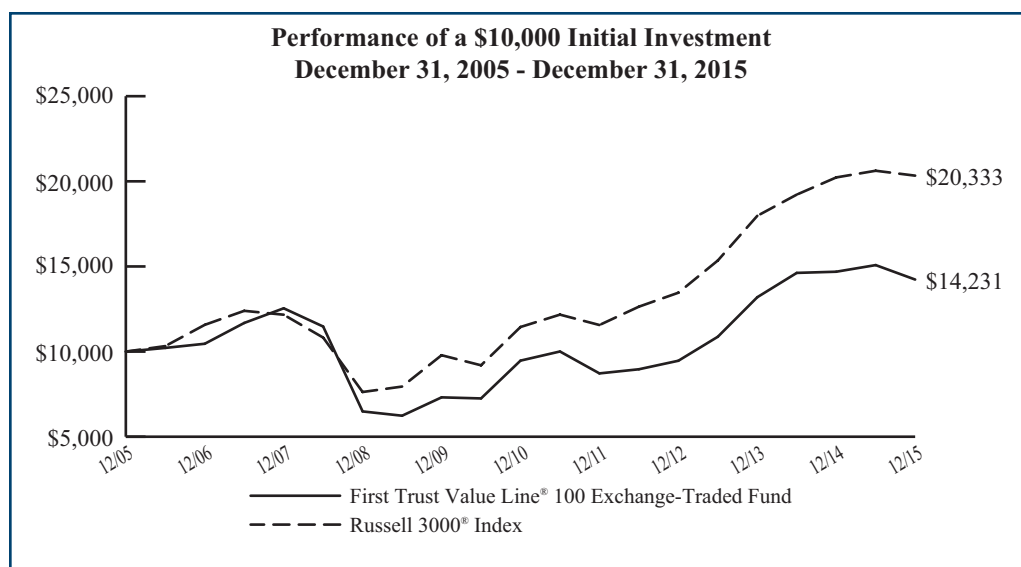
The Fund generated a NAV return of -3.13% during the 12-month period covered by this report. During the same period, the Russell 3000® Index (“benchmark”) generated a return of 0.48%. The Consumer Staples sector was the top-performing and top-contributing sector to the Fund’s return over the period. On average, the Consumer Staples sector was held at an 8.6% weighting, returned 15.3%, and contributed 1.4% to the Fund’s return. National Beverage Corp. was the best-performing security within the Consumer Staples sector with a 58.6% return and 0.5% contribution to the Fund’s return. The Industrial sector was the worst-performing sector with a -10.1% return and -2.2% contribution to the Fund’s return. Greenbrier Cos., Inc. was the worst-performing security within the Industrials sector with a -37.8% return and -0.4% contribution to the Fund’s return. On a relative basis, the Fund underperformed the benchmark by -3.61%. The Industrials sector led to -2.2% of the underperformance due to the Fund being 14.9% overweight the sector and returning -6.3% less than the benchmark. The Fund recaptured 1.5% of relative performance within the Energy sector, where the Fund allocated 2.1% versus the benchmark at 6.9% and returned -5.5% versus the benchmark at -23.2%.

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Fund Performance Overview (Unaudited) (Continued)

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

Sector Classification	% of Total Long-Term Investments	Top Ten Holdings	% of Total Long-Term Investments
Information Technology	24.85%	National Beverage Corp.	1.56%
Industrials	20.30	Hormel Foods Corp.	1.31
Consumer Discretionary	20.23	Ulta Salon, Cosmetics & Fragrance, Inc.	1.22
Health Care	11.37	Pool Corp.	1.20
Consumer Staples	10.71	Intercontinental Exchange, Inc.	1.18
Financials	10.38	Acuity Brands, Inc.	1.17
Materials	2.16	Natus Medical, Inc.	1.17
Total	<u>100.00%</u>	AutoZone, Inc.	1.16
		Starbucks Corp.	1.15
		Cantel Medical Corp.	1.14
		Total	<u>12.26%</u>



Performance figures assume reinvestment of all distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund shares. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, the index does not actually hold a portfolio of securities and therefore do not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. The Fund's past performance does not predict future performance.

Frequency Distribution of Discounts and Premiums Bid/Ask Midpoint vs. NAV as of December 31, 2015

The following Frequency Distribution of Discounts and Premiums charts are provided to show the frequency at which the bid/ask midpoint price for the Fund was at a discount or premium to the daily NAV. The following tables are for comparative purposes only and represent the period January 1, 2011 through December 31, 2015. Shareholders may pay more than NAV when they buy Fund shares and receive less than NAV when they sell those shares because shares are bought and sold at current market price. Data presented represents past performance and cannot be used to predict future results.

For the Period	Number of Days Bid/Ask Midpoint At/Above NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	137	2	0	0
01/01/12 - 12/31/12	73	0	0	0
01/01/13 - 12/31/13	100	0	0	0
01/01/14 - 12/31/14	165	0	0	0
01/01/15 - 12/31/15	130	0	0	0

For the Period	Number of Days Bid/Ask Midpoint Below NAV			
	0.00%-0.49%	0.50%-0.99%	1.00%-1.99%	>=2.00%
01/01/11 - 12/31/11	111	2	0	0
01/01/12 - 12/31/12	177	0	0	0
01/01/13 - 12/31/13	152	0	0	0
01/01/14 - 12/31/14	87	0	0	0
01/01/15 - 12/31/15	122	0	0	0

Notes to Fund Performance Overview (Unaudited)

Total returns for the periods since inception are calculated from the inception date of each Fund. “Average annual total returns” represent the average annual change in value of an investment over the periods indicated. “Cumulative total returns” represent the total change in value of an investment over the periods indicated. The total returns would have been lower if certain fees had not been waived and expenses reimbursed by the Advisor.

Each Fund’s per share net asset value (“NAV”) is the value of one share of the Fund and is computed by dividing the value of all assets of the Fund (including accrued interest and dividends), less all liabilities (including accrued expenses and dividends declared but unpaid), by the total number of outstanding shares. The price used to calculate market return (“Market Price”) is determined by using the midpoint between the highest bid and the lowest offer 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. Since shares of the Fund did not trade in the secondary market until after the Fund’s inception, for the period from inception to the first day of secondary market trading in shares of the Fund, the NAV of each Fund is used as a proxy for the secondary market trading price to calculate market returns. NAV and market returns assume that all distributions have been reinvested in the Fund at NAV and Market Price, respectively.

An index is a statistical composite that tracks a specified financial market or sector. Unlike a Fund, the indices do not actually hold a portfolio of securities and therefore do not incur the expenses incurred by each 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 presented reflect the reinvestment of dividends on securities in the indices. 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. The investment return and principal value of shares of each Fund will vary with changes in market conditions. Shares of each Fund may be worth more or less than their original cost when they are redeemed or sold in the market. Each Fund’s past performance is no guarantee of future performance.

First Trust Exchange-Traded Fund

Understanding Your Fund Expenses

December 31, 2015 (Unaudited)

As a shareholder of First Trust Dow Jones Select MicroCap Index Fund, First Trust Morningstar Dividend Leaders Index Fund, First Trust US IPO Index Fund, First Trust NYSE Arca Biotechnology Index Fund, First Trust Dow Jones Internet Index Fund, First Trust Capital Strength ETF, First Trust Total US Market AlphaDEX® ETF, First Trust Value Line® Dividend Index Fund and First Trust Value Line® 100 Exchange-Traded Fund (each a “Fund” and collectively, the “Funds”), you incur two types of costs: (1) transaction costs; and (2) ongoing costs, including management fees, distribution and/or service fees, if any, and other Fund expenses. This Example is intended to help you understand your ongoing costs of investing in the Funds and to compare these costs with the ongoing costs of investing in other funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held through the six-month period ended December 31, 2015.

Actual Expenses

The first line in the following table provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During the Six-Month Period” to estimate the expenses you paid on your account during this six-month period.

Hypothetical Example for Comparison Purposes

The second line in the following table provides information about hypothetical account values and hypothetical expenses based on each Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not each Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as brokerage commissions. Therefore, the second line in the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value July 1, 2015	Ending Account Value December 31, 2015	Annualized Expense Ratio Based on the Six-Month Period (a)	Expenses Paid During the Six-Month Period (b)
First Trust Dow Jones Select MicroCap Index Fund (FDM)				
Actual	\$1,000.00	\$ 955.90	0.60%	\$2.96
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.18	0.60%	\$3.06
First Trust Morningstar Dividend Leaders Index Fund (FDL)				
Actual	\$1,000.00	\$1,059.40	0.45%	\$2.34
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.94	0.45%	\$2.29
First Trust US IPO Index Fund (FPX)				
Actual	\$1,000.00	\$ 940.60	0.60%	\$2.93
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.18	0.60%	\$3.06
First Trust NYSE Arca Biotechnology Index Fund (FBT)				
Actual	\$1,000.00	\$ 911.90	0.56%	\$2.70
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.38	0.56%	\$2.85
First Trust Dow Jones Internet Index Fund (FDN)				
Actual	\$1,000.00	\$1,111.10	0.54%	\$2.87
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.48	0.54%	\$2.75
First Trust Capital Strength ETF (FTCS)				
Actual	\$1,000.00	\$1,018.20	0.65%	\$3.31
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.93	0.65%	\$3.31

First Trust Exchange-Traded Fund

Understanding Your Fund Expenses (Continued)

December 31, 2015 (Unaudited)

	Beginning Account Value July 1, 2015	Ending Account Value December 31, 2015	Annualized Expense Ratio Based on the Six-Month Period (a)	Expenses Paid During the Six-Month Period (b)
First Trust Total US Market AlphaDEX® ETF (TUSA)				
Actual	\$1,000.00	\$ 929.20	0.70%	\$3.40
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.68	0.70%	\$3.57
First Trust Value Line® Dividend Index Fund (FVD)				
Actual	\$1,000.00	\$1,034.00	0.70%	\$3.59
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.68	0.70%	\$3.57
First Trust Value Line® 100 Exchange-Traded Fund (FVL)				
Actual	\$1,000.00	\$ 943.70	0.70%	\$3.43
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.68	0.70%	\$3.57

(a) These expense ratios reflect expense cap for certain Funds. See Note 3 in Notes to Financial Statements.

(b) Expenses are equal to the annualized expense ratio as indicated in the table multiplied by the average account value over the period (July 1, 2015 through December 31, 2015), multiplied by 184/365 (to reflect the one-half year period).

First Trust Dow Jones Select MicroCap Index Fund (FDM)

Portfolio of Investments

December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks — 99.8%			Banks (Continued)		
Aerospace & Defense — 0.9%			11,517	MainSource Financial Group, Inc.	\$ 263,509
2,727	National Presto Industries, Inc.	\$ 225,959	9,138	Mercantile Bank Corp.	224,247
4,888	Sparton Corp. (a)	97,711	7,320	Metro Bancorp, Inc.	229,702
5,954	Vectrus, Inc. (a)	124,379	5,362	MidSouth Bancorp, Inc.	48,687
		<u>448,049</u>	20,986	NewBridge Bancorp	255,610
Air Freight & Logistics — 0.4%			3,624	Northrim BanCorp, Inc.	96,398
4,976	Park-Ohio Holdings Corp.	183,017	4,202	Old Line Bancshares, Inc.	73,829
Auto Components — 2.7%			16,564	Old Second Bancorp, Inc. (a)	129,862
9,971	Fox Factory Holding Corp. (a)	164,821	10,457	Pacific Continental Corp.	155,600
24,622	Modine Manufacturing Co. (a)	222,829	12,085	Pacific Premier Bancorp, Inc. (a)	256,806
4,748	Shiloh Industries, Inc. (a)	24,879	24,683	Park Sterling Corp.	180,680
14,584	Stoneridge, Inc. (a)	215,843	7,727	Peapack-Gladstone Financial Corp.	159,331
2,043	Strattec Security Corp.	115,409	10,341	Peoples Bancorp, Inc.	194,824
12,999	Superior Industries International, Inc.	239,442	5,937	QCR Holdings, Inc.	144,210
11,859	Tower International, Inc.	338,812	4,913	Republic Bancorp, Inc., Class A	129,752
		<u>1,322,035</u>	14,086	Seacoast Banking Corp. of Florida (a)	211,008
Automobiles — 0.6%			6,029	Sierra Bancorp	106,412
15,159	Winnebago Industries, Inc.	301,664	11,127	TriCo Bancshares	305,325
Banks — 20.9%			12,125	TriState Capital Holdings, Inc. (a)	169,629
3,732	Access National Corp.	76,357	8,615	Triumph Bancorp, Inc. (a)	142,148
7,252	Arrow Financial Corp.	197,037	8,337	Univest Corp. of Pennsylvania	173,910
16,781	Banc of California, Inc.	245,338			<u>10,340,997</u>
3,065	Bank of Marin Bancorp	163,671	Beverages — 0.4%		
3,369	Bar Harbor Bankshares	115,961	7,547	MGP Ingredients, Inc.	195,845
5,567	Bridge Bancorp, Inc.	169,404	Building Products — 1.3%		
8,874	Bryn Mawr Bank Corp.	254,861	16,567	Gibraltar Industries, Inc. (a)	421,465
4,070	Camden National Corp.	179,446	9,649	Insteel Industries, Inc.	201,857
17,175	Cascade Bancorp (a)	104,252			<u>623,322</u>
25,545	CenterState Banks, Inc.	399,779	Capital Markets — 1.6%		
20,536	CoBiz Financial, Inc.	275,593	8,656	INTL FCStone, Inc. (a)	289,630
9,252	Community Trust Bancorp, Inc.	323,450	8,301	Manning & Napier, Inc.	70,475
11,249	Enterprise Financial Services Corp.	318,909	5,660	Oppenheimer Holdings, Inc., Class A	98,371
4,002	Farmers Capital Bank Corp. (a)	108,494	8,532	Piper Jaffray Cos. (a)	344,693
10,108	Fidelity Southern Corp.	225,510			<u>803,169</u>
7,574	Financial Institutions, Inc.	212,072	Chemicals — 2.5%		
10,449	First Bancorp	195,814	4,029	Core Molding Technologies, Inc. (a)	51,692
13,380	First Busey Corp.	276,029	12,770	FutureFuel Corp.	172,395
4,446	First Business Financial Services, Inc.	111,195	5,333	Hawkins, Inc.	190,761
8,788	First Community Bancshares, Inc.	163,720	4,203	KMG Chemicals, Inc.	96,753
7,939	First Connecticut Bancorp, Inc.	138,218	25,742	OMNOVA Solutions, Inc. (a)	157,798
6,495	First Financial Corp.	220,635	24,087	Rayonier Advanced Materials, Inc.	235,812
15,225	Flushing Financial Corp.	329,469	10,856	Trecora Resources (a)	134,506
1,478	Franklin Financial Network, Inc. (a)	46,380	13,954	Tredegar Corp.	190,054
6,937	German American Bancorp, Inc.	231,141			<u>1,229,771</u>
5,455	Great Southern Bancorp, Inc.	246,893	Commercial Services & Supplies — 2.0%		
5,984	Green Bancorp, Inc. (a)	62,712	14,501	Ennis, Inc.	279,144
8,545	Guaranty Bancorp	141,334	21,806	InnerWorkings, Inc. (a)	163,545
16,836	Heritage Financial Corp.	317,190	17,868	Kimball International, Inc., Class B	174,570
9,328	HomeTrust Bancshares, Inc. (a)	188,892	10,117	SP Plus Corp. (a)	241,796
4,894	Horizon Bancorp	136,836	15,766	TRC Cos., Inc. (a)	145,836
12,527	Independent Bank Corp.	190,786			<u>1,004,891</u>
19,805	Lakeland Bancorp, Inc.	233,501			
14,651	Macatawa Bank Corp.	88,639			

First Trust Dow Jones Select MicroCap Index Fund (FDM)
Portfolio of Investments (Continued)
December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)			Electronic Equipment, Instruments & Components — 4.2%		
Communications Equipment — 1.5%			18,336	CTS Corp.	\$ 323,447
4,966	Bel Fuse, Inc., Class B	\$ 85,862	21,732	Daktronics, Inc.	189,503
20,537	CalAmp Corp. (a)	409,302	9,895	Electro Rent Corp.	91,034
9,072	Comtech Telecommunications Corp.	182,257	3,279	ePlus, Inc. (a)	305,800
3,393	TESSCO Technologies, Inc.	66,062	17,581	GSI Group, Inc. (a)	239,453
		<u>743,483</u>	12,368	Kimball Electronics, Inc. (a)	135,924
Construction & Engineering — 1.4%			21,673	Newport Corp. (a)	343,951
7,064	Argan, Inc.	228,873	11,378	Park Electrochemical Corp.	171,353
21,354	Furmanite Corp. (a)	142,218	10,102	PC Connection, Inc.	228,709
11,583	MYR Group, Inc. (a)	238,726	6,823	Vishay Precision Group, Inc. (a)	77,236
15,327	Orion Marine Group, Inc. (a)	63,913			<u>2,106,410</u>
		<u>673,730</u>	Energy Equipment & Services — 1.6%		
Consumer Finance — 0.6%			17,925	Hornbeck Offshore Services, Inc. (a)	178,175
10,491	Consumer Portfolio Services, Inc. (a)	54,448	7,161	Natural Gas Services Group, Inc. (a)	159,690
15,017	Enova International, Inc. (a)	99,263	47,277	Newpark Resources, Inc. (a)	249,623
6,565	Nicholas Financial, Inc. (a)	76,482	69,204	Parker Drilling Co. (a)	125,951
5,949	Regional Management Corp. (a)	92,031	3,703	PHI, Inc. (a)	60,766
		<u>322,224</u>			<u>774,205</u>
Containers & Packaging — 0.9%			Food & Staples Retailing — 0.6%		
2,236	AEP Industries, Inc. (a)	172,507	10,487	Chefs' Warehouse (The), Inc. (a)	174,923
12,530	Myers Industries, Inc.	166,900	3,923	Village Super Market, Inc., Class A	103,371
3,489	UFP Technologies, Inc. (a)	83,108			<u>278,294</u>
		<u>422,515</u>	Food Products — 1.9%		
Diversified Consumer Services — 1.9%			1,535	Alico, Inc.	59,389
9,517	Bridgepoint Education, Inc. (a)	72,424	3,185	Farmer Bros. Co. (a)	102,780
9,303	Carriage Services, Inc.	224,202	11,017	Inventure Foods, Inc. (a)	78,221
3,942	Collectors Universe, Inc.	61,101	4,802	John B. Sanfilippo & Son, Inc.	259,452
17,939	K12, Inc. (a)	157,863	15,177	Landec Corp. (a)	179,544
6,195	Strayer Education, Inc. (a)	372,444	12,498	Omega Protein Corp. (a)	277,455
11,845	Universal Technical Institute, Inc.	55,198			<u>956,841</u>
		<u>943,232</u>	Health Care Equipment & Supplies — 0.2%		
Diversified Financial Services — 0.4%			5,774	Exactech, Inc. (a)	104,798
13,492	GAIN Capital Holdings, Inc.	109,420	Health Care Providers & Services — 3.0%		
5,094	Marlin Business Services Corp.	81,810	3,718	Addus HomeCare Corp. (a)	86,555
		<u>191,230</u>	4,636	Almost Family, Inc. (a)	177,234
Diversified Telecommunication Services — 1.5%			5,752	CorVel Corp. (a)	252,628
6,442	Hawaiian Telcom Holdco, Inc. (a)	160,148	25,070	Five Star Quality Care, Inc. (a)	79,723
9,532	IDT Corp., Class B	111,143	5,382	Landauer, Inc.	177,175
18,964	Inteliquent, Inc.	336,991	13,287	Triple-S Management Corp., Class B (a)	317,692
12,905	Lumos Networks Corp. (a)	144,536	6,978	U.S. Physical Therapy, Inc.	374,579
		<u>752,818</u>			<u>1,465,586</u>
Electric Utilities — 0.5%			Health Care Technology — 0.6%		
7,384	Unitil Corp.	264,938	5,906	Computer Programs and Systems, Inc.	293,824
Electrical Equipment — 0.2%					
3,446	Allied Motion Technologies, Inc.	90,216			

First Trust Dow Jones Select MicroCap Index Fund (FDM)
Portfolio of Investments (Continued)
December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)			Machinery (Continued)		
Hotels, Restaurants & Leisure			Hotels, Restaurants & Leisure		
— 1.9%			— 1.9%		
7,775	Bravo Brio Restaurant Group, Inc. (a)	\$ 69,975	12,083	Global Brass & Copper Holdings, Inc.	\$ 257,368
13,094	Del Frisco's Restaurant Group, Inc. (a)	209,766	5,590	Graham Corp.	94,024
10,619	Marcus (The) Corp.	201,442	3,681	Hurco Cos., Inc.	97,767
6,010	Monarch Casino & Resort, Inc. (a)	136,547	6,056	Kadant, Inc.	245,934
19,668	Ruth's Hospitality Group, Inc.	313,115	9,574	Lydall, Inc. (a)	339,686
		<u>930,845</u>	6,372	Miller Industries, Inc.	138,782
Household Durables — 2.9%			15,078	NN, Inc.	240,343
5,713	Bassett Furniture Industries, Inc.	143,282	5,421	Twin Disc, Inc.	57,029
4,652	Cavco Industries, Inc. (a)	387,558	6,190	Xerium Technologies, Inc. (a)	73,352
7,966	Century Communities, Inc. (a)	141,078			<u>2,337,893</u>
3,439	Flexsteel Industries, Inc.	151,935	Media — 0.6%		
6,074	Hooker Furniture Corp.	153,308	13,518	Entercom Communications Corp., Class A (a)	151,807
8,094	LGI Homes, Inc. (a)	196,927	28,503	Lee Enterprises, Inc. (a)	47,885
7,310	New Home Co., (The), Inc. (a)	94,738	8,997	Reading International, Inc., Class A (a)	117,951
16,565	ZAGG, Inc. (a)	181,221			<u>317,643</u>
		<u>1,450,047</u>	Metals & Mining — 1.2%		
Household Products — 0.8%			6,992	Haynes International, Inc.	256,536
18,355	Central Garden & Pet Co., Class A (a)	249,628	11,237	Materion Corp.	314,636
5,077	Orchids Paper Products Co.	156,981			<u>571,172</u>
		<u>406,609</u>	Personal Products — 0.7%		
Insurance — 1.1%			5,219	Medifast, Inc.	158,553
7,276	Federated National Holding Co.	215,079	3,988	Natural Health Trends Corp.	133,718
5,079	HCI Group, Inc.	177,003	9,639	Synutra International, Inc. (a)	45,400
17,746	State National Cos., Inc.	174,088			<u>337,671</u>
		<u>566,170</u>	Pharmaceuticals — 0.5%		
Internet & Catalog Retail — 0.4%			28,232	SciClone Pharmaceuticals, Inc. (a)	259,734
11,318	PetMed Express, Inc.	193,991	Professional Services — 3.3%		
Internet Software & Services			27,614	CBIZ, Inc. (a)	272,274
— 0.8%			5,096	CRA International, Inc. (a)	95,040
23,669	DHI Group, Inc. (a)	217,045	8,291	Franklin Covey Co. (a)	138,791
13,731	Liquidity Services, Inc. (a)	89,251	9,567	GP Strategies Corp. (a)	240,227
8,325	United Online, Inc. (a)	98,152	9,709	Heidrick & Struggles International, Inc.	264,279
		<u>404,448</u>	16,690	Kelly Services, Inc., Class A	269,544
IT Services — 1.7%			20,867	Resources Connection, Inc.	340,967
14,032	Hackett Group (The), Inc.	225,494			<u>1,621,122</u>
16,503	Information Services Group, Inc.	59,741	Real Estate Investment Trusts		
32,619	Lionbridge Technologies, Inc. (a)	160,160	— 7.0%		
19,844	Perficient, Inc. (a)	339,729	15,963	AG Mortgage Investment Trust, Inc.	204,965
24,121	Planet Payment, Inc. (a)	73,569	17,833	Apollo Residential Mortgage, Inc.	213,104
		<u>858,693</u>	23,192	Arbor Realty Trust, Inc.	165,823
Leisure Products — 0.5%			16,073	Ares Commercial Real Estate Corp.	183,875
8,799	JAKKS Pacific, Inc. (a)	70,040	16,643	Armada Hoffler Properties, Inc.	174,419
10,046	Malibu Boats, Inc., Class A (a)	164,453	106,191	Chimera Investment Corp.	1,448,445
		<u>234,493</u>	3,695	Ellington Residential Mortgage REIT	45,633
Machinery — 4.7%			25,866	Hersha Hospitality Trust	562,844
5,263	Alamo Group, Inc.	274,202	18,847	Resource Capital Corp.	240,488
11,294	Columbus McKinnon Corp.	213,457	23,551	Western Asset Mortgage Capital Corp.	240,691
14,830	Commercial Vehicle Group, Inc. (a)	40,931			<u>3,480,287</u>
12,578	Douglas Dynamics, Inc.	265,018			

First Trust Dow Jones Select MicroCap Index Fund (FDM)

Portfolio of Investments (Continued)

December 31, 2015

Shares	Description	Value
Common Stocks (Continued)		
Real Estate Management & Development — 0.7%		
9,461	RE/MAX Holdings, Inc., Class A	\$ 352,895
Road & Rail — 1.3%		
15,648	Celadon Group, Inc.	154,759
6,795	Covenant Transportation Group, Inc., Class A (a)	128,357
13,412	Marten Transport Ltd.	237,392
1,639	P.A.M. Transportation Services, Inc. (a)	45,220
4,464	Universal Truckload Services, Inc.	62,675
		<u>628,403</u>
Semiconductors & Semiconductor Equipment — 2.7%		
7,476	Cascade Microtech, Inc. (a)	121,485
13,945	Cohu, Inc.	168,316
13,963	IXYS Corp.	176,353
42,257	Mattson Technology, Inc. (a)	149,167
37,512	Photronics, Inc. (a)	467,024
18,121	Ultra Clean Holdings, Inc. (a)	92,780
30,253	Xcerra Corp. (a)	183,031
		<u>1,358,156</u>
Software — 0.5%		
14,633	American Software, Inc., Class A	148,964
5,068	QAD, Inc., Class A	103,995
		<u>252,959</u>
Specialty Retail — 2.8%		
10,368	Big 5 Sporting Goods Corp.	103,576
8,469	Build-A-Bear Workshop, Inc. (a)	103,661
8,737	Citi Trends, Inc.	185,661
11,292	Haverty Furniture Cos., Inc.	242,100
8,841	Kirkland's, Inc.	128,195
8,282	Shoe Carnival, Inc.	192,142
12,979	Sportsman's Warehouse Holdings, Inc. (a)	167,429
17,989	Stage Stores, Inc.	163,880
16,423	Stein Mart, Inc.	110,527
		<u>1,397,171</u>
Textiles, Apparel & Luxury Goods — 1.7%		
5,268	Culp, Inc.	134,176
9,205	Movado Group, Inc.	236,661
6,646	Perry Ellis International, Inc. (a)	122,419
3,911	Rocky Brands, Inc.	45,211
4,593	Superior Uniform Group, Inc.	77,989
8,404	Unifi, Inc. (a)	236,573
		<u>853,029</u>
Thrifts & Mortgage Finance — 4.7%		
23,766	Bank Mutual Corp.	185,375
17,184	Dime Community Bancshares, Inc.	300,548
5,251	Federal Agricultural Mortgage Corp., Class C	165,774
5,154	First Defiance Financial Corp.	194,718

Shares	Description	Value
Thrifts & Mortgage Finance (Continued)		
11,659	HomeStreet, Inc. (a)	\$ 253,117
4,176	Impac Mortgage Holdings, Inc. (a)	75,168
3,727	Meta Financial Group, Inc.	171,181
7,669	OceanFirst Financial Corp.	153,610
4,514	Territorial Bancorp, Inc.	125,218
53,428	TrustCo Bank Corp. NY	328,048
26,756	United Community Financial Corp.	157,861
14,508	Waterstone Financial, Inc.	204,563
		<u>2,315,181</u>
Trading Companies & Distributors — 1.4%		
9,548	BMC Stock Holdings, Inc. (a)	159,929
7,119	DXP Enterprises, Inc. (a)	162,313
17,716	H&E Equipment Services, Inc.	309,676
9,418	Houston Wire & Cable Co.	49,727
		<u>681,645</u>
Water Utilities — 1.0%		
9,108	Middlesex Water Co.	241,726
9,390	SJW Corp.	278,414
		<u>520,140</u>
Wireless Telecommunication Services — 0.6%		
9,347	NTELOS Holdings Corp. (a)	85,431
11,799	Spok Holdings, Inc.	216,158
		<u>301,589</u>
Total Investments — 99.8%		49,469,090
(Cost \$48,549,924) (b)		
Net Other Assets and Liabilities — 0.2%		82,292
Net Assets — 100.0%		<u>\$ 49,551,382</u>

(a) Non-income producing security.

(b) Aggregate cost for federal income tax purposes is \$49,518,297. As of December 31, 2015, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$3,960,967 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$4,010,174.

First Trust Dow Jones Select MicroCap Index Fund (FDM)

Portfolio of Investments (Continued)

December 31, 2015

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of December 31, 2015 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

Level 1 - Quoted Prices

Level 2 - Other Significant Observable Inputs

Level 3 - Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$49,469,090	\$ —	\$ —

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at December 31, 2015.

First Trust Morningstar Dividend Leaders Index Fund (FDL)
Portfolio of Investments
December 31, 2015

Shares	Description	Value	Shares	Description	Value
	Common Stocks — 99.7%			Energy Equipment & Services	
	Aerospace & Defense — 1.5%			<i>(Continued)</i>	
61,363	Lockheed Martin Corp.	\$ 13,324,976	211,989	Noble Corp. PLC	\$ 2,236,484
	Banks — 2.5%		134,955	Tidewater, Inc.	939,287
28,055	Community Bank System, Inc.	1,120,517			<u>12,968,259</u>
133,772	F.N.B. Corp.	1,784,518		Food & Staples Retailing — 0.7%	
121,601	FirstMerit Corp.	2,267,859	140,786	Sysco Corp.	5,772,226
62,641	Hancock Holding Co.	1,576,674		Food Products — 0.2%	
108,658	National Penn Bancshares, Inc.	1,339,753	49,212	B&G Foods, Inc.	1,723,404
84,757	Old National Bancorp	1,149,305		Gas Utilities — 1.7%	
68,194	PacWest Bancorp	2,939,161	50,634	AGL Resources, Inc.	3,230,956
10,963	Park National Corp.	991,932	29,606	Laclede Group (The), Inc.	1,758,892
180,883	People's United Financial, Inc.	2,921,260	22,164	Northwest Natural Gas Co.	1,121,720
56,113	Trustmark Corp.	1,292,844	38,838	Piedmont Natural Gas Co., Inc.	2,214,543
149,773	Umpqua Holdings Corp.	2,381,391	134,455	Questar Corp.	2,619,183
45,875	United Bankshares, Inc.	1,696,916	66,415	South Jersey Industries, Inc.	1,562,081
		<u>21,462,130</u>	32,341	WGL Holdings, Inc.	2,037,160
					<u>14,544,535</u>
	Beverages — 4.2%			Hotels, Restaurants & Leisure	
857,192	Coca-Cola (The) Co.	36,824,968		— 3.2%	
	Capital Markets — 0.2%		55,737	Darden Restaurants, Inc.	3,547,103
75,322	Waddell & Reed Financial, Inc., Class A	2,158,729	203,235	McDonald's Corp.	24,010,183
	Chemicals — 1.5%				<u>27,557,286</u>
251,588	Dow Chemical (The) Co.	12,951,750		Household Durables — 0.7%	
	Commercial Services & Supplies		84,289	Garmin Ltd.	3,133,022
	— 0.3%		33,491	M.D.C. Holdings, Inc.	855,025
198,343	R.R. Donnelley & Sons Co.	2,919,609	43,976	Tupperware Brands Corp.	2,447,265
	Containers & Packaging — 0.3%				<u>6,435,312</u>
45,056	Packaging Corp. of America	2,840,781		Household Products — 7.1%	
	Diversified Telecommunication		84,678	Kimberly-Clark Corp.	10,779,510
	Services — 16.8%		649,381	Procter & Gamble (The) Co.	51,567,345
2,382,517	AT&T, Inc.	81,982,410			<u>62,346,855</u>
1,408,766	Verizon Communications, Inc.	65,113,165		Industrial Conglomerates — 7.1%	
		<u>147,095,575</u>	1,983,020	General Electric Co.	61,771,073
	Electric Utilities — 9.9%			Insurance — 0.9%	
39,391	ALLETE, Inc.	2,002,244	55,751	Cincinnati Financial Corp.	3,298,787
159,561	American Electric Power Co., Inc.	9,297,619	14,132	Erie Indemnity Co., Class A	1,351,584
246,715	Duke Energy Corp.	17,612,984	147,483	Old Republic International Corp.	2,747,608
82,767	Entergy Corp.	5,657,952	31,712	OneBeacon Insurance Group Ltd., Class A	393,546
100,517	Eversource Energy	5,133,403			<u>7,791,525</u>
99,184	Great Plains Energy, Inc.	2,708,715		Machinery — 1.6%	
84,963	Hawaiian Electric Industries, Inc.	2,459,679	207,592	Caterpillar, Inc.	14,107,952
128,269	Pepco Holdings, Inc.	3,336,277		Media — 0.3%	
53,812	Pinnacle West Capital Corp.	3,469,798	31,702	Meredith Corp.	1,371,112
61,435	Portland General Electric Co.	2,234,391	68,113	Regal Entertainment Group, Class A	1,285,292
251,228	PPL Corp.	8,574,412			<u>2,656,404</u>
330,035	Southern (The) Co.	15,442,338		Multi-Utilities — 8.9%	
70,582	Westar Energy, Inc.	2,993,383	53,224	Alliant Energy Corp.	3,323,839
167,898	Xcel Energy, Inc.	6,029,217	99,018	Ameren Corp.	4,280,548
		<u>86,952,412</u>	51,054	Avista Corp.	1,805,780
	Energy Equipment & Services		41,358	Black Hills Corp.	1,920,252
	— 1.5%				
68,191	Helmerich & Payne, Inc.	3,651,628			
183,364	National Oilwell Varco, Inc.	6,140,860			

First Trust Morningstar Dividend Leaders Index Fund (FDL)

Portfolio of Investments (Continued)

December 31, 2015

Shares	Description	Value
Common Stocks (Continued)		
Multi-Utilities (Continued)		
268,512	CenterPoint Energy, Inc.	\$ 4,929,880
104,854	CMS Energy Corp.	3,783,132
106,127	Consolidated Edison, Inc.	6,820,782
180,952	Dominion Resources, Inc.	12,239,593
63,235	DTE Energy Co.	5,070,815
147,131	MDU Resources Group, Inc.	2,695,440
36,179	NorthWestern Corp.	1,962,711
144,043	PG&E Corp.	7,661,647
179,878	Public Service Enterprise Group, Inc.	6,959,480
61,834	SCANA Corp.	3,740,339
110,591	TECO Energy, Inc.	2,947,250
58,162	Vectren Corp.	2,467,232
108,845	WEC Energy Group, Inc.	5,584,837
		<u>78,193,557</u>
Oil, Gas & Consumable Fuels — 9.9%		
1,110,456	Exxon Mobil Corp.	86,560,045
Paper & Forest Products — 0.1%		
24,856	Schweitzer-Mauduit International, Inc.	1,043,703
Pharmaceuticals — 5.5%		
1,499,565	Pfizer, Inc.	48,405,958
Semiconductors & Semiconductor Equipment — 1.0%		
100,032	Intersil Corp., Class A	1,276,408
55,003	KLA-Tencor Corp.	3,814,458
103,216	Maxim Integrated Products, Inc.	3,922,208
		<u>9,013,074</u>
Software — 0.4%		
131,659	CA, Inc.	3,760,181
Specialty Retail — 0.3%		
43,271	Abercrombie & Fitch Co., Class A	1,168,317
62,963	Guess?, Inc.	1,188,741
		<u>2,357,058</u>
Technology Hardware, Storage & Peripherals — 0.2%		
49,961	Diebold, Inc.	1,503,327
Textiles, Apparel & Luxury Goods — 0.5%		
133,014	Coach, Inc.	4,353,548
Thrifts & Mortgage Finance — 0.7%		
292,896	New York Community Bancorp, Inc.	4,780,063
90,294	Northwest Bancshares, Inc.	1,209,036
		<u>5,989,099</u>
Tobacco — 9.7%		
550,813	Altria Group, Inc.	32,062,825
488,592	Philip Morris International, Inc.	42,952,123
211,669	Reynolds American, Inc.	9,768,524
		<u>84,783,472</u>

Shares	Description	Value
Trading Companies & Distributors — 0.3%		
63,575	Aircastle Ltd.	\$ 1,328,082
71,941	TAL International Group, Inc.	1,143,862
		<u>2,471,944</u>
Total Investments — 99.7%		872,640,727
(Cost \$833,512,317) (a)		
Net Other Assets and Liabilities — 0.3%		2,652,868
Net Assets — 100.0%		<u>\$ 875,293,595</u>

(a) Aggregate cost for federal income tax purposes is \$838,033,775. As of December 31, 2015, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$58,563,387 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$23,956,435.

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of December 31, 2015 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

Level 1 - Quoted Prices
Level 2 - Other Significant Observable Inputs
Level 3 - Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	<u>\$872,640,727</u>	\$ —	\$ —

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at December 31, 2015.

First Trust US IPO Index Fund (FPX)
Portfolio of Investments
December 31, 2015

Shares	Description	Value	Shares	Description	Value
	Common Stocks — 100.0%			Diversified Consumer Services	
	Auto Components — 2.2%			— 1.1%	
201,928	Delphi Automotive PLC	\$ 17,311,287	43,284	Bright Horizons Family Solutions, Inc. (b)	\$ 2,891,371
	Automobiles — 7.0%		96,823	Houghton Mifflin Harcourt Co. (b)	2,108,805
1,224,089	Fiat Chrysler Automobiles N.V. (a) (b)	17,125,005	97,622	ServiceMaster Global Holdings, Inc. (b)	3,830,687
1,121,916	General Motors Co.	38,156,363			8,830,863
		55,281,368		Diversified Financial Services	
	Banks — 2.1%			— 0.7%	
380,396	Citizens Financial Group, Inc.	9,962,571	155,239	Voya Financial, Inc.	5,729,871
104,695	First Republic Bank	6,916,152		Diversified Telecommunication Services — 0.6%	
		16,878,723	176,536	Zayo Group Holdings, Inc. (b)	4,694,092
	Biotechnology — 12.2%			Electrical Equipment — 0.4%	
1,178,561	AbbVie, Inc.	69,817,954	63,147	SolarCity Corp. (a) (b)	3,221,760
489,151	Baxalta, Inc.	19,091,563		Electronic Equipment, Instruments & Components — 0.6%	
16,077	Intercept Pharmaceuticals, Inc. (b)	2,401,100	122,037	CDW Corp.	5,130,435
25,203	Ophthotech Corp. (b)	1,979,192		Food & Staples Retailing — 0.2%	
27,997	Ultragenyx Pharmaceutical, Inc. (b)	3,140,703	73,957	Performance Food Group Co. (b)	1,711,365
		96,430,512		Food Products — 6.8%	
	Building Products — 1.4%		577,093	Kraft Heinz (The) Co.	41,989,287
69,147	Allegion PLC	4,558,170	84,067	Pinnacle Foods, Inc.	3,569,485
115,131	Fortune Brands Home & Security, Inc.	6,389,771	48,273	Post Holdings, Inc. (b)	2,978,444
		10,947,941	127,032	WhiteWave Foods (The) Co. (b)	4,942,815
	Capital Markets — 0.3%				53,480,031
99,813	Virtu Financial, Inc., Class A	2,259,766		Gas Utilities — 0.2%	
	Chemicals — 0.6%		37,600	ONE Gas, Inc.	1,886,392
171,472	Axalta Coating Systems Ltd. (b)	4,569,729		Health Care Providers & Services	
	Commercial Services & Supplies — 1.0%			— 0.7%	
118,910	ADT (The) Corp. (a)	3,921,652	46,396	Diplomat Pharmacy, Inc. (a) (b)	1,587,671
99,155	KAR Auction Services, Inc.	3,671,709	103,637	Premier, Inc., Class A (b)	3,655,277
		7,593,361			5,242,948
	Communications Equipment — 2.3%			Health Care Technology — 0.8%	
48,849	Arista Networks, Inc. (a) (b)	3,802,406	236,896	IMS Health Holdings, Inc. (b)	6,033,741
137,459	CommScope Holding Co., Inc. (b)	3,558,814		Hotels, Restaurants & Leisure — 5.3%	
61,936	Palo Alto Networks, Inc. (b)	10,909,407	173,403	Aramark	5,592,247
		18,270,627	36,047	Dave & Buster's Entertainment, Inc. (b)	1,504,602
	Construction Materials — 0.2%		567,709	Hilton Worldwide Holdings, Inc.	12,148,973
72,151	Summit Materials, Inc., Class A (c)	1,445,906	165,434	Norwegian Cruise Line Holdings Ltd. (b)	9,694,432
	Consumer Finance — 3.6%		337,086	Restaurant Brands International, Inc. (a)	12,593,533
347,316	Ally Financial, Inc. (b)	6,473,970			41,533,787
96,955	OneMain Holdings, Inc. (b)	4,027,511		Internet & Catalog Retail — 2.1%	
601,142	Synchrony Financial (b)	18,280,728	102,284	Liberty Ventures, Series A (b)	4,614,031
		28,782,209	103,951	TripAdvisor, Inc. (b)	8,861,823
	Containers & Packaging — 0.4%		60,651	Wayfair, Inc., Class A (b)	2,888,201
86,513	Berry Plastics Group, Inc. (b)	3,130,040			16,364,055

First Trust US IPO Index Fund (FPX)

Portfolio of Investments (Continued)

December 31, 2015

Shares	Description	Value
Common Stocks (Continued)		
Internet Software & Services		
— 11.5%		
737,994	Facebook, Inc., Class A (b)	\$ 77,238,452
112,400	GoDaddy, Inc., Class A (a) (b)	3,603,544
175,371	Match Group, Inc. (a) (b)	2,376,277
324,425	Twitter, Inc. (b)	7,507,195
		<u>90,725,468</u>
IT Services — 6.9%		
110,168	Black Knight Financial Services, Inc., Class A (b)	3,642,154
39,394	Blackhawk Network Holdings, Inc. (b)	1,741,609
36,026	EPAM Systems, Inc. (b)	2,832,364
648,275	First Data Corp., Class A (b)	10,385,365
23,713	Luxoft Holding, Inc. (b)	1,828,984
612,802	PayPal Holdings, Inc. (b)	22,183,432
200,097	Sabre Corp.	5,596,713
137,871	Vantiv, Inc., Class A (b)	6,537,843
		<u>54,748,464</u>
Leisure Products — 0.2%		
44,920	Vista Outdoor, Inc. (b)	1,999,389
Life Sciences Tools & Services		
— 1.7%		
40,857	INC Research Holdings, Inc., Class A (b)	1,981,973
54,071	PRA Health Sciences, Inc. (b)	2,447,794
88,743	Quintiles Transnational Holdings, Inc. (b)	6,093,095
94,703	VWR Corp. (b)	2,681,042
		<u>13,203,904</u>
Machinery — 0.6%		
129,313	Xylem, Inc.	4,719,925
Media — 2.4%		
52,188	AMC Networks, Inc., Class A (b)	3,897,400
97,658	Gannett Co., Inc.	1,590,849
74,409	Liberty Broadband Corp., Class A (b)	3,843,225
240,949	Liberty Media Corp., Class A (b)	9,457,248
		<u>18,788,722</u>
Multiline Retail — 0.3%		
54,757	Burlington Stores, Inc. (b)	2,349,075
Oil, Gas & Consumable Fuels		
— 6.3%		
199,737	Antero Resources Corp. (a) (b)	4,354,267
280,519	Columbia Pipeline Group, Inc.	5,610,380
48,089	Diamondback Energy, Inc. (b)	3,217,154
112,364	Parsley Energy, Inc., Class A (b)	2,073,116
74,103	PBF Energy, Inc., Class A	2,727,731
384,580	Phillips 66	31,458,644
		<u>49,441,292</u>
Personal Products — 0.8%		
250,213	Coty, Inc., Class A (a)	6,412,959

Shares	Description	Value
Pharmaceuticals — 3.0%		
83,591	Mallinckrodt PLC (b)	\$ 6,238,397
358,972	Zoetis, Inc.	17,201,938
		<u>23,440,335</u>
Professional Services — 2.0%		
262,466	Nielsen Holdings PLC	12,230,916
131,402	TransUnion (b)	3,622,753
		<u>15,853,669</u>
Real Estate Management & Development — 0.5%		
105,640	Realty Holdings Corp. (b)	3,873,819
Semiconductors & Semiconductor Equipment — 2.0%		
38,263	M/A-COM Technology Solutions Holdings, Inc. (b)	1,564,574
166,423	NXP Semiconductors N.V. (d)	14,021,138
		<u>15,585,712</u>
Software — 4.8%		
150,443	Atlassian Corp. PLC, Class A (a) (b)	4,525,325
114,938	CDK Global, Inc.	5,456,107
51,541	Guidewire Software, Inc. (b)	3,100,707
42,610	Paycom Software, Inc. (b)	1,603,414
36,649	Paylocity Holding Corp. (b)	1,486,117
114,630	ServiceNow, Inc. (b)	9,922,373
92,623	Splunk, Inc. (b)	5,447,159
52,219	Tableau Software, Inc., Class A (b)	4,920,074
63,946	Zendesk, Inc. (b)	1,690,732
		<u>38,152,008</u>
Specialty Retail — 0.9%		
150,650	Michaels Cos., (The), Inc. (b)	3,330,871
30,047	Murphy USA, Inc. (b)	1,825,055
29,184	Restoration Hardware Holdings, Inc. (b)	2,318,669
		<u>7,474,595</u>
Technology Hardware, Storage & Peripherals — 2.8%		
1,301,304	Hewlett Packard Enterprise Co.	19,779,821
137,080	Pure Storage, Inc., Class A (a) (b)	2,134,335
		<u>21,914,156</u>
Trading Companies & Distributors — 0.5%		
144,287	HD Supply Holdings, Inc. (b)	4,332,939
Total Common Stocks — 100.0%		
(Cost \$725,391,171)		
Money Market Funds — 2.8%		
21,840,658	Goldman Sachs Financial Square Treasury Obligations Fund - Institutional Class - 0.12% (e) (f)	21,840,658
	(Cost \$21,840,658)	

First Trust US IPO Index Fund (FPX)

Portfolio of Investments (Continued)

December 31, 2015

Principal

Value	Description	Value
	Repurchase Agreements — 2.7%	
\$ 1,554,056	JPMorgan Chase & Co., 0.23% (e), dated 12/31/15, due 01/04/16, with a maturity value of \$1,554,096. Collateralized by U.S. Treasury Notes, interest rates of 1.250% to 1.625%, due 04/30/19 to 02/29/20. The value of the collateral including accrued interest is \$1,589,923. (f)	\$ 1,554,056
19,614,229	RBC Capital Markets LLC, 0.26% (e), dated 12/31/15, due 01/04/16, with a maturity value of \$19,614,796. Collateralized by U.S. Treasury Notes, interest rates of 1.625% to 1.750%, due 06/30/20 to 10/31/20. The value of the collateral including accrued interest is \$20,027,393. (f)	19,614,229
	Total Repurchase Agreements — 2.7% (Cost \$21,168,285)	<u>21,168,285</u>
	Total Investments — 105.5% (Cost \$768,400,114) (g)	832,786,183
	Net Other Assets and Liabilities — (5.5)%	(43,093,334)
	Net Assets — 100.0%	<u>\$ 789,692,849</u>

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of December 31, 2015 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

- Level 1 - Quoted Prices
- Level 2 - Other Significant Observable Inputs
- Level 3 - Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$789,777,240	\$ —	\$ —
Money Market Funds	21,840,658	—	—
Repurchase Agreements	—	21,168,285	—
Total Investments	<u>\$811,617,898</u>	<u>\$21,168,285</u>	<u>\$ —</u>

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at December 31, 2015.

- (a) All or a portion of this security is on loan (see Note 2D - Securities Lending in the Notes to Financial Statements). The aggregate value of such securities is \$41,811,660 and the total value of the collateral held by the Fund is \$43,008,943.
- (b) Non-income producing security.
- (c) Non-income producing security which makes payment-in-kind ("PIK") distributions. For the year ended December 31, 2015, the Fund received 1,086 PIK shares of Summit Materials, Inc., Class A.
- (d) Non-income producing security which makes PIK distributions. For the year ended December 31, 2015, the Fund received 1 PIK share of NXP Semiconductors N.V.
- (e) Interest rate shown reflects yield as of December 31, 2015.
- (f) This security serves as collateral for securities on loan.
- (g) Aggregate cost for federal income tax purposes is \$772,353,832. As of December 31, 2015, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$81,728,278 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$21,295,927.

First Trust US IPO Index Fund (FPX)

Portfolio of Investments (Continued)

December 31, 2015

Offsetting Assets and Liabilities

Offsetting assets and liabilities requires entities to disclose both gross and net information about instruments and transactions eligible for offset, and to disclose instruments and transactions subject to master netting or similar agreements (see Note 2C - Offsetting on the Statements of Assets and Liabilities in the Notes to Financial Statements).

The Fund's loaned securities were all subject to an enforceable Securities Lending Agency Agreement. Securities lent in accordance with the Securities Lending Agency Agreement on a gross basis were as follows:

Securities Lending Agency Agreement

Total gross amount presented on the Statements of Assets and Liabilities ⁽¹⁾	\$ 41,811,660
Non-cash Collateral ⁽²⁾	(41,811,660)
Net Amount	<u>\$ —</u>

⁽¹⁾ The amount presented on the Statements of Assets and Liabilities, which is included in "Investments, at value", is not offset and is shown on a gross basis.

⁽²⁾ At December 31, 2015, the value of the collateral received from each borrower exceeded the value of the related securities loaned. This amount is disclosed on the Portfolio of Investments.

The Fund's investments in repurchase agreements were all subject to an enforceable Master Repurchase Agreement. Repurchase Agreements on a gross basis were as follows:

Repurchase Agreements

Total gross amount presented on the Statements of Assets and Liabilities ⁽³⁾	\$ 21,168,285
Non-cash Collateral ⁽⁴⁾	(21,168,285)
Net Amount	<u>\$ —</u>

⁽³⁾ The amount is included in "Investments, at value" on the Statements of Assets and Liabilities.

⁽⁴⁾ At December 31, 2015, the value of the collateral received from each seller exceeded the value of the repurchase agreements.

First Trust NYSE Arca Biotechnology Index Fund (FBT)

Portfolio of Investments

December 31, 2015

Shares	Description	Value	Principal Value	Description	Value
Common Stocks — 100.0%			Repurchase Agreements — 4.5%		
Biotechnology — 78.7%			\$ 11,295,963	JPMorgan Chase & Co.,	
1,463,946	Agios Pharmaceuticals, Inc. (a) (b)	\$ 95,039,374		0.23% (c), dated 12/31/15, due 01/04/16, with a maturity value of \$11,296,252. Collateralized by U.S. Treasury Notes, interest rates of 1.250% to 1.625%, due 04/30/19 to 02/29/20. The value of the collateral including accrued interest is \$11,556,672. (d)	\$ 11,295,963
645,748	Alexion Pharmaceuticals, Inc. (b)	123,176,431	142,569,912	RBC Capital Markets LLC, 0.26% (c), dated 12/31/15, due 01/04/16, with a maturity value of \$142,574,030. Collateralized by U.S. Treasury Notes, interest rates of 1.625% to 1.750%, due 06/30/20 to 10/31/20. The value of the collateral including accrued interest is \$145,573,079. (d)	142,569,912
1,693,076	Alkermes PLC (b)	134,396,373		Total Repurchase Agreements — 4.5%	153,865,875
1,223,535	Alnylam Pharmaceuticals, Inc. (b)	115,183,585		(Cost \$153,865,875)	
680,999	Amgen, Inc.	110,546,568		Total Investments — 109.1%	3,749,756,487
381,403	Biogen, Inc. (b)	116,842,809		(Cost \$3,482,524,376) (e)	
954,140	BioMarin Pharmaceutical, Inc. (b)	99,955,706		Net Other Assets and Liabilities — (9.1)%	(312,732,072)
881,135	Celgene Corp. (b)	105,524,727		Net Assets — 100.0%	<u>\$3,437,024,415</u>
7,424,420	Celldex Therapeutics, Inc. (a) (b)	116,414,906			
3,085,311	Cepheid (b)	112,706,411			
3,704,752	Dyax Corp. (b)	139,372,770			
1,009,536	Gilead Sciences, Inc.	102,154,948			
3,114,218	Grifols S.A., ADR	100,900,663			
964,220	Incyte Corp. (b)	104,569,659			
572,751	Intercept Pharmaceuticals, Inc. (a) (b)	85,540,362			
2,327,482	Ionis Pharmaceuticals, Inc. (b)	144,140,960			
2,068,290	Juno Therapeutics, Inc. (a) (b)	90,942,711			
2,358,977	Medivation, Inc. (b)	114,032,948			
2,642,138	Myriad Genetics, Inc. (a) (b)	114,034,676			
13,525,640	Novavax, Inc. (a) (b)	113,480,120			
201,395	Regeneron Pharmaceuticals, Inc. (b)	109,331,304			
2,614,485	Seattle Genetics, Inc. (b)	117,338,087			
808,136	United Therapeutics Corp. (b)	126,562,179			
908,840	Vertex Pharmaceuticals, Inc. (b)	114,359,337			
		<u>2,706,547,614</u>			
Life Sciences Tools & Services — 16.6%					
1,093,871	Bio-Techne Corp.	98,448,390			
1,573,473	Charles River Laboratories International, Inc. (b)	126,491,494			
691,079	Illumina, Inc. (b)	132,649,159			
4,068,344	QIAGEN N.V. (b)	112,489,712			
1,451,373	Quintiles Transnational Holdings, Inc. (b)	99,651,270			
		<u>569,730,025</u>			
9,546,577	Nektar Therapeutics (b)	160,859,823			
	Total Common Stocks — 100.0%	<u>3,437,137,462</u>			
	(Cost \$3,169,905,351)				
158,753,150	Money Market Funds — 4.6%				
	Goldman Sachs Financial Square Treasury Obligations Fund - Institutional Class - 0.12% (c) (d)	<u>158,753,150</u>			
	(Cost \$158,753,150)				

- (a) All or a portion of this security is on loan (see Note 2D - Securities Lending in the Notes to Financial Statements). The aggregate value of such securities is \$302,586,474 and the total value of the collateral held by the Fund is \$312,619,025.
- (b) Non-income producing security.
- (c) Interest rate shown reflects yield as of December 31, 2015.
- (d) This security serves as collateral for securities on loan.
- (e) Aggregate cost for federal income tax purposes is \$3,511,456,430. As of December 31, 2015, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$426,877,337 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$188,577,280.

ADR - American Depositary Receipt

First Trust NYSE Arca Biotechnology Index Fund (FBT)

Portfolio of Investments (Continued)

December 31, 2015

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of December 31, 2015 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

Level 1 - Quoted Prices

Level 2 - Other Significant Observable Inputs

Level 3 - Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$3,437,137,462	\$ —	\$ —
Money Market Funds	158,753,150	—	—
Repurchase Agreements	—	153,865,875	—
Total Investments	<u>\$3,595,890,612</u>	<u>\$153,865,875</u>	<u>\$ —</u>

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at December 31, 2015.

Offsetting Assets and Liabilities

Offsetting assets and liabilities requires entities to disclose both gross and net information about instruments and transactions eligible for offset, and to disclose instruments and transactions subject to master netting or similar agreements (see Note 2C - Offsetting on the Statements of Assets and Liabilities in the Notes to Financial Statements).

The Fund's loaned securities were all subject to an enforceable Securities Lending Agency Agreement. Securities lent in accordance with the Securities Lending Agency Agreement on a gross basis were as follows:

Securities Lending Agency Agreement

Total gross amount presented on the Statements of Assets and Liabilities ⁽¹⁾	\$ 302,586,474
Non-cash Collateral ⁽²⁾	<u>(302,586,474)</u>
Net Amount	<u>\$ —</u>

(1) The amount presented on the Statements of Assets and Liabilities, which is included in "Investments, at value", is not offset and is shown on a gross basis.

(2) At December 31, 2015, the value of the collateral received from each borrower exceeded the value of the related securities loaned. This amount is disclosed on the Portfolio of Investments.

The Fund's investments in repurchase agreements were all subject to an enforceable Master Repurchase Agreement. Repurchase Agreements on a gross basis were as follows:

Repurchase Agreements

Total gross amount presented on the Statements of Assets and Liabilities ⁽³⁾	\$ 153,865,875
Non-cash Collateral ⁽⁴⁾	<u>(153,865,875)</u>
Net Amount	<u>\$ —</u>

(3) The amount is included in "Investments, at value" on the Statements of Assets and Liabilities.

(4) At December 31, 2015, the value of the collateral received from each seller exceeded the value of the repurchase agreements.

First Trust Dow Jones Internet Index Fund (FDN)
Portfolio of Investments
December 31, 2015

Shares	Description	Value
Common Stocks — 100.0%		
Capital Markets — 4.5%		
3,702,987	E*TRADE Financial Corp. (a)	\$ 109,756,535
3,234,705	TD Ameritrade Holding Corp.	112,276,610
		<u>222,033,145</u>
Communications Equipment — 5.1%		
866,314	Arista Networks, Inc. (a) (b)	67,433,882
4,089,506	Juniper Networks, Inc.	112,870,366
1,067,095	NETGEAR, Inc. (a)	44,721,951
3,658,175	Sonus Networks, Inc. (a)	26,082,788
		<u>251,108,987</u>
Diversified Consumer Services — 0.8%		
1,443,140	2U, Inc. (a) (b)	40,379,057
Diversified Telecommunication Services — 0.8%		
7,100,545	Vonage Holdings Corp. (a)	40,757,128
Health Care Technology — 2.6%		
4,427,408	Allscripts Healthcare Solutions, Inc. (a)	68,093,535
2,104,586	Veeva Systems, Inc., Class A (a)	60,717,306
		<u>128,810,841</u>
Internet & Catalog Retail — 21.4%		
740,273	Amazon.com, Inc. (a)	500,343,118
1,217,213	Expedia, Inc.	151,299,576
15,330,341	Groupon, Inc. (a) (b)	47,064,147
2,031,736	Netflix, Inc. (a)	232,389,964
1,374,950	TripAdvisor, Inc. (a)	117,214,487
		<u>1,048,311,292</u>
Internet Software & Services — 50.5%		
2,144,544	Akamai Technologies, Inc. (a)	112,867,351
321,824	Alphabet, Inc., Class A (a)	250,382,290
328,240	Alphabet, Inc., Class C (c)	249,094,771
5,135,604	Bazaarvoice, Inc. (a)	22,493,946
2,718,779	Blucora, Inc. (a)	26,644,034
1,464,368	Cornerstone OnDemand, Inc. (a)	50,564,627
1,024,255	Demandware, Inc. (a)	55,279,042
4,711,271	EarthLink Holdings Corp.	35,004,744
6,983,801	eBay, Inc. (a)	191,914,852
2,771,963	Endurance International Group Holdings, Inc. (a) (b)	30,297,556
4,704,844	Facebook, Inc., Class A (a)	492,408,973
1,376,663	IAC/InterActiveCorp	82,668,613
932,684	j2 Global, Inc.	76,778,547
795,331	LinkedIn Corp., Class A (a)	179,013,101
4,847,608	Pandora Media, Inc. (a)	65,006,423
2,510,503	Rackspace Hosting, Inc. (a)	63,565,936
3,654,874	TrueCar, Inc. (a)	34,867,498
5,704,080	Twitter, Inc. (a)	131,992,411
1,219,361	VeriSign, Inc. (a) (b)	106,523,377
1,885,477	Web.com Group, Inc. (a)	37,728,395
5,632,185	Yahoo!, Inc. (a)	187,326,473
		<u>2,482,422,960</u>

Shares	Description	Value
IT Services — 4.6%		
6,243,207	PayPal Holdings, Inc. (a)	\$ 226,004,093
Software — 9.7%		
1,648,971	Citrix Systems, Inc. (a)	124,744,656
1,142,805	Ebix, Inc. (b)	37,472,576
831,929	NetSuite, Inc. (a) (b)	70,397,832
3,072,779	salesforce.com, Inc. (a)	240,905,874
		<u>473,520,938</u>
Total Common Stocks — 100.0%		
	(Cost \$4,444,423,745)	<u>4,913,348,441</u>
Money Market Funds — 2.1%		
98,086,949	Goldman Sachs Financial Square Treasury Obligations Fund - Institutional Class - 0.12% (d) (e)	98,086,949
3,680,508	Morgan Stanley Institutional Liquidity Fund - Treasury Portfolio - Institutional Class - 0.17% (d)	3,680,508
		<u>101,767,457</u>
Total Money Market Funds — 2.1%		
	(Cost \$101,767,457)	<u>101,767,457</u>

Principal Value	Description	Value
Repurchase Agreements — 1.9%		
\$ 6,979,304	JPMorgan Chase & Co., 0.23% (d), dated 12/31/15, due 01/04/16, with a maturity value of \$6,979,483. Collateralized by U.S. Treasury Notes, interest rates of 1.250% to 1.625%, due 04/30/19 to 02/29/20. The value of the collateral including accrued interest is \$7,140,385. (e)	6,979,304
88,088,001	RBC Capital Markets LLC, 0.26% (d), dated 12/31/15, due 01/04/16, with a maturity value of \$88,090,546. Collateralized by U.S. Treasury Notes, interest rates of 1.625% to 1.750%, due 06/30/20 to 10/31/20. The value of the collateral including accrued interest is \$89,943,533. (e)	88,088,001
		<u>95,067,305</u>
Total Repurchase Agreements — 1.9%		
	(Cost \$95,067,305)	<u>95,067,305</u>
Total Investments — 104.0%		
	(Cost \$4,641,258,507) (f)	5,110,183,203
Net Other Assets and Liabilities — (4.0)%		
		(195,361,808)
Net Assets — 100.0%		
		<u>\$4,914,821,395</u>

First Trust Dow Jones Internet Index Fund (FDN)

Portfolio of Investments (Continued)

December 31, 2015

- (a) Non-income producing security.
- (b) All or a portion of this security is on loan (see Note 2D - Securities Lending in the Notes to Financial Statements). The aggregate value of such securities is \$186,639,392 and the total value of the collateral held by the Fund is \$193,154,254, which includes Vlnetx Holding Corp. in the amount of \$1,681,638. This security was sold on December 18, 2015.
- (c) Non-income producing security which makes payment-in-kind ("PIK") distributions. For the year ended December 31, 2015, the Fund received 659 PIK shares of Alphabet, Inc., Class C.
- (d) Interest rate shown reflects yield as of December 31, 2015.
- (e) This security serves as collateral for securities on loan.
- (f) Aggregate cost for federal income tax purposes is \$4,705,036,975. As of December 31, 2015, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$684,544,809 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$279,398,581.

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of December 31, 2015 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

Level 1 - Quoted Prices

Level 2 - Other Significant Observable Inputs

Level 3 - Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$4,913,348,441	\$ —	\$ —
Money Market Funds	101,767,457	—	—
Repurchase Agreements	—	95,067,305	—
Total Investments	\$5,015,115,898	\$95,067,305	\$ —

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at December 31, 2015.

Offsetting Assets and Liabilities

Offsetting assets and liabilities requires entities to disclose both gross and net information about instruments and transactions eligible for offset, and to disclose instruments and transactions subject to master netting or similar agreements (see Note 2C - Offsetting on the Statements of Assets and Liabilities in the Notes to Financial Statements).

The Fund's loaned securities were all subject to an enforceable Securities Lending Agency Agreement. Securities lent in accordance with the Securities Lending Agency Agreement on a gross basis were as follows:

Securities Lending Agency Agreement

Total gross amount presented on the Statements of Assets and Liabilities ⁽¹⁾	\$ 186,639,392
Non-cash Collateral ⁽²⁾	(186,639,392)
Net Amount	\$ —

(1) The amount presented on the Statements of Assets and Liabilities, which is included in "Investments, at value", is not offset and is shown on a gross basis.

(2) At December 31, 2015, the value of the collateral received from each borrower exceeded the value of the related securities loaned. This amount is disclosed on the Portfolio of Investments.

The Fund's investments in repurchase agreements were all subject to an enforceable Master Repurchase Agreement. Repurchase Agreements on a gross basis were as follows:

Repurchase Agreements

Total gross amount presented on the Statements of Assets and Liabilities ⁽³⁾	\$ 95,067,305
Non-cash Collateral ⁽⁴⁾	(95,067,305)
Net Amount	\$ —

(3) The amount is included in "Investments, at value" on the Statements of Assets and Liabilities.

(4) At December 31, 2015, the value of the collateral received from each seller exceeded the value of the repurchase agreements.

First Trust Capital Strength ETF (FTCS)

Portfolio of Investments

December 31, 2015

Shares	Description	Value	Shares	Description	Value
	Common Stocks — 100.0%			Hotels, Restaurants & Leisure	
	Aerospace & Defense — 14.5%			— 4.2%	
23,727	Boeing (The) Co.	\$ 3,430,687	31,173	McDonald's Corp.	\$ 3,682,778
22,987	General Dynamics Corp.	3,157,494	54,380	Starbucks Corp.	3,264,432
33,655	Honeywell International, Inc.	3,485,648			6,947,210
15,539	Lockheed Martin Corp.	3,374,294		Household Products — 1.9%	
18,685	Northrop Grumman Corp.	3,527,915	48,638	Colgate-Palmolive Co.	3,240,264
29,404	Raytheon Co.	3,661,680		Industrial Conglomerates — 2.0%	
35,044	United Technologies Corp.	3,366,677	22,008	3M Co.	3,315,285
		24,004,395		Insurance — 1.9%	
	Air Freight & Logistics — 3.6%		100,334	Progressive (The) Corp.	3,190,621
65,309	Expeditors International of Washington, Inc.	2,945,436		IT Services — 7.7%	
31,430	United Parcel Service, Inc., Class B	3,024,509	31,647	Accenture PLC, Class A	3,307,111
		5,969,945	37,691	Automatic Data Processing, Inc.	3,193,182
	Beverages — 4.0%		21,697	International Business Machines Corp.	2,985,941
77,353	Coca-Cola (The) Co.	3,323,085	33,470	MasterCard, Inc., Class A	3,258,639
32,625	PepsiCo, Inc.	3,259,890			12,744,873
		6,582,975		Life Sciences Tools & Services	
	Capital Markets — 3.9%			— 2.2%	
84,663	Franklin Resources, Inc.	3,117,291	26,950	Waters Corp. (a)	3,626,931
46,083	T. Rowe Price Group, Inc.	3,294,474		Machinery — 3.7%	
		6,411,765	29,898	Cummins, Inc.	2,631,323
	Chemicals — 4.4%		38,636	Illinois Tool Works, Inc.	3,580,784
57,041	E.I. du Pont de Nemours and Co.	3,798,931			6,212,107
36,118	Monsanto Co.	3,558,345		Media — 2.1%	
		7,357,276	45,057	Omnicom Group, Inc.	3,409,013
	Communications Equipment			Multiline Retail — 1.9%	
	— 3.5%		43,353	Target Corp.	3,147,861
115,793	Cisco Systems, Inc.	3,144,359		Personal Products — 2.0%	
54,637	QUALCOMM, Inc.	2,731,030	38,400	Estee Lauder (The) Cos., Inc., Class A	3,381,504
		5,875,389		Pharmaceuticals — 4.1%	
	Electrical Equipment — 2.1%		33,218	Johnson & Johnson	3,412,153
71,951	Emerson Electric Co.	3,441,416	63,351	Merck & Co., Inc.	3,346,200
	Food & Staples Retailing — 6.3%				6,758,353
21,428	Costco Wholesale Corp.	3,460,622		Software — 1.9%	
87,525	Kroger (The) Co.	3,661,171	87,285	Oracle Corp.	3,188,521
55,446	Wal-Mart Stores, Inc.	3,398,840		Specialty Retail — 7.9%	
		10,520,633	122,744	Gap (The), Inc.	3,031,777
	Food Products — 2.1%		26,533	Home Depot (The), Inc.	3,508,989
43,555	Mead Johnson Nutrition Co.	3,438,667	44,685	Lowe's Cos., Inc.	3,397,848
	Health Care Equipment & Supplies — 4.0%		45,096	TJX (The) Cos., Inc.	3,197,757
16,700	C. R. Bard, Inc.	3,163,648			13,136,371
42,437	Varian Medical Systems, Inc. (a)	3,428,910		Tobacco — 3.9%	
		6,592,558	55,405	Altria Group, Inc.	3,225,125
	Health Care Providers & Services		68,871	Reynolds American, Inc.	3,178,397
	— 4.2%				6,403,522
40,737	Cardinal Health, Inc.	3,636,592		Total Investments — 100.0%	165,833,508
16,729	McKesson Corp.	3,299,461		(Cost \$162,395,182) (b)	
		6,936,053		Net Other Assets and Liabilities — (0.0)%	(18,845)
				Net Assets — 100.0%	\$ 165,814,663

First Trust Capital Strength ETF (FTCS)

Portfolio of Investments (Continued)

December 31, 2015

- (a) Non-income producing security.
- (b) Aggregate cost for federal income tax purposes is \$163,144,469. As of December 31, 2015, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$9,232,507 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$6,543,468.

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of December 31, 2015 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

Level 1 - Quoted Prices

Level 2 - Other Significant Observable Inputs

Level 3 - Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$165,833,508	\$ —	\$ —

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at December 31, 2015.

First Trust Total US Market AlphaDEX® ETF (TUSA)
Portfolio of Investments
December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks — 99.8%			Auto Components (Continued)		
Aerospace & Defense — 1.0%			93	Tenneco, Inc. (a)	\$ 4,270
146	AAR Corp.	\$ 3,838	102	Visteon Corp. (a)	11,679
53	Boeing (The) Co.	7,663			<u>98,269</u>
22	Cubic Corp.	1,040	Automobiles — 0.6%		
67	Curtiss-Wright Corp.	4,590	1,020	Ford Motor Co.	14,372
46	Hexcel Corp.	2,137	922	General Motors Co.	31,357
58	Huntington Ingalls Industries, Inc.	7,357	36	Thor Industries, Inc.	2,021
52	KLX, Inc. (a)	1,601			<u>47,750</u>
80	L-3 Communications Holdings, Inc.	9,561	Banks — 3.5%		
52	Moog, Inc., Class A (a)	3,151	30	1st Source Corp.	926
33	National Presto Industries, Inc.	2,734	129	Ameris Bancorp	4,385
29	Orbital ATK, Inc.	2,591	347	Associated Banc-Corp.	6,506
86	Spirit AeroSystems Holdings, Inc., Class A (a)	4,306	15	Bank of Hawaii Corp.	944
92	Teledyne Technologies, Inc. (a)	8,160	190	Bank of the Ozarks, Inc.	9,397
184	Textron, Inc.	7,730	174	BankUnited, Inc.	6,274
109	Triumph Group, Inc.	4,333	39	Banner Corp.	1,789
156	United Technologies Corp.	14,987	61	BBCN Bancorp, Inc.	1,050
		<u>85,779</u>	166	BNC Bancorp	4,213
Air Freight & Logistics — 0.1%			64	BOK Financial Corp.	3,827
432	Air Transport Services Group, Inc. (a)	4,355	61	Capital Bank Financial Corp., Class A	1,951
134	Atlas Air Worldwide Holdings, Inc. (a)	5,540	160	Cardinal Financial Corp.	3,640
44	Expeditors International of Washington, Inc.	1,984	314	CenterState Banks, Inc.	4,914
		<u>11,879</u>	44	Central Pacific Financial Corp.	969
Airlines — 1.4%			259	CIT Group, Inc.	10,282
436	Alaska Air Group, Inc.	35,102	139	Citigroup, Inc.	7,193
48	Allegiant Travel Co.	8,056	18	City Holding Co.	822
357	American Airlines Group, Inc.	15,119	30	Columbia Banking System, Inc.	975
187	Hawaiian Holdings, Inc. (a)	6,607	151	Comerica, Inc.	6,316
403	JetBlue Airways Corp. (a)	9,128	26	Community Trust Bancorp, Inc.	909
277	SkyWest, Inc.	5,268	66	Cullen/Frost Bankers, Inc.	3,960
364	Southwest Airlines Co.	15,674	144	Customers Bancorp, Inc. (a)	3,920
176	Spirit Airlines, Inc. (a)	7,014	55	CVB Financial Corp.	931
261	United Continental Holdings, Inc. (a)	14,955	61	Eagle Bancorp, Inc. (a)	3,079
54	Virgin America, Inc. (a)	1,945	109	East West Bancorp, Inc.	4,530
		<u>118,868</u>	143	F.N.B. Corp.	1,908
Auto Components — 1.1%			113	FCB Financial Holdings, Inc., Class A (a)	4,044
93	American Axle & Manufacturing Holdings, Inc. (a)	1,762	366	Fifth Third Bancorp	7,357
500	BorgWarner, Inc.	21,615	1,297	First BanCorp (a)	4,215
94	Cooper Tire & Rubber Co.	3,558	8	First Citizens BancShares, Inc., Class A	2,065
48	Cooper-Standard Holding, Inc. (a)	3,724	29	First Financial Bankshares, Inc.	875
654	Dana Holding Corp.	9,025	33	First Interstate BancSystem, Inc., Class A	959
54	Dorman Products, Inc. (a)	2,563	141	First Merchants Corp.	3,584
51	Drew Industries, Inc.	3,105	26	First NBC Bank Holding Co. (a)	972
270	Federal-Mogul Holdings Corp. (a)	1,850	132	First Republic Bank	8,720
219	Fox Factory Holding Corp. (a)	3,620	353	FirstMerit Corp.	6,583
536	Gentex Corp.	8,581	46	Flushing Financial Corp.	995
354	Goodyear Tire & Rubber (The) Co.	11,565	152	Fulton Financial Corp.	1,978
76	Lear Corp.	9,335	21	Great Southern Bancorp, Inc.	950
53	Standard Motor Products, Inc.	2,017	73	Great Western Bancorp, Inc.	2,118
			68	Hancock Holding Co.	1,712
			102	Heartland Financial USA, Inc.	3,199
			94	Hilltop Holdings, Inc. (a)	1,807

First Trust Total US Market AlphaDEX® ETF (TUSA)

Portfolio of Investments (Continued)

December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)			Biotechnology (Continued)		
Banks (Continued)					
91	Home BancShares, Inc.	\$ 3,687	46	Clovis Oncology, Inc. (a)	\$ 1,610
588	Huntington Bancshares, Inc.	6,503	326	Dyax Corp. (a)	12,264
20	Independent Bank Corp.	930	38	Dynavax Technologies Corp. (a)	918
74	International Bancshares Corp.	1,902	50	Eagle Pharmaceuticals, Inc. (a)	4,433
673	Investors Bancorp, Inc.	8,372	97	Emergent BioSolutions, Inc. (a)	3,881
114	JPMorgan Chase & Co.	7,527	25	Enanta Pharmaceuticals, Inc. (a)	826
121	LegacyTexas Financial Group, Inc.	3,027	823	Exelixis, Inc. (a)	4,642
85	MB Financial, Inc.	2,751	155	Halozyne Therapeutics, Inc. (a)	2,686
67	Old National Bancorp	909	251	Incyte Corp. (a)	27,221
73	Opus Bank	2,699	146	Insys Therapeutics, Inc. (a)	4,180
97	PacWest Bancorp	4,181	344	Lexicon Pharmaceuticals, Inc. (a)	4,579
132	People's United Financial, Inc.	2,132	32	Ligand Pharmaceuticals, Inc. (a)	3,469
38	Pinnacle Financial Partners, Inc.	1,952	95	MiMedx Group, Inc. (a)	890
78	PNC Financial Services Group (The), Inc.	7,434	56	Momenta Pharmaceuticals, Inc. (a)	831
344	Popular, Inc.	9,749	25	Myriad Genetics, Inc. (a)	1,079
163	PrivateBancorp, Inc.	6,686	157	Neurocrine Biosciences, Inc. (a)	8,881
127	Prosperity Bancshares, Inc.	6,078	151	Osiris Therapeutics, Inc.	1,567
1,537	Regions Financial Corp.	14,755	918	PDL BioPharma, Inc.	3,250
56	Renasant Corp.	1,927	15	Regeneron Pharmaceuticals, Inc. (a)	8,143
46	Signature Bank (a)	7,055	29	Sarepta Therapeutics, Inc. (a)	1,119
19	Simmons First National Corp., Class A	976	54	Seattle Genetics, Inc. (a)	2,424
24	South State Corp.	1,727			112,590
62	Sterling Bancorp	1,006	Building Products — 1.0%		
25	Stock Yards Bancorp, Inc.	945	128	A.O. Smith Corp.	9,806
362	SunTrust Banks, Inc.	15,508	72	Allegion PLC	4,746
70	Synovus Financial Corp.	2,267	71	American Woodmark Corp. (a)	5,679
221	Talmer Bancorp, Inc., Class A	4,002	62	Apogee Enterprises, Inc.	2,698
122	TCF Financial Corp.	1,723	364	Builders FirstSource, Inc. (a)	4,033
18	Tompkins Financial Corp.	1,011	176	Griffon Corp.	3,133
80	Trustmark Corp.	1,843	92	Lennox International, Inc.	11,491
255	Umpqua Holdings Corp.	4,055	412	Masco Corp.	11,660
39	Union Bankshares Corp.	984	149	Owens Corning	7,007
49	United Bankshares, Inc.	1,813	117	Patrick Industries, Inc. (a)	5,089
46	United Community Banks, Inc.	897	301	PGT, Inc. (a)	3,428
24	Washington Trust Bancorp, Inc.	949	316	Ply Gem Holdings, Inc. (a)	3,963
59	Webster Financial Corp.	2,194	51	Quanex Building Products Corp.	1,063
67	Western Alliance Bancorp (a)	2,403	28	Simpson Manufacturing Co., Inc.	956
88	Wilshire Bancorp, Inc.	1,016	48	Universal Forest Products, Inc.	3,282
151	Zions Bancorporation	4,122	156	USG Corp. (a)	3,789
		297,440			81,823
Beverages — 0.7%			Capital Markets — 1.2%		
24	Coca-Cola Bottling Co. Consolidated	4,380	225	BGC Partners, Inc., Class A	2,207
166	Constellation Brands, Inc., Class A	23,645	20	Diamond Hill Investment Group, Inc.	3,780
263	Dr Pepper Snapple Group, Inc.	24,512	124	Eaton Vance Corp.	4,021
120	National Beverage Corp. (a)	5,453	55	Evercore Partners, Inc., Class A	2,974
		57,990	72	Federated Investors, Inc., Class B	2,063
Biotechnology — 1.3%			929	Franklin Resources, Inc.	34,206
56	Alder Biopharmaceuticals, Inc. (a)	1,850	32	Greenhill & Co., Inc.	916
66	Amicus Therapeutics, Inc. (a)	640	221	Invesco Ltd.	7,399
88	Anacor Pharmaceuticals, Inc. (a)	9,941	421	KCG Holdings, Inc., Class A (a)	5,182
81	BioCryst Pharmaceuticals, Inc. (a)	836	150	Legg Mason, Inc.	5,884
48	Chimerix, Inc. (a)	430	102	Piper Jaffray Cos. (a)	4,121
			84	Raymond James Financial, Inc.	4,869
			172	SEI Investments Co.	9,013
			49	Stifel Financial Corp. (a)	2,076

First Trust Total US Market AlphaDEX® ETF (TUSA)
Portfolio of Investments (Continued)
December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)			Commercial Services & Supplies		
Capital Markets (Continued)			(Continued)		
56	TPG Specialty Lending, Inc.	\$ 908	138	McGrath RentCorp	\$ 3,476
46	Virtus Investment Partners, Inc.	5,403	23	MSA Safety, Inc.	1,000
298	Waddell & Reed Financial, Inc., Class A	8,541	60	Multi-Color Corp.	3,589
		<u>103,563</u>	209	Pitney Bowes, Inc.	4,316
Chemicals — 2.7%			305	Quad/Graphics, Inc.	2,837
70	Airgas, Inc.	9,682	143	R.R. Donnelley & Sons Co.	2,105
47	Albemarle Corp.	2,633	168	Republic Services, Inc.	7,390
62	Ashland, Inc.	6,367	232	Rollins, Inc.	6,009
235	Axiall Corp.	3,619	80	SP Plus Corp. (a)	1,912
60	Balchem Corp.	3,648	149	Stericycle, Inc. (a)	17,969
178	Calgon Carbon Corp.	3,071	87	Team, Inc. (a)	2,781
117	Celanese Corp., Series A	7,878	114	Tetra Tech, Inc.	2,966
571	Chemours (The) Co.	3,061	26	UniFirst Corp.	2,709
161	Chemtura Corp. (a)	4,390	42	US Ecology, Inc.	1,531
653	Dow Chemical (The) Co.	33,616	159	Viad Corp.	4,489
144	E.I. du Pont de Nemours and Co.	9,590	86	Waste Connections, Inc.	4,844
214	Eastman Chemical Co.	14,447			<u>122,982</u>
169	Ferro Corp. (a)	1,879	Communications Equipment		
306	FMC Corp.	11,974	— 1.5%		
27	H.B. Fuller Co.	985	80	ARRIS International PLC (a)	2,446
858	Huntsman Corp.	9,755	1,000	Brocade Communications Systems, Inc.	9,180
93	Innophos Holdings, Inc.	2,695	200	Ciena Corp. (a)	4,138
80	Innospec, Inc.	4,345	791	Cisco Systems, Inc.	21,480
20	International Flavors & Fragrances, Inc.	2,393	207	CommScope Holding Co., Inc. (a)	5,359
333	LyondellBasell Industries N.V., Class A	28,938	86	EchoStar Corp., Class A (a)	3,363
1,113	Mosaic (The) Co.	30,708	36	F5 Networks, Inc. (a)	3,491
6	NewMarket Corp.	2,284	83	Finisar Corp. (a)	1,207
275	Olin Corp.	4,747	424	Infinera Corp. (a)	7,683
71	PolyOne Corp.	2,255	319	Ixia (a)	3,965
12	Quaker Chemical Corp.	927	161	Palo Alto Networks, Inc. (a)	28,358
34	Sensient Technologies Corp.	2,136	36	Plantronics, Inc.	1,707
88	Stepan Co.	4,373	353	Polycom, Inc. (a)	4,444
146	Trinseo S.A. (a)	4,117	515	QUALCOMM, Inc.	25,742
58	Valspar (The) Corp.	4,811	27	Ubiquiti Networks, Inc. (a)	856
200	Westlake Chemical Corp.	10,864	97	ViaSat, Inc. (a)	5,918
		<u>232,188</u>			<u>129,337</u>
Commercial Services & Supplies			Construction & Engineering		
— 1.4%			— 0.9%		
34	ABM Industries, Inc.	968	151	AECOM (a)	4,535
653	ACCO Brands Corp. (a)	4,656	262	Chicago Bridge & Iron Co. N.V.	10,215
278	ADT (The) Corp.	9,168	170	Comfort Systems USA, Inc.	4,831
97	Cintas Corp.	8,832	64	Dycom Industries, Inc. (a)	4,478
149	Deluxe Corp.	8,126	141	EMCOR Group, Inc.	6,774
86	Essendant, Inc.	2,796	245	Fluor Corp.	11,569
28	G&K Services, Inc., Class A	1,761	32	Granite Construction, Inc.	1,373
109	Healthcare Services Group, Inc.	3,801	277	Jacobs Engineering Group, Inc. (a)	11,620
32	Herman Miller, Inc.	918	234	MasTec, Inc. (a)	4,067
22	HNI Corp.	793	141	MYR Group, Inc. (a)	2,906
123	Interface, Inc.	2,354	103	Primoris Services Corp.	2,269
176	KAR Auction Services, Inc.	6,517	343	Quanta Services, Inc. (a)	6,946
126	Knoll, Inc.	2,369	280	Tutor Perini Corp. (a)	4,687
					<u>76,270</u>

First Trust Total US Market AlphaDEX® ETF (TUSA)**Portfolio of Investments (Continued)**

December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)			Diversified Financial Services		
Construction Materials — 0.6%			— 1.0%		
246	Headwaters, Inc. (a)	\$ 4,150	124	CBOE Holdings, Inc.	\$ 8,047
91	Martin Marietta Materials, Inc.	12,429	39	FactSet Research Systems, Inc.	6,340
96	US Concrete, Inc. (a)	5,055	88	Intercontinental Exchange, Inc.	22,551
311	Vulcan Materials Co.	29,536	102	Leucadia National Corp.	1,774
		<u>51,170</u>	89	MarketAxess Holdings, Inc.	9,931
			78	Morningstar, Inc.	6,272
			70	MSCI, Inc.	5,049
1,359	Ally Financial, Inc. (a)	25,332	39	Nasdaq, Inc.	2,269
286	Capital One Financial Corp.	20,643	714	Voya Financial, Inc.	26,354
165	Cash America International, Inc.	4,942			<u>88,587</u>
21	Credit Acceptance Corp. (a)	4,494	Diversified Telecommunication		
46	First Cash Financial Services, Inc. (a)	1,722	Services — 0.6%		
210	Green Dot Corp., Class A (a)	3,448	12	Atlantic Tele-Network, Inc.	939
739	Navient Corp.	8,462	1,103	CenturyLink, Inc.	27,752
107	Nelnet, Inc., Class A	3,592	1,749	Frontier Communications Corp.	8,168
47	OneMain Holdings, Inc. (a)	1,952	268	General Communication, Inc., Class A (a)	5,301
79	PRA Group, Inc. (a)	2,741	165	Inteliquent, Inc.	2,932
305	Santander Consumer USA Holdings, Inc. (a)	4,834	751	Iridium Communications, Inc. (a)	6,316
281	SLM Corp. (a)	1,832	301	Windstream Holdings, Inc.	1,938
		<u>83,994</u>			<u>53,346</u>
			Electric Utilities — 2.8%		
Containers & Packaging — 0.6%			55	ALLETE, Inc.	2,796
63	AptarGroup, Inc.	4,577	365	American Electric Power Co., Inc.	21,269
74	Avery Dennison Corp.	4,637	193	Duke Energy Corp.	13,778
158	Bemis Co., Inc.	7,061	329	Edison International	19,480
138	Berry Plastics Group, Inc. (a)	4,993	75	El Paso Electric Co.	2,888
325	Graphic Packaging Holding Co.	4,170	168	Empire District Electric (The) Co.	4,716
58	Greif, Inc., Class A	1,787	425	Entergy Corp.	29,053
101	Owens-Illinois, Inc. (a)	1,759	137	Eversource Energy	6,997
69	Packaging Corp. of America	4,350	933	Exelon Corp.	25,909
148	Sealed Air Corp.	6,601	442	FirstEnergy Corp.	14,025
80	Silgan Holdings, Inc.	4,298	307	Great Plains Energy, Inc.	8,384
221	Sonoco Products Co.	9,032	129	IDACORP, Inc.	8,772
		<u>53,265</u>	23	MGE Energy, Inc.	1,067
			142	NextEra Energy, Inc.	14,752
Distributors — 0.5%			304	OGE Energy Corp.	7,992
977	LKQ Corp. (a)	28,949	71	Otter Tail Corp.	1,891
144	Pool Corp.	11,632	97	Pinnacle West Capital Corp.	6,255
		<u>40,581</u>	99	PNM Resources, Inc.	3,026
			225	Portland General Electric Co.	8,183
Diversified Consumer Services			632	PPL Corp.	21,570
— 0.5%			50	Unitil Corp.	1,794
52	2U, Inc. (a)	1,455	216	Westar Energy, Inc.	9,161
417	Apollo Education Group, Inc. (a)	3,198	195	Xcel Energy, Inc.	7,002
162	Bright Horizons Family Solutions, Inc. (a)	10,822			<u>240,760</u>
56	Capella Education Co.	2,588	Electrical Equipment — 0.9%		
170	DeVry Education Group, Inc.	4,303	47	Acuity Brands, Inc.	10,989
11	Graham Holdings Co., Class B	5,335	38	AZZ, Inc.	2,112
58	H&R Block, Inc.	1,932	675	Eaton Corp. PLC	35,127
306	Service Corp. International	7,962	470	Emerson Electric Co.	22,480
123	ServiceMaster Global Holdings, Inc. (a)	4,826	85	Encore Wire Corp.	3,153
33	Strayer Education, Inc. (a)	1,984	52	EnerSys	2,908
		<u>44,405</u>	34	Franklin Electric Co., Inc.	919

First Trust Total US Market AlphaDEX® ETF (TUSA)
Portfolio of Investments (Continued)
December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)			Energy Equipment & Services (Continued)		
<i>Electrical Equipment (Continued)</i>					
37	Regal-Beloit Corp.	\$ 2,165	378	Forum Energy Technologies, Inc. (a)	\$ 4,710
		<u>79,853</u>	180	Frank's International N.V.	3,004
<i>Electronic Equipment, Instruments & Components — 2.5%</i>			587	Halliburton Co.	19,981
64	Anixter International, Inc. (a)	3,865	963	Helix Energy Solutions Group, Inc. (a)	5,065
188	Arrow Electronics, Inc. (a)	10,186	220	Helmerich & Payne, Inc.	11,781
243	Avnet, Inc.	10,410	430	McDermott International, Inc. (a)	1,441
353	AVX Corp.	4,285	660	Nabors Industries Ltd.	5,617
16	Badger Meter, Inc.	937	920	National Oilwell Varco, Inc.	30,811
212	Benchmark Electronics, Inc. (a)	4,382	264	Oceaneering International, Inc.	9,905
34	Coherent, Inc. (a)	2,214	177	Oil States International, Inc. (a)	4,823
2,022	Corning, Inc.	36,962	281	Patterson-UTI Energy, Inc.	4,237
150	CTS Corp.	2,646	417	RPC, Inc.	4,983
57	Dolby Laboratories, Inc., Class A	1,918	200	Schlumberger Ltd.	13,950
35	ePlus, Inc. (a)	3,264	62	SEACOR Holdings, Inc. (a)	3,259
151	Fabrinet (a)	3,597	70	Tidewater, Inc.	487
26	FARO Technologies, Inc. (a)	767			<u>159,467</u>
29	FEI Co.	2,314	<i>Food & Staples Retailing — 2.0%</i>		
222	FLIR Systems, Inc.	6,232	109	Andersons (The), Inc.	3,448
229	II-VI, Inc. (a)	4,250	40	Casey's General Stores, Inc.	4,818
228	Ingram Micro, Inc., Class A	6,927	215	CVS Health Corp.	21,020
143	Insight Enterprises, Inc. (a)	3,592	123	Fresh Market (The), Inc. (a)	2,881
27	IPG Photonics Corp. (a)	2,407	96	Ingles Markets, Inc., Class A	4,232
371	Jabil Circuit, Inc.	8,641	767	Kroger (The) Co.	32,083
135	Keysight Technologies, Inc. (a)	3,825	122	Natural Grocers By Vitamin Cottage, Inc. (a)	2,485
11	Littelfuse, Inc.	1,177	1,369	Rite Aid Corp. (a)	10,733
16	MTS Systems Corp.	1,015	143	SpartanNash Co.	3,094
74	National Instruments Corp.	2,123	129	SUPERVALU, Inc. (a)	875
269	Newport Corp. (a)	4,269	38	United Natural Foods, Inc. (a)	1,496
12	OSI Systems, Inc. (a)	1,064	417	Walgreens Boots Alliance, Inc.	35,510
179	PC Connection, Inc.	4,053	320	Wal-Mart Stores, Inc.	19,616
95	Plexus Corp. (a)	3,317	88	Weis Markets, Inc.	3,898
107	Rofin-Sinar Technologies, Inc. (a)	2,865	656	Whole Foods Market, Inc.	21,976
53	Rogers Corp. (a)	2,733			<u>168,165</u>
216	Sanmina Corp. (a)	4,445	<i>Food Products — 2.3%</i>		
78	ScanSource, Inc. (a)	2,513	835	Archer-Daniels-Midland Co.	30,628
74	SYNNEX Corp.	6,655	102	B&G Foods, Inc.	3,572
462	TE Connectivity Ltd.	29,850	95	Bunge Ltd.	6,487
54	Tech Data Corp. (a)	3,585	85	Cal-Maine Foods, Inc.	3,939
253	Trimble Navigation Ltd. (a)	5,427	171	ConAgra Foods, Inc.	7,209
445	TTM Technologies, Inc. (a)	2,897	328	Darling Ingredients, Inc. (a)	3,450
476	Vishay Intertechnology, Inc.	5,736	60	Diamond Foods, Inc. (a)	2,313
54	Zebra Technologies Corp., Class A (a)	3,761	94	Fresh Del Monte Produce, Inc.	3,655
		<u>211,106</u>	40	Hain Celestial Group (The), Inc. (a)	1,616
<i>Energy Equipment & Services — 1.9%</i>			438	Hormel Foods Corp.	34,637
424	Archrock, Inc.	3,188	72	Ingredion, Inc.	6,900
312	Atwood Oceanics, Inc.	3,192	25	J&J Snack Foods Corp.	2,917
141	Bristow Group, Inc.	3,652	90	John B. Sanfilippo & Son, Inc.	4,863
787	C&J Energy Services Ltd. (a)	3,746	76	McCormick & Co., Inc.	6,502
480	Diamond Offshore Drilling, Inc.	10,128	500	Pilgrim's Pride Corp.	11,045
63	Dril-Quip, Inc. (a)	3,732	149	Pinnacle Foods, Inc.	6,326
268	FMC Technologies, Inc. (a)	7,775	78	Post Holdings, Inc. (a)	4,813
			67	Sanderson Farms, Inc.	5,194

First Trust Total US Market AlphaDEX® ETF (TUSA)
Portfolio of Investments (Continued)
December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)			Health Care Providers & Services		
Food Products (Continued)			— 3.4%		
4	Seaboard Corp. (a)	\$ 11,579	94	Acadia Healthcare Co., Inc. (a)	\$ 5,871
82	Snyder's-Lance, Inc.	2,813	168	Aceto Corp.	4,533
27	TreeHouse Foods, Inc. (a)	2,118	253	Aetna, Inc.	27,354
482	Tyson Foods, Inc., Class A	25,705	81	Air Methods Corp. (a)	3,396
103	WhiteWave Foods (The) Co. (a)	4,008	97	Amedisys, Inc. (a)	3,814
		<u>192,289</u>	154	AMN Healthcare Services, Inc. (a)	4,782
Gas Utilities — 0.5%			134	AmSurg Corp. (a)	10,184
107	Atmos Energy Corp.	6,745	149	Anthem, Inc.	20,776
35	Chesapeake Utilities Corp.	1,986	181	Brookdale Senior Living, Inc. (a)	3,341
51	Laclede Group (The), Inc.	3,030	115	Centene Corp. (a)	7,568
31	New Jersey Resources Corp.	1,022	28	Chemed Corp.	4,194
40	Northwest Natural Gas Co.	2,024	201	Civitas Solutions, Inc. (a)	5,787
61	ONE Gas, Inc.	3,060	194	Community Health Systems, Inc. (a)	5,147
103	Piedmont Natural Gas Co., Inc.	5,873	44	Ensign Group (The), Inc.	996
428	Questar Corp.	8,338	170	Envision Healthcare Holdings, Inc. (a)	4,415
74	South Jersey Industries, Inc.	1,741	256	Express Scripts Holding Co. (a)	22,377
47	Southwest Gas Corp.	2,593	179	HCA Holdings, Inc. (a)	12,106
119	UGI Corp.	4,017	54	HealthSouth Corp.	1,880
16	WGL Holdings, Inc.	1,008	104	Henry Schein, Inc. (a)	16,452
		<u>41,437</u>	103	LHC Group, Inc. (a)	4,665
Health Care Equipment & Supplies — 2.3%			117	LifePoint Health, Inc. (a)	8,588
112	ABIOMED, Inc. (a)	10,111	50	Magellan Health, Inc. (a)	3,083
74	Align Technology, Inc. (a)	4,873	136	MEDNAX, Inc. (a)	9,746
126	AtriCure, Inc. (a)	2,827	151	Molina Healthcare, Inc. (a)	9,080
7	Atrion Corp.	2,668	46	National Healthcare Corp.	2,838
1,054	Baxter International, Inc.	40,210	48	Patterson Cos., Inc.	2,170
111	C. R. Bard, Inc.	21,028	32	PharMerica Corp. (a)	1,120
81	Cantel Medical Corp.	5,033	113	Quest Diagnostics, Inc.	8,039
61	Cynosure, Inc., Class A (a)	2,725	256	Select Medical Holdings Corp.	3,049
121	DexCom, Inc. (a)	9,910	57	Surgical Care Affiliates, Inc. (a)	2,269
194	Edwards Lifesciences Corp. (a)	15,322	77	Team Health Holdings, Inc. (a)	3,379
32	Greatbatch, Inc. (a)	1,680	20	U.S. Physical Therapy, Inc.	1,074
32	Halyard Health, Inc. (a)	1,069	298	UnitedHealth Group, Inc.	35,057
531	Hologic, Inc. (a)	20,544	166	Universal Health Services, Inc., Class B	19,835
25	ICU Medical, Inc. (a)	2,820	158	VCA, Inc. (a)	8,690
112	IDEXX Laboratories, Inc. (a)	8,167			<u>287,655</u>
95	Inogen, Inc. (a)	3,809	Health Care Technology — 0.1%		
46	Integra LifeSciences Holdings Corp. (a)	3,118	62	athenahealth, Inc. (a)	9,980
120	Masimo Corp. (a)	4,981	105	HMS Holdings Corp. (a)	1,296
193	Merit Medical Systems, Inc. (a)	3,588	74	Quality Systems, Inc.	1,193
24	Natus Medical, Inc. (a)	1,153			<u>12,469</u>
20	Neogen Corp. (a)	1,130	Hotels, Restaurants & Leisure		
58	NuVasive, Inc. (a)	3,138	— 2.7%		
117	NxStage Medical, Inc. (a)	2,563	12	Biglari Holdings, Inc. (a)	3,910
74	Stryker Corp.	6,878	43	BJ's Restaurants, Inc. (a)	1,869
56	Varian Medical Systems, Inc. (a)	4,525	227	Boyd Gaming Corp. (a)	4,511
86	Vascular Solutions, Inc. (a)	2,958	79	Brinker International, Inc.	3,788
39	West Pharmaceutical Services, Inc.	2,349	53	Buffalo Wild Wings, Inc. (a)	8,462
116	Zeltiq Aesthetics, Inc. (a)	3,310	784	Caesars Entertainment Corp. (a)	6,186
		<u>192,487</u>	68	Cheesecake Factory (The), Inc.	3,136
			39	Chipotle Mexican Grill, Inc. (a)	18,714
			34	Churchill Downs, Inc.	4,811

First Trust Total US Market AlphaDEX® ETF (TUSA)
Portfolio of Investments (Continued)
December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)			Household Durables (Continued)		
Hotels, Restaurants & Leisure (Continued)			41	WCI Communities, Inc. (a)	\$ 913
129	ClubCorp Holdings, Inc.	\$ 2,357	89	William Lyon Homes, Class A (a)	1,468
56	Cracker Barrel Old Country Store, Inc.	7,103			<u>143,092</u>
251	Denny's Corp. (a)	2,467	Household Products — 0.3%		
77	Domino's Pizza, Inc.	8,566	57	Central Garden & Pet Co., Class A (a)	775
85	Dunkin' Brands Group, Inc.	3,620	82	Church & Dwight Co., Inc.	6,960
88	International Speedway Corp., Class A	2,967	120	Clorox (The) Co.	15,220
264	Isle of Capri Casinos, Inc. (a)	3,678	158	HRG Group, Inc. (a)	2,142
27	Jack in the Box, Inc.	2,071	23	Spectrum Brands Holdings, Inc.	2,341
483	Norwegian Cruise Line Holdings Ltd. (a)	28,304	21	WD-40 Co.	2,072
53	Panera Bread Co., Class A (a)	10,323			<u>29,510</u>
151	Papa John's International, Inc.	8,436	Independent Power and Renewable Electricity Producers — 0.4%		
220	Penn National Gaming, Inc. (a)	3,524	849	AES (The) Corp.	8,125
82	Pinnacle Entertainment, Inc. (a)	2,552	711	Calpine Corp. (a)	10,288
32	Popeyes Louisiana Kitchen, Inc. (a)	1,872	402	Dynegy, Inc. (a)	5,387
37	Red Robin Gourmet Burgers, Inc. (a)	2,284	559	NRG Energy, Inc.	6,579
233	Royal Caribbean Cruises Ltd.	23,582			<u>30,379</u>
171	Ruth's Hospitality Group, Inc.	2,722	Industrial Conglomerates — 0.1%		
177	Scientific Games Corp., Class A (a)	1,588	47	Carlisle Cos., Inc.	4,169
137	Six Flags Entertainment Corp.	7,527	54	Raven Industries, Inc.	842
609	Starbucks Corp.	36,558			<u>5,011</u>
99	Texas Roadhouse, Inc.	3,541	Insurance — 5.1%		
60	Vail Resorts, Inc.	7,679	67	ACE Ltd.	7,829
94	Zoe's Kitchen, Inc. (a)	2,630	13	Alleghany Corp. (a)	6,213
		<u>231,338</u>	164	Allied World Assurance Co. Holdings AG	6,099
Household Durables — 1.7%			238	Allstate (The) Corp.	14,777
231	CalAtlantic Group, Inc.	8,759	319	Ambac Financial Group, Inc. (a)	4,495
35	Ethan Allen Interiors, Inc.	974	80	American Equity Investment Life Holding Co.	1,922
58	Garmin Ltd.	2,156	60	American Financial Group, Inc.	4,325
65	Harman International Industries, Inc.	6,124	366	American International Group, Inc.	22,681
41	Helen of Troy Ltd. (a)	3,864	38	American National Insurance Co.	3,886
109	Installed Building Products, Inc. (a)	2,706	74	AMERISAFE, Inc.	3,767
32	iRobot Corp. (a)	1,133	165	AmTrust Financial Services, Inc.	10,161
284	Jarden Corp. (a)	16,222	85	Arch Capital Group Ltd. (a)	5,929
340	KB Home	4,192	81	Argo Group International Holdings Ltd.	4,847
35	La-Z-Boy, Inc.	855	101	Arthur J. Gallagher & Co.	4,135
101	Leggett & Platt, Inc.	4,244	80	Aspen Insurance Holdings Ltd.	3,864
576	Lennar Corp., Class A	28,172	416	Assured Guaranty Ltd.	10,995
170	LGI Homes, Inc. (a)	4,136	116	Axis Capital Holdings Ltd.	6,522
35	M.D.C. Holdings, Inc.	894	134	Brown & Brown, Inc.	4,301
157	M/I Homes, Inc. (a)	3,441	116	Cincinnati Financial Corp.	6,864
39	Mohawk Industries, Inc. (a)	7,386	442	CNO Financial Group, Inc.	8,438
174	Newell Rubbermaid, Inc.	7,670	165	Employers Holdings, Inc.	4,504
7	NVR, Inc. (a)	11,501	137	Endurance Specialty Holdings Ltd.	8,767
440	PulteGroup, Inc.	7,841	25	Enstar Group Ltd. (a)	3,751
145	Tempur Sealy International, Inc. (a)	10,217	60	Everest Re Group, Ltd.	10,985
122	Toll Brothers, Inc. (a)	4,063	45	FBL Financial Group, Inc., Class A	2,864
71	TRI Pointe Group, Inc. (a)	900	159	First American Financial Corp.	5,708
18	Tupperware Brands Corp.	1,002	976	FNF Group	33,838
44	Universal Electronics, Inc. (a)	2,259			

First Trust Total US Market AlphaDEX® ETF (TUSA)

Portfolio of Investments (Continued)

December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)			Internet Software & Services (Continued)		
Insurance (Continued)					
81	Hanover Insurance Group (The), Inc.	\$ 6,589	56	Cornerstone OnDemand, Inc. (a)	\$ 1,934
605	Hartford Financial Services Group (The), Inc.	26,293	12	CoStar Group, Inc. (a)	2,480
140	Heritage Insurance Holdings, Inc.	3,055	137	Cvent, Inc. (a)	4,783
28	Horace Mann Educators Corp.	929	593	EarthLink Holdings Corp.	4,406
34	Infinity Property & Casualty Corp.	2,796	1,417	eBay, Inc. (a)	38,939
34	James River Group Holdings Ltd.	1,140	154	Facebook, Inc., Class A (a)	16,118
53	Kemper Corp.	1,974	199	GTT Communications, Inc. (a)	3,395
146	Lincoln National Corp.	7,338	32	IAC/InterActiveCorp	1,922
266	Maiden Holdings Ltd.	3,966	147	j2 Global, Inc.	12,101
26	Markel Corp. (a)	22,967	67	LogMeIn, Inc. (a)	4,496
760	MBIA, Inc. (a)	4,925	65	Marketo, Inc. (a)	1,866
294	MetLife, Inc.	14,174	53	NIC, Inc.	1,043
192	National General Holdings Corp.	4,197	389	Pandora Media, Inc. (a)	5,216
17	National Western Life Group, Inc., Class A	4,283	112	Q2 Holdings, Inc. (a)	2,953
36	Navigators Group (The), Inc. (a)	3,088	337	Rackspace Hosting, Inc. (a)	8,533
398	Old Republic International Corp.	7,415	41	SPS Commerce, Inc. (a)	2,879
38	ProAssurance Corp.	1,844	50	Stamps.com, Inc. (a)	5,481
69	Reinsurance Group of America, Inc.	5,903	36	Textura Corp. (a)	777
98	RenaissanceRe Holdings Ltd.	11,093	118	VeriSign, Inc. (a)	10,308
52	RLI Corp.	3,211	44	Web.com Group, Inc. (a)	880
149	Selective Insurance Group, Inc.	5,003	1,197	Yahoo!, Inc. (a)	39,812
162	State Auto Financial Corp.	3,336			<u>195,756</u>
23	Stewart Information Services Corp.	859	IT Services — 3.6%		
137	Third Point Reinsurance Ltd. (a)	1,837	141	Accenture PLC, Class A	14,734
74	Torchmark Corp.	4,230	109	Blackhawk Network Holdings, Inc. (a)	4,819
278	Travelers (The) Cos., Inc.	31,375	151	Broadridge Financial Solutions, Inc.	8,113
79	United Fire Group, Inc.	3,026	50	CACI International, Inc., Class A (a)	4,639
157	Universal Insurance Holdings, Inc.	3,639	442	Cognizant Technology Solutions Corp., Class A (a)	26,529
65	Unum Group	2,164	81	Computer Sciences Corp.	2,647
230	Validus Holdings Ltd.	10,647	160	Convergys Corp.	3,982
115	W. R. Berkley Corp.	6,296	279	CoreLogic, Inc. (a)	9,447
3	White Mountains Insurance Group Ltd.	2,180	30	CSG Systems International, Inc.	1,079
382	XL Group PLC	14,967	60	DST Systems, Inc.	6,844
		<u>439,206</u>	139	EPAM Systems, Inc. (a)	10,928
Internet & Catalog Retail — 1.7%			140	Euronet Worldwide, Inc. (a)	10,140
305	1-800-Flowers.com, Inc., Class A (a)	2,220	100	ExlService Holdings, Inc. (a)	4,493
67	Amazon.com, Inc. (a)	45,285	207	Fidelity National Information Services, Inc.	12,544
294	Expedia, Inc.	36,544	319	Fiserv, Inc. (a)	29,176
62	FTD Cos., Inc. (a)	1,623	74	Gartner, Inc. (a)	6,712
68	Lands' End, Inc. (a)	1,594	88	Genpact Ltd. (a)	2,198
335	Netflix, Inc. (a)	38,317	180	Global Payments, Inc.	11,612
174	Nutrisystem, Inc.	3,765	74	Heartland Payment Systems, Inc.	7,017
11	Priceline Group (The), Inc. (a)	14,025	89	Jack Henry & Associates, Inc.	6,947
		<u>143,373</u>	50	Leidos Holdings, Inc.	2,813
Internet Software & Services — 2.3%			144	ManTech International Corp., Class A	4,355
101	Akamai Technologies, Inc. (a)	5,316	77	MasterCard, Inc., Class A	7,497
22	Alphabet, Inc., Class A (a)	17,116	139	MAXIMUS, Inc.	7,819
37	Cimpress N.V. (a)	3,002	136	NeuStar, Inc., Class A (a)	3,260
			305	Sabre Corp.	8,531

First Trust Total US Market AlphaDEX® ETF (TUSA)
Portfolio of Investments (Continued)
December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)			Machinery (Continued)		
IT Services (Continued)			64	Hyster-Yale Materials Handling, Inc.	\$ 3,357
23	Science Applications International Corp.	\$ 1,053	29	IDEX Corp.	2,222
144	Sykes Enterprises, Inc. (a)	4,432	311	ITT Corp.	11,296
69	TeleTech Holdings, Inc.	1,926	96	John Bean Technologies Corp.	4,784
228	Total System Services, Inc.	11,354	309	Joy Global, Inc.	3,896
231	Vantiv, Inc., Class A (a)	10,954	119	Lincoln Electric Holdings, Inc.	6,175
90	Virtusa Corp. (a)	3,721	14	Lindsay Corp.	1,014
298	Visa, Inc., Class A	23,110	61	Manitowoc (The) Co., Inc.	936
2,846	Xerox Corp.	30,253	60	Middleby (The) Corp. (a)	6,472
		<u>305,678</u>	62	Mueller Industries, Inc.	1,680
			66	Nordson Corp.	4,234
Leisure Products — 0.4%			102	Oshkosh Corp.	3,982
44	Brunswick Corp.	2,222	531	PACCAR, Inc.	25,169
288	Hasbro, Inc.	19,400	143	Parker-Hannifin Corp.	13,868
296	Mattel, Inc.	8,042	14	Proto Labs, Inc. (a)	892
219	Smith & Wesson Holding Corp. (a)	4,814	54	Rexnord Corp. (a)	978
32	Sturm Ruger & Co., Inc.	1,908	92	Snap-on, Inc.	15,772
		<u>36,386</u>	12	Standex International Corp.	998
Life Sciences Tools & Services — 0.3%			118	Toro (The) Co.	8,622
16	Bio-Rad Laboratories, Inc., Class A (a)	2,219	226	TriMas Corp. (a)	4,215
45	Bio-Techne Corp.	4,050	459	Trinity Industries, Inc.	11,025
70	Cambrex Corp. (a)	3,296	19	Valmont Industries, Inc.	2,014
32	Charles River Laboratories International, Inc. (a)	2,572	436	Wabash National Corp. (a)	5,158
33	PAREXEL International Corp. (a)	2,248	204	Woodward, Inc.	10,131
119	Quintiles Transnational Holdings, Inc. (a)	8,171	190	Xylem, Inc.	6,935
242	VWR Corp. (a)	6,851			<u>304,520</u>
		<u>29,407</u>	Marine — 0.1%		
Machinery — 3.6%			168	Kirby Corp. (a)	8,840
223	AGCO Corp.	10,122	48	Matson, Inc.	2,046
79	Alamo Group, Inc.	4,116			<u>10,886</u>
65	Albany International Corp., Class A	2,376	Media — 1.5%		
156	Allison Transmission Holdings, Inc.	4,039	74	AMC Entertainment Holdings, Inc., Class A	1,776
80	Altra Industrial Motion Corp.	2,006	114	AMC Networks, Inc., Class A (a)	8,514
128	American Railcar Industries, Inc.	5,924	128	Cinemark Holdings, Inc.	4,279
82	Astec Industries, Inc.	3,337	122	Comcast Corp., Class A	6,884
77	Barnes Group, Inc.	2,725	1,330	Discovery Communications, Inc., Class A (a)	35,484
144	Briggs & Stratton Corp.	2,491	278	Entravision Communications Corp., Class A	2,143
318	Caterpillar, Inc.	21,611	217	Gray Television, Inc. (a)	3,537
241	Chart Industries, Inc. (a)	4,328	109	Interpublic Group of Cos. (The), Inc.	2,538
69	CIRCOR International, Inc.	2,908	37	John Wiley & Sons, Inc., Class A	1,666
174	CLARCOR, Inc.	8,644	119	New Media Investment Group, Inc.	2,316
319	Cummins, Inc.	28,075	19	Nexstar Broadcasting Group, Inc., Class A	1,115
148	Donaldson Co., Inc.	4,242	118	Scholastic Corp.	4,550
363	Dover Corp.	22,256	211	Scripps Networks Interactive, Inc., Class A	11,649
25	ESCO Technologies, Inc.	904	37	Sinclair Broadcast Group, Inc., Class A	1,204
202	Federal Signal Corp.	3,202	1,852	Sirius XM Holdings, Inc. (a)	7,538
151	Flowserve Corp.	6,354	111	Starz, Class A (a)	3,719
31	Graco, Inc.	2,234	464	TEGNA, Inc.	11,841
144	Greenbrier (The) Cos., Inc.	4,697			
71	Hillenbrand, Inc.	2,104			

First Trust Total US Market AlphaDEX® ETF (TUSA)
Portfolio of Investments (Continued)
December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)			Oil, Gas & Consumable Fuels		
Media (Continued)			(Continued)		
242	Time, Inc.	\$ 3,792	578	ConocoPhillips	\$ 26,987
291	Tribune Media Co., Class A	9,839	212	CONSOL Energy, Inc.	1,675
		<u>124,384</u>	51	CVR Energy, Inc.	2,007
Metals & Mining — 1.2%			133	Delek US Holdings, Inc.	3,272
2,150	Alcoa, Inc.	21,220	125	Energen Corp.	5,124
195	Allegheny Technologies, Inc.	2,194	466	Exxon Mobil Corp.	36,325
93	Carpenter Technology Corp.	2,815	237	Green Plains, Inc.	5,427
340	Commercial Metals Co.	4,655	350	Gulfport Energy Corp. (a)	8,600
35	Compass Minerals International, Inc.	2,634	415	Hess Corp.	20,119
1,406	Hecla Mining Co.	2,657	170	HollyFrontier Corp.	6,781
154	Materion Corp.	4,312	98	Laredo Petroleum, Inc. (a)	783
647	Newmont Mining Corp.	11,639	1,348	Marathon Oil Corp.	16,971
553	Nucor Corp.	22,286	747	Marathon Petroleum Corp.	38,725
193	Reliance Steel & Aluminum Co.	11,177	429	Murphy Oil Corp.	9,631
259	Southern Copper Corp.	6,765	918	Noble Energy, Inc.	30,230
362	Steel Dynamics, Inc.	6,469	532	Oasis Petroleum, Inc. (a)	3,921
89	Stillwater Mining Co. (a)	763	133	Par Pacific Holdings, Inc. (a)	3,131
266	United States Steel Corp.	2,123	66	PBF Energy, Inc., Class A	2,429
35	Worthington Industries, Inc.	1,055	451	Phillips 66	36,892
		<u>102,764</u>	368	QEP Resources, Inc.	4,931
Multiline Retail — 1.0%			144	SM Energy Co.	2,831
39	Big Lots, Inc.	1,503	655	Southwestern Energy Co. (a)	4,657
163	Burlington Stores, Inc. (a)	6,993	121	Targa Resources Corp.	3,274
119	Dillard's, Inc., Class A	7,819	356	Tesoro Corp.	37,512
287	Dollar General Corp.	20,627	576	Valero Energy Corp.	40,729
747	Kohl's Corp.	35,580	235	Western Refining, Inc.	8,371
270	Macy's, Inc.	9,444	544	Whiting Petroleum Corp. (a)	5,135
		<u>81,966</u>	77	World Fuel Services Corp.	2,961
Multi-Utilities — 1.8%			697	WPX Energy, Inc. (a)	4,001
107	Alliant Energy Corp.	6,682			<u>440,488</u>
492	Ameren Corp.	21,269	Paper & Forest Products — 0.2%		
83	Avista Corp.	2,936	109	Boise Cascade Co. (a)	2,783
45	Black Hills Corp.	2,089	224	KapStone Paper and Packaging Corp.	5,060
460	CenterPoint Energy, Inc.	8,445	32	Neenah Paper, Inc.	1,998
117	CMS Energy Corp.	4,221	268	P.H. Glatfelter Co.	4,942
103	Consolidated Edison, Inc.	6,620	81	Schweitzer-Mauduit International, Inc.	3,401
172	DTE Energy Co.	13,793			<u>18,184</u>
560	NiSource, Inc.	10,926	Personal Products — 0.2%		
52	NorthWestern Corp.	2,821	34	Coty, Inc., Class A	871
263	PG&E Corp.	13,989	152	Herbalife Ltd. (a)	8,150
821	Public Service Enterprise Group, Inc.	31,764	67	Nu Skin Enterprises, Inc., Class A	2,539
185	SCANA Corp.	11,191	34	USANA Health Sciences, Inc. (a)	4,344
72	Sempra Energy	6,769			<u>15,904</u>
198	Vectren Corp.	8,399	Pharmaceuticals — 0.6%		
		<u>151,914</u>	105	Horizon Pharma PLC (a)	2,275
Oil, Gas & Consumable Fuels — 5.2%			59	Impax Laboratories, Inc. (a)	2,523
205	Alon USA Energy, Inc.	3,042	39	Intersect ENT, Inc. (a)	878
354	Apache Corp.	15,742	46	Intra-Cellular Therapies, Inc. (a)	2,474
439	Chevron Corp.	39,492	73	Medicines (The) Co. (a)	2,726
114	Columbia Pipeline Group, Inc.	2,280	561	Merck & Co., Inc.	29,632
70	Concho Resources, Inc. (a)	6,500			

First Trust Total US Market AlphaDEX® ETF (TUSA)
Portfolio of Investments (Continued)
December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)			Real Estate Investment Trusts (Continued)		
Pharmaceuticals (Continued)					
29	Phibro Animal Health Corp., Class A	\$ 874	73	Douglas Emmett, Inc.	\$ 2,276
81	Prestige Brands Holdings, Inc. (a)	4,170	28	Education Realty Trust, Inc.	1,061
232	Sucampo Pharmaceuticals, Inc., Class A (a)	4,011	54	Empire State Realty Trust, Inc., Class A	976
198	Supernus Pharmaceuticals, Inc. (a)	2,661	161	EPR Properties	9,410
		<u>52,224</u>	25	Equinix, Inc.	7,560
Professional Services — 1.0%			76	Equity Commonwealth (a)	2,108
282	CBIZ, Inc. (a)	2,781	142	Equity LifeStyle Properties, Inc.	9,467
214	Equifax, Inc.	23,833	62	Essex Property Trust, Inc.	14,843
41	Exponent, Inc.	2,048	135	Extra Space Storage, Inc.	11,908
22	FTI Consulting, Inc. (a)	763	31	Federal Realty Investment Trust	4,529
122	ICF International, Inc. (a)	4,338	88	First Industrial Realty Trust, Inc.	1,947
18	IHS, Inc., Class A (a)	2,132	84	First Potomac Realty Trust	958
63	Insperty, Inc.	3,033	62	GEO Group (The), Inc.	1,792
196	Kelly Services, Inc., Class A	3,165	85	Healthcare Trust of America, Inc., Class A	2,292
84	Korn/Ferry International	2,787	325	Hospitality Properties Trust	8,499
76	ManpowerGroup, Inc.	6,406	2,189	Host Hotels & Resorts, Inc.	33,579
291	Navigant Consulting, Inc. (a)	4,674	32	Hudson Pacific Properties, Inc.	900
100	On Assignment, Inc. (a)	4,495	132	Liberty Property Trust	4,099
61	Resources Connection, Inc.	997	22	LTC Properties, Inc.	949
81	Robert Half International, Inc.	3,818	98	Mack-Cali Realty Corp.	2,288
336	RPX Corp. (a)	3,696	543	MFA Financial, Inc.	3,584
165	TrueBlue, Inc. (a)	4,250	102	Mid-America Apartment Communities, Inc.	9,263
94	Verisk Analytics, Inc. (a)	7,227	57	National Retail Properties, Inc.	2,283
41	WageWorks, Inc. (a)	1,860	184	New York REIT, Inc.	2,116
		<u>82,303</u>	500	Outfront Media, Inc.	10,915
Real Estate Investment Trusts — 3.8%			61	Physicians Realty Trust	1,028
49	Alexandria Real Estate Equities, Inc.	4,428	52	Piedmont Office Realty Trust, Inc., Class A	982
258	American Homes 4 Rent, Class A	4,298	53	Plum Creek Timber Co., Inc.	2,529
53	American Residential Properties, Inc.	1,002	71	Post Properties, Inc.	4,200
56	Apartment Investment & Management Co., Class A	2,242	98	Public Storage	24,275
59	Apollo Commercial Real Estate Finance, Inc.	1,017	42	QTS Realty Trust, Inc., Class A	1,895
335	Apple Hospitality REIT, Inc.	6,690	200	Redwood Trust, Inc.	2,640
757	Ashford Hospitality Trust Inc.	4,777	67	Regency Centers Corp.	4,564
80	AvalonBay Communities, Inc.	14,730	112	Retail Opportunity Investments Corp.	2,005
104	BioMed Realty Trust, Inc.	2,464	147	Retail Properties of America, Inc., Class A	2,171
150	Brandywine Realty Trust	2,049	194	Select Income REIT	3,845
28	Camden Property Trust	2,149	385	Senior Housing Properties Trust	5,713
280	Capstead Mortgage Corp.	2,447	116	Silver Bay Realty Trust Corp.	1,817
201	CBL & Associates Properties, Inc.	2,486	67	Sovran Self Storage, Inc.	7,190
346	Chimera Investment Corp.	4,719	79	Summit Hotel Properties, Inc.	944
179	Columbia Property Trust, Inc.	4,203	61	Sun Communities, Inc.	4,180
36	CoreSite Realty Corp.	2,042	63	Tanger Factory Outlet Centers, Inc.	2,060
281	Corrections Corp. of America	7,444	1,178	Two Harbors Investment Corp.	9,542
305	CubeSmart	9,339	105	United Development Funding IV	1,155
28	CyrusOne, Inc.	1,049	36	W.P. Carey, Inc.	2,124
255	CYS Investments, Inc.	1,818	158	WP Glimcher, Inc.	1,676
123	DCT Industrial Trust, Inc.	4,597			<u>324,547</u>
32	Digital Realty Trust, Inc.	2,420			

First Trust Total US Market AlphaDEX® ETF (TUSA)
Portfolio of Investments (Continued)
December 31, 2015

Shares	Description	Value
Common Stocks (Continued)		
Real Estate Management & Development — 0.1%		
29	Jones Lang LaSalle, Inc.	\$ 4,636
101	Marcus & Millichap, Inc. (a)	2,943
		<u>7,579</u>
Road & Rail — 1.3%		
26	AMERCO	10,127
179	ArcBest Corp.	3,829
47	Avis Budget Group, Inc. (a)	1,706
772	CSX Corp.	20,033
176	Genesee & Wyoming, Inc., Class A (a)	9,449
139	Heartland Express, Inc.	2,366
124	Hertz Global Holdings, Inc. (a)	1,764
32	Landstar System, Inc.	1,877
285	Marten Transport Ltd.	5,044
362	Norfolk Southern Corp.	30,622
102	Old Dominion Freight Line, Inc. (a)	6,025
200	Roadrunner Transportation Systems, Inc. (a)	1,886
84	Ryder System, Inc.	4,774
119	Saia, Inc. (a)	2,648
78	Union Pacific Corp.	6,100
147	Werner Enterprises, Inc.	3,438
		<u>111,688</u>
Semiconductors & Semiconductor Equipment — 2.0%		
70	Advanced Energy Industries, Inc. (a)	1,976
1,028	Amkor Technology, Inc. (a)	6,250
1,885	Applied Materials, Inc.	35,193
47	Cabot Microelectronics Corp. (a)	2,058
34	Cavium, Inc. (a)	2,234
117	Cirrus Logic, Inc. (a)	3,455
216	Diodes, Inc. (a)	4,964
243	First Solar, Inc. (a)	16,036
192	Inphi Corp. (a)	5,188
137	Integrated Device Technology, Inc. (a)	3,610
1,149	Intel Corp.	39,583
459	Marvell Technology Group Ltd.	4,048
149	MaxLinear, Inc., Class A (a)	2,195
190	Microsemi Corp. (a)	6,192
110	MKS Instruments, Inc.	3,960
36	Monolithic Power Systems, Inc.	2,293
442	ON Semiconductor Corp. (a)	4,332
509	Photronics, Inc. (a)	6,337
415	SunPower Corp. (a)	12,454
45	Synaptics, Inc. (a)	3,615
231	Teradyne, Inc.	4,775
		<u>170,748</u>
Software — 3.1%		
897	Activision Blizzard, Inc.	34,723
84	Adobe Systems, Inc. (a)	7,891

Shares	Description	Value
Software (Continued)		
47	ANSYS, Inc. (a)	\$ 4,347
55	Aspen Technology, Inc. (a)	2,077
66	Blackbaud, Inc.	4,347
760	CA, Inc.	21,706
402	Cadence Design Systems, Inc. (a)	8,366
217	Callidus Software, Inc. (a)	4,030
409	Electronic Arts, Inc. (a)	28,106
55	Ellie Mae, Inc. (a)	3,313
32	Fair Isaac Corp.	3,014
75	Fleetmatics Group PLC (a)	3,809
244	Fortinet, Inc. (a)	7,605
46	Gigamon, Inc. (a)	1,222
151	Globant S.A. (a)	5,664
79	Guidewire Software, Inc. (a)	4,753
42	Imperva, Inc. (a)	2,659
167	Manhattan Associates, Inc. (a)	11,050
253	Mentor Graphics Corp.	4,660
14	MicroStrategy, Inc., Class A (a)	2,510
25	NetSuite, Inc. (a)	2,116
192	Oracle Corp.	7,014
103	Paycom Software, Inc. (a)	3,876
61	Paylocity Holding Corp. (a)	2,474
150	Pegasystems, Inc.	4,125
46	Proofpoint, Inc. (a)	2,990
228	Qlik Technologies, Inc. (a)	7,218
203	RingCentral, Inc., Class A (a)	4,787
88	Rovi Corp. (a)	1,466
127	Rubicon Project (The), Inc. (a)	2,089
200	salesforce.com, Inc. (a)	15,680
89	SS&C Technologies Holdings, Inc.	6,076
355	Symantec Corp.	7,455
45	Synopsys, Inc. (a)	2,052
69	Tyler Technologies, Inc. (a)	12,028
46	Ultimate Software Group (The), Inc. (a)	8,993
165	Xura, Inc. (a)	4,056
		<u>260,347</u>
Specialty Retail — 6.5%		
128	Aaron's, Inc.	2,866
88	Abercrombie & Fitch Co., Class A	2,376
183	Advance Auto Parts, Inc.	27,543
399	American Eagle Outfitters, Inc.	6,184
57	Asbury Automotive Group, Inc. (a)	3,844
72	AutoNation, Inc. (a)	4,296
48	AutoZone, Inc. (a)	35,612
305	Barnes & Noble, Inc.	2,657
486	Bed Bath & Beyond, Inc. (a)	23,450
373	Best Buy Co., Inc.	11,358
50	Buckle (The), Inc.	1,539
137	Cabela's, Inc. (a)	6,402
60	Caleres, Inc.	1,609
234	CarMax, Inc. (a)	12,629
81	Cato (The) Corp., Class A	2,982
32	Children's Place (The), Inc.	1,766
55	CST Brands, Inc.	2,153
167	Dick's Sporting Goods, Inc.	5,903

First Trust Total US Market AlphaDEX® ETF (TUSA)
Portfolio of Investments (Continued)
December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)			Textiles, Apparel & Luxury Goods		
Specialty Retail (Continued)			— 1.7%		
146	DSW, Inc., Class A	\$ 3,484	69	Carter's, Inc.	\$ 6,143
155	Express, Inc. (a)	2,678	215	Coach, Inc.	7,037
239	Finish Line (The), Inc., Class A	4,321	177	Columbia Sportswear Co.	8,631
481	Foot Locker, Inc.	31,308	64	Deckers Outdoor Corp. (a)	3,021
151	Francesca's Holdings Corp. (a)	2,629	186	Fossil Group, Inc. (a)	6,800
252	GameStop Corp., Class A	7,066	168	G-III Apparel Group Ltd. (a)	7,436
971	Gap (The), Inc.	23,984	341	Iconix Brand Group, Inc. (a)	2,329
65	Genesco, Inc. (a)	3,694	179	Movado Group, Inc.	4,602
52	GNC Holdings, Inc., Class A	1,613	564	NIKE, Inc., Class B	35,250
11	Group 1 Automotive, Inc.	833	12	Oxford Industries, Inc.	766
130	Guess?, Inc.	2,454	68	PVH Corp.	5,008
79	Hibbett Sports, Inc. (a)	2,389	88	Ralph Lauren Corp.	9,810
240	Home Depot (The), Inc.	31,740	192	Sequential Brands Group, Inc. (a)	1,519
154	L Brands, Inc.	14,756	233	Skechers U.S.A., Inc., Class A (a)	7,039
43	Lithia Motors, Inc., Class A	4,587	25	Steven Madden Ltd. (a)	755
402	Lowe's Cos., Inc.	30,568	358	Under Armour, Inc., Class A (a)	28,858
90	Michaels Cos.,(The), Inc. (a)	1,990	124	Unifi, Inc. (a)	3,491
54	Monro Muffler Brake, Inc.	3,576	192	Wolverine World Wide, Inc.	3,208
51	Murphy USA, Inc. (a)	3,098			141,703
138	O'Reilly Automotive, Inc. (a)	34,972	Thrifts & Mortgage Finance		
86	Penske Automotive Group, Inc.	3,641	— 0.7%		
76	Pep Boys-Manny, Moe & Jack (The) (a)	1,399	144	BoFI Holding, Inc. (a)	3,031
536	Pier 1 Imports, Inc.	2,728	91	Brookline Bancorp, Inc.	1,047
191	Rent-A-Center, Inc.	2,859	54	Dime Community Bancshares, Inc.	944
89	Restoration Hardware Holdings, Inc. (a)	7,071	74	Essent Group Ltd. (a)	1,620
429	Ross Stores, Inc.	23,084	95	EverBank Financial Corp.	1,518
255	Signet Jewelers Ltd.	31,541	45	Flagstar Bancorp, Inc. (a)	1,040
136	Sonic Automotive, Inc., Class A	3,095	50	LendingTree, Inc. (a)	4,464
375	Sportsman's Warehouse Holdings, Inc. (a)	4,838	135	Meridian Bancorp, Inc.	1,904
154	Tile Shop Holdings, Inc. (a)	2,526	1,122	MGIC Investment Corp. (a)	9,907
388	TJX (The) Cos., Inc.	27,513	115	New York Community Bancorp, Inc.	1,877
247	Tractor Supply Co.	21,119	122	Northfield Bancorp, Inc.	1,942
212	Ulta Salon, Cosmetics & Fragrance, Inc. (a)	39,220	118	Oritani Financial Corp.	1,947
283	Urban Outfitters, Inc. (a)	6,438	47	Provident Financial Services, Inc.	947
85	Vitamin Shoppe, Inc. (a)	2,780	653	Radian Group, Inc.	8,744
81	Williams-Sonoma, Inc.	4,731	361	TFS Financial Corp.	6,798
		551,492	213	United Financial Bancorp, Inc.	2,743
Technology Hardware, Storage & Peripherals — 1.7%			177	Walker & Dunlop, Inc. (a)	5,099
233	Cray, Inc. (a)	7,561	57	Walter Investment Management Corp. (a)	811
286	EMC Corp.	7,344	81	Washington Federal, Inc.	1,930
2,382	HP, Inc.	28,203	128	WSFS Financial Corp.	4,142
64	Lexmark International, Inc., Class A	2,077			62,455
140	NetApp, Inc.	3,714	Tobacco — 0.4%		
451	QLogic Corp. (a)	5,502	255	Altria Group, Inc.	14,844
510	SanDisk Corp.	38,755	157	Reynolds American, Inc.	7,246
773	Seagate Technology PLC	28,338	93	Universal Corp.	5,215
67	Super Micro Computer, Inc. (a)	1,642	368	Vector Group Ltd.	8,681
436	Western Digital Corp.	26,182			35,986
		149,318	Trading Companies & Distributors — 0.6%		
			67	Air Lease Corp.	2,243
			224	Aircastle Ltd.	4,679

First Trust Total US Market AlphaDEX® ETF (TUSA)

Portfolio of Investments (Continued)

December 31, 2015

Shares	Description	Value
Common Stocks (Continued)		
Trading Companies & Distributors (Continued)		
73	Applied Industrial Technologies, Inc.	\$ 2,956
84	GATX Corp.	3,574
110	H&E Equipment Services, Inc.	1,923
73	HD Supply Holdings, Inc. (a)	2,192
77	Kaman Corp.	3,142
414	MRC Global, Inc. (a)	5,341
102	MSC Industrial Direct Co., Inc., Class A	5,740
191	Rush Enterprises, Inc., Class A (a)	4,181
70	Watsco, Inc.	8,199
100	WESCO International, Inc. (a)	4,368
		48,538
Transportation Infrastructure — 0.0%		
227	Wesco Aircraft Holdings, Inc. (a)	2,717
Water Utilities — 0.2%		
67	American States Water Co.	2,811
75	American Water Works Co., Inc.	4,481
157	Aqua America, Inc.	4,679
83	California Water Service Group	1,931
90	SJW Corp.	2,668
		16,570
Wireless Telecommunication Services — 0.8%		
108	Shenandoah Telecommunications Co.	4,650
3,606	Sprint Corp. (a)	13,054
333	Telephone & Data Systems, Inc.	8,621
870	T-Mobile US, Inc. (a)	34,034
130	United States Cellular Corp. (a)	5,305
		65,664
	Total Common Stocks — 99.8% (Cost \$8,806,389)	8,501,789
Money Market Funds — 0.3%		
23,279	Morgan Stanley Institutional Liquidity Fund - Treasury Portfolio - Institutional Class - 0.17% (b) (Cost \$23,279)	23,279
	Total Investments — 100.1% (Cost \$8,829,668) (c)	8,525,068
	Net Other Assets and Liabilities — (0.1)%	(7,399)
	Net Assets — 100.0%	\$ 8,517,669

- (a) Non-income producing security.
- (b) Interest rate shown reflects yield as of December 31, 2015.
- (c) Aggregate cost for federal income tax purposes is \$8,888,215. As of December 31, 2015, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$392,830 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$755,977.

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of December 31, 2015 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

- Level 1 - Quoted Prices
- Level 2 - Other Significant Observable Inputs
- Level 3 - Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$8,501,789	\$ —	\$ —
Money Market Funds	23,279	—	—
Total Investments	\$8,525,068	\$ —	\$ —

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at December 31, 2015.

First Trust Value Line® Dividend Index Fund (FVD)
Portfolio of Investments
December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks — 99.9%			Communications Equipment		
Aerospace & Defense — 2.6%			— 2.1%		
43,675	Boeing (The) Co.	\$ 6,314,968	231,043	Cisco Systems, Inc.	\$ 6,273,973
59,978	Honeywell International, Inc.	6,211,922	72,955	Harris Corp.	6,339,789
52,481	L-3 Communications Holdings, Inc.	6,272,004	90,458	Motorola Solutions, Inc.	6,191,850
28,561	Lockheed Martin Corp.	6,202,021	126,207	QUALCOMM, Inc.	6,308,457
65,739	United Technologies Corp.	6,315,546			<u>25,114,069</u>
		<u>31,316,461</u>	Containers & Packaging — 1.1%		
Air Freight & Logistics — 1.0%			139,196	Bemis Co., Inc.	6,220,669
98,462	C.H. Robinson Worldwide, Inc.	6,106,613	153,962	Sonoco Products Co.	6,292,427
63,514	United Parcel Service, Inc., Class B	6,111,952			<u>12,513,096</u>
		<u>12,218,565</u>	Distributors — 0.5%		
Banks — 7.3%			73,278	Genuine Parts Co.	6,293,847
97,432	Bank of Hawaii Corp.	6,128,473	Diversified Telecommunication Services — 1.6%		
109,131	Bank of Montreal	6,157,171	180,516	AT&T, Inc.	6,211,555
152,699	Bank of Nova Scotia (The)	6,175,147	223,449	TELUS Corp.	6,178,365
165,071	BB&T Corp.	6,241,334	134,072	Verizon Communications, Inc.	6,196,808
104,092	BOK Financial Corp.	6,223,661			<u>18,586,728</u>
92,971	Canadian Imperial Bank of Commerce	6,124,000	Electric Utilities — 10.0%		
102,105	Cullen/Frost Bankers, Inc.	6,126,300	122,879	ALLETE, Inc.	6,245,940
51,009	M&T Bank Corp.	6,181,271	108,820	American Electric Power Co., Inc.	6,340,941
69,747	Park National Corp.	6,310,708	117,039	Cleco Corp.	6,110,606
384,134	People's United Financial, Inc.	6,203,764	88,153	Duke Energy Corp.	6,293,243
115,370	Royal Bank of Canada	6,181,525	104,427	Edison International	6,183,123
156,866	Toronto-Dominion (The) Bank	6,144,441	164,408	El Paso Electric Co.	6,329,708
144,489	U.S. Bancorp	6,165,346	221,680	Empire District Electric (The) Co.	6,222,558
113,916	Wells Fargo & Co.	6,192,474	122,903	Eversource Energy	6,276,656
		<u>86,555,615</u>	216,914	Hawaiian Electric Industries, Inc.	6,279,660
Beverages — 2.1%			91,196	IDACORP, Inc.	6,201,328
49,704	Anheuser-Busch InBev N.V., ADR	6,213,000	137,669	MGE Energy, Inc.	6,387,842
143,846	Coca-Cola (The) Co.	6,179,624	60,154	NextEra Energy, Inc.	6,249,399
57,243	Diageo PLC, ADR	6,243,494	237,050	OGE Energy Corp.	6,232,044
62,401	PepsiCo, Inc.	6,235,108	97,742	Pinnacle West Capital Corp.	6,302,404
		<u>24,871,226</u>	174,280	Portland General Electric Co.	6,338,564
Biotechnology — 1.1%			184,356	PPL Corp.	6,292,070
109,499	AbbVie, Inc.	6,486,721	133,114	Southern (The) Co.	6,228,404
38,636	Amgen, Inc.	6,271,782	148,968	Westar Energy, Inc.	6,317,733
		<u>12,758,503</u>	173,789	Xcel Energy, Inc.	6,240,763
Capital Markets — 0.5%					<u>119,072,986</u>
87,425	T. Rowe Price Group, Inc.	6,250,013	Electrical Equipment — 1.6%		
Chemicals — 2.1%			121,354	Eaton Corp. PLC	6,315,262
47,357	Air Products and Chemicals, Inc.	6,161,619	134,130	Emerson Electric Co.	6,415,438
96,425	E.I. du Pont de Nemours and Co.	6,421,905	65,259	Hubbell, Inc.	6,593,769
64,486	Monsanto Co.	6,353,161			<u>19,324,469</u>
60,262	Praxair, Inc.	6,170,829	Energy Equipment & Services		
		<u>25,107,514</u>	— 0.5%		
Commercial Services & Supplies — 1.6%			90,564	Schlumberger Ltd.	6,316,839
140,338	Republic Services, Inc.	6,173,469	Food & Staples Retailing — 1.6%		
197,364	Tyco International PLC	6,293,938	150,606	Sysco Corp.	6,174,846
116,527	Waste Management, Inc.	6,219,046	103,339	Wal-Mart Stores, Inc.	6,334,681
		<u>18,686,453</u>	148,857	Weis Markets, Inc.	6,594,365
					<u>19,103,892</u>

First Trust Value Line® Dividend Index Fund (FVD)
Portfolio of Investments (Continued)
December 31, 2015

Shares	Description	Value	Shares	Description	Value
Common Stocks (Continued)			Insurance (Continued)		
Food Products — 3.7%			33,733	Everest Re Group, Ltd.	\$ 6,176,175
174,280	Archer-Daniels-Midland Co.	\$ 6,392,590	77,494	Hanover Insurance Group (The), Inc.	6,303,362
116,859	Campbell Soup Co.	6,140,940	112,748	Marsh & McLennan Cos., Inc.	6,251,877
150,130	ConAgra Foods, Inc.	6,329,481	133,201	Mercury General Corp.	6,203,171
107,191	General Mills, Inc.	6,180,633	197,746	Progressive (The) Corp.	6,288,323
69,003	Hershey (The) Co.	6,159,898	132,853	Willis Towers Watson PLC	6,452,670
86,612	Kellogg Co.	6,259,449			81,177,845
86,214	Kraft Heinz (The) Co.	6,272,931			
		43,735,922			
Gas Utilities — 5.3%			IT Services — 2.1%		
97,834	AGL Resources, Inc.	6,242,788	73,137	Automatic Data Processing, Inc.	6,196,167
99,128	Atmos Energy Corp.	6,249,029	371,607	Infosys Ltd., ADR	6,224,417
106,193	Laclede Group (The), Inc.	6,308,926	45,416	International Business Machines Corp.	6,250,150
198,127	New Jersey Resources Corp.	6,530,266	116,992	Paychex, Inc.	6,187,707
124,621	Northwest Natural Gas Co.	6,307,069			24,858,441
107,847	Piedmont Natural Gas Co., Inc.	6,149,436			
323,034	Questar Corp.	6,292,702	Leisure Products — 0.5%		
262,648	South Jersey Industries, Inc.	6,177,481	233,275	Mattel, Inc.	6,338,082
189,115	UGI Corp.	6,384,522	Machinery — 3.2%		
98,101	WGL Holdings, Inc.	6,179,382	94,327	Caterpillar, Inc.	6,410,463
		62,821,601	81,283	Deere & Co.	6,199,455
Health Care Equipment & Supplies — 0.5%			218,997	Donaldson Co., Inc.	6,276,454
139,732	Abbott Laboratories	6,275,364	104,001	Dover Corp.	6,376,301
Health Care Providers & Services — 0.5%			67,005	Illinois Tool Works, Inc.	6,210,023
172,039	Owens & Minor, Inc.	6,189,963	65,343	Parker-Hannifin Corp.	6,336,964
Hotels, Restaurants & Leisure — 1.1%					37,809,660
48,487	Cracker Barrel Old Country Store, Inc.	6,149,606	Media — 2.1%		
52,290	McDonald's Corp.	6,177,541	82,724	Omnicom Group, Inc.	6,258,898
		12,327,147	361,991	Shaw Communications, Inc., Class B	6,222,625
Household Durables — 1.1%			164,672	Thomson Reuters Corp.	6,232,835
173,104	Garmin Ltd.	6,434,276	54,335	WPP PLC, ADR	6,234,398
145,343	Leggett & Platt, Inc.	6,107,313			24,948,756
		12,541,589	Multiline Retail — 1.1%		
Household Products — 2.1%			134,627	Kohl's Corp.	6,412,284
48,207	Clorox (The) Co.	6,114,094	85,815	Target Corp.	6,231,027
93,269	Colgate-Palmolive Co.	6,213,581			12,643,311
49,261	Kimberly-Clark Corp.	6,270,925	Multi-Utilities — 7.9%		
77,945	Procter & Gamble (The) Co.	6,189,612	99,368	Alliant Energy Corp.	6,205,532
		24,788,212	143,579	Ameren Corp.	6,206,920
Industrial Conglomerates — 0.5%			176,025	Avista Corp.	6,226,004
41,727	3M Co.	6,285,755	139,988	Black Hills Corp.	6,499,643
Insurance — 6.8%			172,910	CMS Energy Corp.	6,238,593
53,401	ACE Ltd.	6,239,907	97,047	Consolidated Edison, Inc.	6,237,211
152,661	Arthur J. Gallagher & Co.	6,249,941	92,455	Dominion Resources, Inc.	6,253,656
76,961	Assurant, Inc.	6,198,439	78,234	DTE Energy Co.	6,273,584
109,654	Axis Capital Holdings Ltd.	6,164,748	356,536	MDU Resources Group, Inc.	6,531,740
105,500	Cincinnati Financial Corp.	6,242,435	163,102	Public Service Enterprise Group, Inc.	6,310,416
97,556	Endurance Specialty Holdings Ltd.	6,242,608	102,190	SCANA Corp.	6,181,473
64,452	Erie Indemnity Co., Class A	6,164,189	65,349	Sempra Energy	6,143,459
			233,187	TECO Energy, Inc.	6,214,434
			146,905	Vectren Corp.	6,231,710
			122,125	WEC Energy Group, Inc.	6,266,234
					94,020,609

First Trust Value Line® Dividend Index Fund (FVD)
Portfolio of Investments (Continued)
December 31, 2015

Shares	Description	Value
Common Stocks (Continued)		
Oil, Gas & Consumable Fuels		
— 4.3%		
68,957	Chevron Corp.	\$ 6,203,372
136,448	ConocoPhillips	6,370,757
197,364	Enbridge, Inc.	6,550,511
79,650	Exxon Mobil Corp.	6,208,718
93,041	Occidental Petroleum Corp.	6,290,502
140,851	Royal Dutch Shell PLC, Class B, ADR	6,484,780
138,195	TOTAL S.A., ADR	6,211,865
192,007	TransCanada Corp.	6,257,508
		<u>50,578,013</u>
Personal Products — 0.5%		
145,755	Unilever PLC, ADR	6,284,956
Pharmaceuticals — 4.7%		
186,821	AstraZeneca PLC, ADR	6,342,573
90,445	Bristol-Myers Squibb Co.	6,221,711
71,524	Eli Lilly and Co.	6,026,612
154,540	GlaxoSmithKline PLC, ADR	6,235,689
60,582	Johnson & Johnson	6,222,983
118,639	Merck & Co., Inc.	6,266,512
72,672	Novartis AG, ADR	6,252,699
189,581	Pfizer, Inc.	6,119,675
144,761	Sanofi, ADR	6,174,057
		<u>55,862,511</u>
Professional Services — 0.5%		
133,258	Nielsen Holdings PLC	6,209,823
Real Estate Investment Trusts		
— 2.6%		
34,197	AvalonBay Communities, Inc.	6,296,693
41,620	Federal Realty Investment Trust	6,080,682
24,554	Public Storage	6,082,026
120,474	Realty Income Corp.	6,220,073
32,077	Simon Property Group, Inc.	6,237,052
		<u>30,916,526</u>
Road & Rail — 1.1%		
73,192	Norfolk Southern Corp.	6,191,311
81,519	Union Pacific Corp.	6,374,786
		<u>12,566,097</u>
Semiconductors & Semiconductor		
Equipment — 3.1%		
110,225	Analog Devices, Inc.	6,097,647
179,724	Intel Corp.	6,191,492
143,080	Linear Technology Corp.	6,076,608
131,352	Microchip Technology, Inc.	6,113,122
268,139	Taiwan Semiconductor Manufacturing Co., Ltd., ADR	6,100,162
110,245	Texas Instruments, Inc.	6,042,528
		<u>36,621,559</u>
Software — 1.1%		
219,036	CA, Inc.	6,255,668
112,236	Microsoft Corp.	6,226,853
		<u>12,482,521</u>

Shares	Description	Value
Technology Hardware, Storage & Peripherals — 0.5%		
201,499	Canon, Inc., ADR	\$ 6,071,165
Textiles, Apparel & Luxury Goods		
— 0.5%		
98,698	VF Corp.	6,143,951
Thrifts & Mortgage Finance		
— 0.5%		
493,094	Capitol Federal Financial, Inc.	6,193,261
Tobacco — 2.1%		
107,136	Altria Group, Inc.	6,236,386
56,417	British American Tobacco PLC, ADR	6,231,258
71,043	Philip Morris International, Inc.	6,245,390
135,904	Reynolds American, Inc.	6,271,970
		<u>24,985,004</u>
Trading Companies & Distributors — 2.1%		
158,440	Fastenal Co.	6,467,521
110,819	MSC Industrial Direct Co., Inc., Class A	6,235,785
31,336	W.W. Grainger, Inc.	6,348,360
52,710	Watsco, Inc.	6,173,923
		<u>25,225,589</u>
Water Utilities — 0.5%		
210,749	Aqua America, Inc.	6,280,320
Total Investments — 99.9%		1,187,273,829
(Cost \$1,136,771,835) (a)		
Net Other Assets and Liabilities — 0.1%		757,237
Net Assets — 100.0%		<u>\$1,188,031,066</u>

(a) Aggregate cost for federal income tax purposes is \$1,171,753,842. As of December 31, 2015, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$79,890,021 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$64,370,034.

ADR - American Depositary Receipt

First Trust Value Line® Dividend Index Fund (FVD)

Portfolio of Investments (Continued)

December 31, 2015

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of December 31, 2015 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

Level 1 - Quoted Prices

Level 2 - Other Significant Observable Inputs

Level 3 - Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$1,187,273,829	\$ —	\$ —

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at December 31, 2015.

First Trust Value Line® 100 Exchange-Traded Fund (FVL)
Portfolio of Investments
December 31, 2015

Shares	Description	Value
	Common Stocks — 100.1%	
	Aerospace & Defense — 1.0%	
2,836	Northrop Grumman Corp.	\$ 535,465
	Airlines — 1.9%	
14,302	Hawaiian Holdings, Inc. (a)	505,289
22,995	JetBlue Airways Corp. (a)	520,837
		1,026,126
	Auto Components — 1.0%	
4,304	Autoliv, Inc.	537,010
	Banks — 1.1%	
45,427	Investors Bancorp, Inc.	565,112
	Beverages — 4.4%	
2,471	Coca-Cola Bottling Co. Consolidated	450,982
3,542	Constellation Brands, Inc., Class A	504,523
5,734	Dr Pepper Snapple Group, Inc.	534,409
18,167	National Beverage Corp. (a)	825,508
		2,315,422
	Biotechnology — 1.0%	
974	Regeneron Pharmaceuticals, Inc. (a)	528,755
	Building Products — 5.1%	
6,985	A.O. Smith Corp.	535,121
8,277	Allegion PLC	545,620
6,617	American Woodmark Corp. (a)	529,227
9,904	Fortune Brands Home & Security, Inc.	549,672
4,192	Lennox International, Inc.	523,581
		2,683,221
	Chemicals — 2.2%	
9,879	Balchem Corp.	600,643
20,106	Chemtura Corp. (a)	548,291
		1,148,934
	Commercial Services & Supplies — 2.1%	
5,909	Cintas Corp.	538,014
16,872	Healthcare Services Group, Inc.	588,327
		1,126,341
	Communications Equipment — 1.0%	
2,944	Palo Alto Networks, Inc. (a)	518,556
	Construction & Engineering — 1.8%	
5,849	Dycom Industries, Inc. (a)	409,196
11,417	EMCOR Group, Inc.	548,473
		957,669
	Distributors — 1.2%	
7,879	Pool Corp.	636,466
	Diversified Financial Services — 2.2%	
2,450	Intercontinental Exchange, Inc.	627,837
8,824	Nasdaq, Inc.	513,292
		1,141,129

Shares	Description	Value
	Electrical Equipment — 1.2%	
2,666	Acuity Brands, Inc.	\$ 623,311
	Food & Staples Retailing — 1.0%	
4,346	Casey's General Stores, Inc.	523,476
	Food Products — 3.3%	
10,894	Cal-Maine Foods, Inc.	504,828
8,783	Hormel Foods Corp.	694,560
4,801	Lancaster Colony Corp.	554,323
		1,753,711
	Health Care Equipment & Supplies — 5.5%	
9,776	Cantel Medical Corp.	607,481
7,599	Edwards Lifesciences Corp. (a)	600,169
4,902	ICU Medical, Inc. (a)	552,847
12,878	Natus Medical, Inc. (a)	618,788
6,773	STERIS PLC	510,278
		2,889,563
	Health Care Providers & Services — 3.0%	
17,656	AMN Healthcare Services, Inc. (a)	548,219
3,582	Chemed Corp.	536,583
3,235	Henry Schein, Inc. (a)	511,745
		1,596,547
	Health Care Technology — 1.0%	
3,416	athenahealth, Inc. (a)	549,874
	Hotels, Restaurants & Leisure — 3.1%	
8,630	Norwegian Cruise Line Holdings Ltd. (a)	505,718
5,300	Royal Caribbean Cruises Ltd.	536,413
10,184	Starbucks Corp.	611,346
		1,653,477
	Household Durables — 3.0%	
5,415	Helen of Troy Ltd. (a)	510,364
329	NVR, Inc. (a)	540,547
7,569	Tempur Sealy International, Inc. (a)	533,312
		1,584,223
	Household Products — 1.0%	
4,200	Clorox (The) Co.	532,686
	Industrial Conglomerates — 1.0%	
5,971	Danaher Corp.	554,586
	Insurance — 4.1%	
9,190	Cincinnati Financial Corp.	543,772
6,751	Hanover Insurance Group (The), Inc.	549,127
611	Markel Corp. (a)	539,727
9,613	Torchmark Corp.	549,479
		2,182,105
	Internet & Catalog Retail — 3.0%	
846	Amazon.com, Inc. (a)	571,803
11,007	Ctrip.com International Ltd., ADR (a)	509,954
398	Priceline Group (The), Inc. (a)	507,430
		1,589,187

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

Portfolio of Investments (Continued)

December 31, 2015

Shares	Description	Value
Common Stocks (Continued)		
Internet Software & Services		
— 5.0%		
666	Alphabet, Inc., Class C (a)	\$ 505,414
4,704	Facebook, Inc., Class A (a)	492,321
6,800	j2 Global, Inc.	559,776
2,359	LinkedIn Corp., Class A (a)	530,964
6,404	VeriSign, Inc. (a)	559,453
		<u>2,647,928</u>
IT Services — 9.0%		
5,205	Accenture PLC, Class A	543,922
6,371	Automatic Data Processing, Inc.	539,751
9,552	Cognizant Technology Solutions Corp., Class A (a)	573,311
15,474	CSG Systems International, Inc.	556,755
6,573	Fiserv, Inc. (a)	601,167
6,924	Global Payments, Inc.	446,667
6,381	Jack Henry & Associates, Inc.	498,101
10,443	Total System Services, Inc.	520,061
6,592	Visa, Inc., Class A	511,210
		<u>4,790,945</u>
Life Sciences Tools & Services		
— 0.9%		
9,945	Cambrex Corp. (a)	468,310
Machinery — 2.1%		
3,515	Snap-on, Inc.	602,576
7,168	Toro (The) Co.	523,766
		<u>1,126,342</u>
Marine — 1.0%		
12,527	Matson, Inc.	534,026
Media — 0.9%		
21,548	Interpublic Group of Cos. (The), Inc.	501,637
Professional Services — 3.0%		
5,258	Equifax, Inc.	585,583
10,667	On Assignment, Inc. (a)	479,482
7,056	Verisk Analytics, Inc. (a)	542,465
		<u>1,607,530</u>
Real Estate Investment Trusts		
— 3.1%		
2,244	Essex Property Trust, Inc.	537,236
3,625	Federal Realty Investment Trust	529,612
2,235	Public Storage	553,610
		<u>1,620,458</u>
Semiconductors & Semiconductor Equipment — 2.0%		
19,912	Integrated Device Technology, Inc. (a)	524,681
16,295	NVIDIA Corp.	537,083
		<u>1,061,764</u>
Software — 6.9%		
5,850	Adobe Systems, Inc. (a)	549,549
7,801	Electronic Arts, Inc. (a)	536,085
5,461	Fair Isaac Corp.	514,317

Shares	Description	Value
Software (Continued)		
7,031	Manhattan Associates, Inc. (a)	\$ 465,241
6,080	Red Hat, Inc. (a)	503,485
6,935	salesforce.com, Inc. (a)	543,704
6,160	ServiceNow, Inc. (a)	533,209
		<u>3,645,590</u>
Specialty Retail — 6.3%		
830	AutoZone, Inc. (a)	615,785
4,425	Home Depot (The), Inc.	585,206
7,585	Monro Muffler Brake, Inc.	502,279
2,113	O'Reilly Automotive, Inc. (a)	535,477
3,577	Signet Jewelers Ltd.	442,439
3,488	Ulta Salon, Cosmetics & Fragrance, Inc. (a)	645,280
		<u>3,326,466</u>
Technology Hardware, Storage & Peripherals — 1.0%		
11,204	Electronics For Imaging, Inc. (a)	523,675
Textiles, Apparel & Luxury Goods — 1.7%		
7,457	NIKE, Inc., Class B	466,063
5,479	Under Armour, Inc., Class A (a)	441,662
		<u>907,725</u>
Tobacco — 1.0%		
12,058	Reynolds American, Inc.	556,477
		<u>556,477</u>
Total Investments — 100.1%		53,071,825
(Cost \$52,052,570) (b)		
Net Other Assets and Liabilities — (0.1)%		(58,865)
Net Assets — 100.0%		<u>\$ 53,012,960</u>

(a) Non-income producing security.

(b) Aggregate cost for federal income tax purposes is \$52,109,220. As of December 31, 2015, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$1,859,025 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$896,420.

ADR - American Depositary Receipt

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

Portfolio of Investments (Continued)

December 31, 2015

Valuation Inputs

A summary of the inputs used to value the Fund's investments as of December 31, 2015 is as follows (see Note 2A - Portfolio Valuation in the Notes to Financial Statements):

Level 1 - Quoted Prices

Level 2 - Other Significant Observable Inputs

Level 3 - Significant Unobservable Inputs

Investments	Level 1	Level 2	Level 3
Common Stocks*	\$53,071,825	\$ —	\$ —

* See Portfolio of Investments for industry breakout.

All transfers in and out of the Levels during the period are assumed to be transferred on the last day of the period at their current value. There were no transfers between Levels at December 31, 2015.

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First Trust Exchange-Traded Fund

Statements of Assets and Liabilities

December 31, 2015

	First Trust Dow Jones Select MicroCap Index Fund (FDM)	First Trust Morningstar Dividend Leaders Index Fund (FDL)	First Trust US IPO Index Fund (FPX)
ASSETS:			
Investments, at value	\$ 49,469,090	\$ 872,640,727	\$ 832,786,183
Cash	—	—	194,779
Receivables:			
Capital shares sold	—	4,737,543	—
Investment securities sold	70,510	1,392,662	—
Dividends	154,733	2,180,886	442,379
Interest	—	—	—
Securities lending income	—	—	39,961
From investment advisor	—	—	—
Reclaims	—	—	4,262
Due from authorized participants	—	—	189
Prepaid expenses	19,375	7,763	7,475
Total Assets	<u>49,713,708</u>	<u>880,959,581</u>	<u>833,475,228</u>
LIABILITIES:			
Due to custodian	3,894	238,961	—
Payables:			
Capital shares redeemed	—	—	—
Investment securities purchased	93,703	4,731,894	—
Audit and tax fees	24,925	24,925	24,925
Investment advisory fees	15,769	195,931	254,690
Printing fees	4,095	39,892	35,878
Due to authorized participants	718	—	—
Trustees' fees	3	61	173
Collateral for securities on loan	—	—	43,008,943
Licensing fees	—	189,015	188,493
Other liabilities	19,219	245,307	269,277
Total Liabilities	<u>162,326</u>	<u>5,665,986</u>	<u>43,782,379</u>
NET ASSETS	<u>\$ 49,551,382</u>	<u>\$ 875,293,595</u>	<u>\$ 789,692,849</u>
NET ASSETS consist of:			
Paid-in capital	\$ 71,432,740	\$ 896,321,372	\$ 770,752,136
Par value	15,050	369,500	154,500
Accumulated net investment income (loss)	—	(62,027)	—
Accumulated net realized gain (loss) on investments and foreign currency transactions	(22,815,574)	(60,463,660)	(45,599,856)
Net unrealized appreciation (depreciation) on investments and foreign currency translations	919,166	39,128,410	64,386,069
NET ASSETS	<u>\$ 49,551,382</u>	<u>\$ 875,293,595</u>	<u>\$ 789,692,849</u>
NET ASSET VALUE, per share	<u>\$ 32.92</u>	<u>\$ 23.69</u>	<u>\$ 51.11</u>
Number of shares outstanding (unlimited number of shares authorized, par value \$0.01 per share)	1,505,000	36,950,002	15,450,002
Investments, at cost	\$ 48,549,924	\$ 833,512,317	\$ 768,400,114
Securities on loan, at value	\$ —	\$ —	\$ 41,811,660

First Trust NYSE Arca Biotechnology Index Fund (FBT)	First Trust Dow Jones Internet Index Fund (FDN)	First Trust Capital Strength ETF (FTCS)	First Trust Total US Market AlphaDEX® ETF (TUSA)	First Trust Value Line® Dividend Index Fund (FVD)	First Trust Value Line® 100 Exchange-Traded Fund (FVL)
\$ 3,749,756,487	\$ 5,110,183,203	\$ 165,833,508	\$ 8,525,068	\$ 1,187,273,829	\$ 53,071,825
2,287,072	—	—	7,645	—	13,828
—	71,569,222	1,935,706	—	3,579,063	—
5,733,390	1,478,767	—	8,413	—	—
—	188,105	247,468	10,874	2,472,848	45,854
—	140	—	3	—	—
266,963	117,776	—	—	—	—
—	—	—	1,845	—	—
125,332	—	—	—	107,624	—
319	3,703	—	—	—	382
29,522	33,238	1,243	7,571	10,959	523
<u>3,758,199,085</u>	<u>5,183,574,154</u>	<u>168,017,925</u>	<u>8,561,419</u>	<u>1,193,444,323</u>	<u>53,132,412</u>
—	—	116,198	—	519,634	—
5,733,639	—	—	—	—	—
—	71,537,922	1,936,107	—	3,579,029	7,788
24,925	24,925	24,925	24,925	24,925	24,925
1,138,864	1,645,236	68,662	—	442,405	16,021
118,428	100,220	6,183	1,438	46,426	4,007
—	—	—	7,558	—	—
900	—	—	—	75	14
312,619,025	193,154,254	—	—	—	—
645,997	1,181,038	3,775	225	447,956	21,758
892,892	1,109,164	47,412	9,604	352,807	44,939
<u>321,174,670</u>	<u>268,752,759</u>	<u>2,203,262</u>	<u>43,750</u>	<u>5,413,257</u>	<u>119,452</u>
<u>\$ 3,437,024,415</u>	<u>\$ 4,914,821,395</u>	<u>\$ 165,814,663</u>	<u>\$ 8,517,669</u>	<u>\$ 1,188,031,066</u>	<u>\$ 53,012,960</u>
\$ 3,340,317,009	\$ 4,558,397,340	\$ 187,215,905	\$ 12,513,419	\$ 1,208,828,137	\$ 135,991,179
304,000	658,500	43,500	3,500	497,880	26,900
—	—	—	(392)	—	—
(170,828,705)	(113,159,141)	(24,883,068)	(3,694,258)	(71,796,945)	(84,024,374)
267,232,111	468,924,696	3,438,326	(304,600)	50,501,994	1,019,255
<u>\$ 3,437,024,415</u>	<u>\$ 4,914,821,395</u>	<u>\$ 165,814,663</u>	<u>\$ 8,517,669</u>	<u>\$ 1,188,031,066</u>	<u>\$ 53,012,960</u>
<u>\$ 113.06</u>	<u>\$ 74.64</u>	<u>\$ 38.12</u>	<u>\$ 24.34</u>	<u>\$ 23.86</u>	<u>\$ 19.71</u>
30,400,002	65,850,002	4,350,002	350,002	49,787,986	2,689,982
<u>\$ 3,482,524,376</u>	<u>\$ 4,641,258,507</u>	<u>\$ 162,395,182</u>	<u>\$ 8,829,668</u>	<u>\$ 1,136,771,835</u>	<u>\$ 52,052,570</u>
<u>\$ 302,586,474</u>	<u>\$ 186,639,392</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

First Trust Exchange-Traded Fund

Statements of Operations

For the Year Ended December 31, 2015

	First Trust Dow Jones Select MicroCap Index Fund (FDM)	First Trust Morningstar Dividend Leaders Index Fund (FDL)	First Trust US IPO Index Fund (FPX)
INVESTMENT INCOME:			
Dividends	\$ 1,074,305	\$ 35,935,066	\$ 8,432,519
Foreign tax withholding	(499)	—	(38,117)
Securities lending income (net of fees)	—	—	345,596
Interest	—	—	—
Total investment income	<u>1,073,806</u>	<u>35,935,066</u>	<u>8,739,998</u>
EXPENSES:			
Investment advisory fees	262,243	2,670,733	2,883,306
Accounting and administration fees	32,875	448,567	364,178
Licensing fees	31,222	806,641	720,826
Audit and tax fees	25,179	25,179	25,179
Listing fees	7,381	9,881	8,413
Custodian fees	6,868	115,773	108,270
Printing fees	6,086	78,977	71,359
Trustees' fees and expenses	4,602	13,921	12,776
Transfer agent fees	2,622	44,447	36,041
Legal fees	2,589	43,151	36,801
Registration and filing fees	285	(7,734)	19,472
Expenses previously waived or reimbursed	—	—	22,244
Other expenses	1,931	17,529	16,094
Total expenses	<u>383,883</u>	<u>4,267,065</u>	<u>4,324,959</u>
Less fees waived and expenses reimbursed by the investment advisor	(69,191)	(260,965)	—
Net expenses	<u>314,692</u>	<u>4,006,100</u>	<u>4,324,959</u>
NET INVESTMENT INCOME (LOSS)	<u>759,114</u>	<u>31,928,966</u>	<u>4,415,039</u>
REALIZED AND UNREALIZED GAIN (LOSS):			
Net realized gain (loss) on:			
Investments	(4,848,400)	(17,949,760)	(31,381,854)
In-kind redemptions	8,542,741	29,698,877	27,797,754
Foreign currency transactions	—	—	(53)
Net realized gain (loss)	<u>3,694,341</u>	<u>11,749,117</u>	<u>(3,584,153)</u>
Net increase from payment by the advisor	—	—	—
Net change in unrealized appreciation (depreciation) on:			
Investments	(4,419,000)	(26,130,013)	(7,795,870)
Foreign currency transactions	—	—	54
Net change in unrealized appreciation (depreciation)	<u>(4,419,000)</u>	<u>(26,130,013)</u>	<u>(7,795,816)</u>
NET REALIZED AND UNREALIZED GAIN (LOSS)	<u>(724,659)</u>	<u>(14,380,896)</u>	<u>(11,379,969)</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 34,455</u>	<u>\$ 17,548,070</u>	<u>\$ (6,964,930)</u>

First Trust NYSE Arca Biotechnology Index Fund (FBT)	First Trust Dow Jones Internet Index Fund (FDN)	First Trust Capital Strength ETF (FTCS)	First Trust Total US Market AlphaDEX® ETF (TUSA)	First Trust Value Line® Dividend Index Fund (FVD)	First Trust Value Line® 100 Exchange-Traded Fund (FVL)
\$ 14,476,639	\$ 6,209,288	\$ 2,624,324	\$ 107,796	\$ 36,781,495	\$ 604,768
(350,470)	—	—	(292)	(603,492)	(4,654)
6,390,081	1,797,411	—	—	—	—
—	2,216	—	7	—	—
<u>20,516,250</u>	<u>8,008,915</u>	<u>2,624,324</u>	<u>107,511</u>	<u>36,178,003</u>	<u>600,114</u>
12,922,500	12,774,391	585,023	32,325	5,841,451	294,094
1,319,595	1,304,134	60,940	7,914	573,379	33,028
2,584,501	1,985,248	19,200	15,805	1,774,847	93,307
25,179	25,179	25,179	28,679	25,179	25,179
7,381	9,881	2,074	22,000	25,913	22,000
360,082	387,206	14,626	808	149,160	7,711
248,437	193,587	11,672	11,840	93,376	7,021
42,716	39,557	5,315	4,073	17,282	4,692
105,765	104,839	5,850	323	54,172	2,941
164,809	151,379	5,270	572	57,172	2,909
96,903	168,372	5,017	393	5,896	(992)
—	—	17,437	—	—	—
49,449	59,523	2,928	2,397	24,259	3,314
<u>17,927,317</u>	<u>17,203,296</u>	<u>760,531</u>	<u>127,129</u>	<u>8,642,086</u>	<u>495,204</u>
—	—	—	(81,875)	(464,054)	(83,472)
<u>17,927,317</u>	<u>17,203,296</u>	<u>760,531</u>	<u>45,254</u>	<u>8,178,032</u>	<u>411,732</u>
<u>2,588,933</u>	<u>(9,194,381)</u>	<u>1,863,793</u>	<u>62,257</u>	<u>27,999,971</u>	<u>188,382</u>
(145,312,031)	(68,291,374)	(563,097)	(29,326)	(26,099,735)	(1,988,232)
471,929,842	257,342,033	8,255,750	98,494	96,282,113	1,523,992
—	—	—	—	488	—
<u>326,617,811</u>	<u>189,050,659</u>	<u>7,692,653</u>	<u>69,168</u>	<u>70,182,866</u>	<u>(464,240)</u>
—	—	—	—	—	95,996
(147,075,543)	375,900,470	(7,484,967)	(496,144)	(85,527,963)	(1,386,028)
—	—	—	—	—	—
<u>(147,075,543)</u>	<u>375,900,470</u>	<u>(7,484,967)</u>	<u>(496,144)</u>	<u>(85,527,963)</u>	<u>(1,386,028)</u>
<u>179,542,268</u>	<u>564,951,129</u>	<u>207,686</u>	<u>(426,976)</u>	<u>(15,345,097)</u>	<u>(1,754,272)</u>
<u>\$ 182,131,201</u>	<u>\$ 555,756,748</u>	<u>\$ 2,071,479</u>	<u>\$ (364,719)</u>	<u>\$ 12,654,874</u>	<u>\$ (1,565,890)</u>

First Trust Exchange-Traded Fund
Statements of Changes in Net Assets

	First Trust Dow Jones Select MicroCap Index Fund (FDM)		First Trust Morningstar Dividend Leaders Index Fund (FDL)	
	For the Year Ended 12/31/2015	For the Year Ended 12/31/2014	For the Year Ended 12/31/2015	For the Year Ended 12/31/2014
OPERATIONS:				
Net investment income (loss)	\$ 759,114	\$ 488,136	\$ 31,928,966	\$ 27,280,010
Net realized gain (loss)	3,694,341	9,774,685	11,749,117	55,102,030
Net increase from payment by the advisor	—	—	—	—
Net change in unrealized appreciation (depreciation)	(4,419,000)	(10,331,091)	(26,130,013)	6,605,707
Net increase (decrease) in net assets resulting from operations	<u>34,455</u>	<u>(68,270)</u>	<u>17,548,070</u>	<u>88,987,747</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	<u>(743,446)</u>	<u>(512,148)</u>	<u>(32,145,837)</u>	<u>(27,604,717)</u>
SHAREHOLDER TRANSACTIONS:				
Proceeds from shares sold	31,352,476	—	141,457,821	494,651,004
Cost of shares redeemed	(32,739,987)	(38,851,754)	(236,717,928)	(258,319,285)
Net increase (decrease) in net assets resulting from shareholder transactions	<u>(1,387,511)</u>	<u>(38,851,754)</u>	<u>(95,260,107)</u>	<u>236,331,719</u>
Total increase (decrease) in net assets	<u>(2,096,502)</u>	<u>(39,432,172)</u>	<u>(109,857,874)</u>	<u>297,714,749</u>
NET ASSETS:				
Beginning of period	51,647,884	91,080,056	985,151,469	687,436,720
End of period	<u>\$ 49,551,382</u>	<u>\$ 51,647,884</u>	<u>\$ 875,293,595</u>	<u>\$ 985,151,469</u>
Accumulated net investment income (loss) at end of period	<u>\$ —</u>	<u>\$ 2,224</u>	<u>\$ (62,027)</u>	<u>\$ —</u>
CHANGES IN SHARES OUTSTANDING:				
Shares outstanding, beginning of period	1,555,000	2,805,000	41,150,002	31,350,002
Shares sold	950,000	—	6,000,000	20,700,000
Shares redeemed	(1,000,000)	(1,250,000)	(10,200,000)	(10,900,000)
Shares outstanding, end of period	<u>1,505,000</u>	<u>1,555,000</u>	<u>36,950,002</u>	<u>41,150,002</u>

First Trust US IPO Index Fund (FPX)		First Trust NYSE Arca Biotechnology Index Fund (FBT)		First Trust Dow Jones Internet Index Fund (FDN)	
For the Year Ended 12/31/2015	For the Year Ended 12/31/2014	For the Year Ended 12/31/2015	For the Year Ended 12/31/2014	For the Year Ended 12/31/2015	For the Year Ended 12/31/2014
\$ 4,415,039	\$ 4,297,904	\$ 2,588,933	\$ 898,341	\$ (9,194,381)	\$ (2,429,166)
(3,584,153)	22,007,386	326,617,811	307,600,748	189,050,659	341,700,768
—	—	—	—	—	—
(7,795,816)	22,326,941	(147,075,543)	218,034,539	375,900,470	(345,960,771)
(6,964,930)	48,632,231	182,131,201	526,533,628	555,756,748	(6,689,169)
(4,530,346)	(4,268,031)	(3,747,095)	(1,076,820)	—	—
372,941,483	267,156,832	2,367,869,339	1,228,321,602	3,428,956,816	1,280,119,495
(107,696,610)	(126,953,339)	(1,235,810,318)	(581,107,220)	(1,046,685,047)	(1,226,489,727)
265,244,873	140,203,493	1,132,059,021	647,214,382	2,382,271,769	53,629,768
253,749,597	184,567,693	1,310,443,127	1,172,671,190	2,938,028,517	46,940,599
535,943,252	351,375,559	2,126,581,288	953,910,098	1,976,792,878	1,929,852,279
\$ 789,692,849	\$ 535,943,252	\$ 3,437,024,415	\$ 2,126,581,288	\$ 4,914,821,395	\$ 1,976,792,878
\$ —	\$ 32,444	\$ —	\$ —	\$ —	\$ —
10,650,002	7,750,002	20,850,002	13,800,002	32,250,002	32,250,002
6,900,000	5,650,000	20,350,000	14,150,000	49,100,000	21,250,000
(2,100,000)	(2,750,000)	(10,800,000)	(7,100,000)	(15,500,000)	(21,250,000)
15,450,002	10,650,002	30,400,002	20,850,002	65,850,002	32,250,002

First Trust Exchange-Traded Fund

Statements of Changes in Net Assets (Continued)

	First Trust Capital Strength ETF (FTCS)		First Trust Total US Market AlphaDEX® ETF (TUSA)	
	For the Year Ended 12/31/2015	For the Year Ended 12/31/2014	For the Year Ended 12/31/2015	For the Year Ended 12/31/2014
OPERATIONS:				
Net investment income (loss)	\$ 1,863,793	\$ 1,577,772	\$ 62,257	\$ 54,733
Net realized gain (loss)	7,692,653	5,391,406	69,168	672,438
Net increase from payment by the advisor	—	—	—	—
Net change in unrealized appreciation (depreciation)	(7,484,967)	4,781,081	(496,144)	(596,858)
Net increase (decrease) in net assets resulting from operations	<u>2,071,479</u>	<u>11,750,259</u>	<u>(364,719)</u>	<u>130,313</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	<u>(1,868,316)</u>	<u>(1,680,216)</u>	<u>(65,921)</u>	<u>(55,881)</u>
SHAREHOLDER TRANSACTIONS:				
Proceeds from shares sold	146,883,652	53,160,607	4,949,444	1,262,594
Cost of shares redeemed	(66,958,092)	(43,250,832)	(1,226,230)	(1,271,557)
Net increase (decrease) in net assets resulting from shareholder transactions	<u>79,925,560</u>	<u>9,909,775</u>	<u>3,723,214</u>	<u>(8,963)</u>
Total increase (decrease) in net assets	80,128,723	19,979,818	3,292,574	65,469
NET ASSETS:				
Beginning of period	85,685,940	65,706,122	5,225,095	5,159,626
End of period	<u>\$ 165,814,663</u>	<u>\$ 85,685,940</u>	<u>\$ 8,517,669</u>	<u>\$ 5,225,095</u>
Accumulated net investment income (loss) at end of period	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (392)</u>	<u>\$ —</u>
CHANGES IN SHARES OUTSTANDING:				
Shares outstanding, beginning of period	2,250,002	1,950,002	200,002	200,002
Shares sold	3,850,000	1,550,000	200,000	50,000
Shares redeemed	(1,750,000)	(1,250,000)	(50,000)	(50,000)
Shares outstanding, end of period	<u>4,350,002</u>	<u>2,250,002</u>	<u>350,002</u>	<u>200,002</u>

First Trust Value Line® Dividend Index Fund (FVD)		First Trust Value Line® 100 Exchange-Traded Fund (FVL)	
For the Year Ended 12/31/2015	For the Year Ended 12/31/2014	For the Year Ended 12/31/2015	For the Year Ended 12/31/2014
\$ 27,999,971	\$ 23,422,506	\$ 188,382	\$ 337,501
70,182,866	92,584,613	(464,240)	6,759,546
—	—	95,996	—
(85,527,963)	20,655,635	(1,386,028)	(1,112,537)
<u>12,654,874</u>	<u>136,662,754</u>	<u>(1,565,890)</u>	<u>5,984,510</u>
<u>(28,470,161)</u>	<u>(24,031,395)</u>	<u>(184,307)</u>	<u>(352,430)</u>
703,563,120	722,167,468	5,252,525	8,785,008
(589,015,540)	(541,861,484)	(10,497,440)	(10,466,963)
<u>114,547,580</u>	<u>180,305,984</u>	<u>(5,244,915)</u>	<u>(1,681,955)</u>
<u>98,732,293</u>	<u>292,937,343</u>	<u>(6,995,112)</u>	<u>3,950,125</u>
<u>1,089,298,773</u>	<u>796,361,430</u>	<u>60,008,072</u>	<u>56,057,947</u>
<u>\$ 1,188,031,066</u>	<u>\$ 1,089,298,773</u>	<u>\$ 53,012,960</u>	<u>\$ 60,008,072</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
45,137,986	37,287,986	2,939,982	3,039,982
29,150,000	31,750,000	250,000	450,000
(24,500,000)	(23,900,000)	(500,000)	(550,000)
<u>49,787,986</u>	<u>45,137,986</u>	<u>2,689,982</u>	<u>2,939,982</u>

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,

	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 33.21	\$ 32.47	\$ 22.87	\$ 20.09	\$ 22.17
Income from investment operations:					
Net investment income (loss)	0.49	0.23	0.25	0.35	0.10
Net realized and unrealized gain (loss)	(0.30)	0.76	9.62	2.83	(2.02)
Total from investment operations	0.19	0.99	9.87	3.18	(1.92)
Distributions paid to shareholders from:					
Net investment income	(0.48)	(0.25)	(0.27)	(0.40)	(0.16)
Net asset value, end of period	\$ 32.92	\$ 33.21	\$ 32.47	\$ 22.87	\$ 20.09
TOTAL RETURN (a)	0.55%	3.08%	43.32%	15.86%	(8.69)%
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of period (in 000's)	\$ 49,551	\$ 51,648	\$ 91,080	\$ 41,281	\$ 52,328
Ratios to average net assets:					
Ratio of total expenses to average net assets	0.73%	0.70%	0.72%	0.76%	0.71%
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	1.46%	0.71%	0.93%	1.38%	0.40%
Portfolio turnover rate (b)	63%	49%	70%	71%	59%

First Trust Morningstar Dividend Leaders Index Fund (FDL)

Year Ended December 31,

	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 23.94	\$ 21.93	\$ 18.46	\$ 17.57	\$ 15.92
Income from investment operations:					
Net investment income (loss)	0.86	0.80	0.69	0.71	0.61
Net realized and unrealized gain (loss)	(0.25)	2.01	3.47	0.89	1.65
Total from investment operations	0.61	2.81	4.16	1.60	2.26
Distributions paid to shareholders from:					
Net investment income	(0.86)	(0.80)	(0.69)	(0.71)	(0.61)
Net asset value, end of period	\$ 23.69	\$ 23.94	\$ 21.93	\$ 18.46	\$ 17.57
TOTAL RETURN (a)	2.73%	12.96%	22.71%	9.14%	14.44%
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of period (in 000's)	\$ 875,294	\$ 985,151	\$ 687,437	\$ 545,517	\$ 447,030
Ratios to average net assets:					
Ratio of total expenses to average net assets	0.48%	0.49%	0.49%	0.51%	0.56%
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	3.59%	3.55%	3.61%	3.88%	3.98%
Portfolio turnover rate (b)	61%	40%	35%	31%	27%

- (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 (Continued)

For a share outstanding throughout each period

First Trust US IPO Index Fund (FPX)

Year Ended December 31,

	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 50.32	\$ 45.34	\$ 30.82	\$ 23.99	\$ 23.51
Income from investment operations:					
Net investment income (loss)	0.31	0.41	0.22	0.31	0.18
Net realized and unrealized gain (loss)	0.80	4.97	14.53	6.87	0.55
Total from investment operations	1.11	5.38	14.75	7.18	0.73
Distributions paid to shareholders from:					
Net investment income	(0.32)	(0.40)	(0.23)	(0.35)	(0.25)
Net asset value, end of period	\$ 51.11	\$ 50.32	\$ 45.34	\$ 30.82	\$ 23.99
TOTAL RETURN (a)	2.19%	11.91%	47.98%	30.01%	3.11%
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of period (in 000's)	\$ 789,693	\$ 535,943	\$ 351,376	\$ 24,659	\$ 15,594
Ratios to average net assets:					
Ratio of total expenses to average net assets	0.60%	0.60%	0.66%	1.01%	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	0.61%	0.89%	0.69%	1.27%	0.70%
Portfolio turnover rate (b)	41%	46%	30%	48%	44%

First Trust NYSE Arca Biotechnology Index Fund (FBT)

Year Ended December 31,

	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 101.99	\$ 69.12	\$ 46.05	\$ 32.68	\$ 39.07
Income from investment operations:					
Net investment income (loss)	0.09	0.04	(0.10)	(0.22)	(0.30)
Net realized and unrealized gain (loss)	11.11	32.88	23.17	13.59	(6.09)
Total from investment operations	11.20	32.92	23.07	13.37	(6.39)
Distributions paid to shareholders from:					
Net investment income	(0.13)	(0.05)	—	—	—
Net asset value, end of period	\$ 113.06	\$ 101.99	\$ 69.12	\$ 46.05	\$ 32.68
TOTAL RETURN (a)	10.97%	47.63%	50.10%	40.91%	(16.36)%
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of period (in 000's)	\$3,437,024	\$2,126,581	\$ 953,910	\$ 239,445	\$ 183,030
Ratios to average net assets:					
Ratio of total expenses to average net assets	0.55%	0.58%	0.60%	0.61%	0.61%
Ratio of net expenses to average net assets	0.55%	0.58%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	0.08%	0.06%	(0.26)%	(0.48)%	(0.54)%
Portfolio turnover rate (b)	30%	58%	48%	39%	44%

- (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 (Continued)

For a share outstanding throughout each period

First Trust Dow Jones Internet Index Fund (FDN)

Year Ended December 31,

	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 61.30	\$ 59.84	\$ 39.01	\$ 32.28	\$ 34.27
Income from investment operations:					
Net investment income (loss)	(0.14)	(0.08)	(0.11)	(0.08)	(0.10)
Net realized and unrealized gain (loss)	13.48	1.54	20.94	6.81	(1.87)
Total from investment operations	13.34	1.46	20.83	6.73	(1.97)
Distributions paid to shareholders from:					
Net investment income	—	—	—	—	(0.02)
Net asset value, end of period	\$ 74.64	\$ 61.30	\$ 59.84	\$ 39.01	\$ 32.28
TOTAL RETURN (a)	21.77%	2.42%	53.40%	20.85%	(5.74)%
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of period (in 000's)	\$4,914,821	\$1,976,793	\$1,929,852	\$ 557,882	\$ 519,683
Ratios to average net assets:					
Ratio of total expenses to average net assets	0.54%	0.54%	0.57%	0.60%	0.60%
Ratio of net expenses to average net assets	0.54%	0.54%	0.57%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	(0.29)%	(0.13)%	(0.28)%	(0.23)%	(0.25)%
Portfolio turnover rate (b)	28%	27%	17%	33%	18%

First Trust Capital Strength ETF (FTCS)

Year Ended December 31,

	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 38.08	\$ 33.70	\$ 25.16	\$ 21.82	\$ 22.90
Income from investment operations:					
Net investment income (loss)	0.57	0.72	0.45	0.45	0.35
Net realized and unrealized gain (loss)	0.04	4.43	8.54	3.34	(1.01)
Total from investment operations	0.61	5.15	8.99	3.79	(0.66)
Distributions paid to shareholders from:					
Net investment income	(0.57)	(0.77)	(0.45)	(0.45)	(0.42)
Net asset value, end of period	\$ 38.12	\$ 38.08	\$ 33.70	\$ 25.16	\$ 21.82
TOTAL RETURN (a)	1.64%	15.46%	35.90%	17.45%	(2.94)%
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of period (in 000's)	\$ 165,815	\$ 85,686	\$ 65,706	\$ 32,707	\$ 31,643
Ratios to average net assets:					
Ratio of total expenses to average net assets	0.65%	0.66%	0.76%	0.83%	0.82%
Ratio of net expenses to average net assets	0.65%	0.65%	0.65%	0.65%	0.65%
Ratio of net investment income (loss) to average net assets	1.59%	2.07%	1.59%	1.84%	1.51%
Portfolio turnover rate (b)	96%	89%	156%	84%	114%

- (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 (Continued)

For a share outstanding throughout each period

First Trust Total US Market AlphaDEX® ETF (TUSA)

Year Ended December 31,

	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 26.13	\$ 25.80	\$ 19.34	\$ 18.16	\$ 20.30
Income from investment operations:					
Net investment income (loss)	0.22	0.27	0.21	0.34	0.21
Net realized and unrealized gain (loss)	(1.78)	0.34	6.47	1.24	(2.14)
Total from investment operations	(1.56)	0.61	6.68	1.58	(1.93)
Distributions paid to shareholders from:					
Net investment income	(0.23)	(0.28)	(0.22)	(0.40)	(0.21)
Net asset value, end of period	\$ 24.34	\$ 26.13	\$ 25.80	\$ 19.34	\$ 18.16
TOTAL RETURN (a)	(5.99)%	2.36%	34.65%	8.74%	(9.56)%
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of period (in 000's)	\$ 8,518	\$ 5,225	\$ 5,160	\$ 3,868	\$ 6,357
Ratios to average net assets:					
Ratio of total expenses to average net assets	1.97%	3.17%	2.01%	1.85%	1.39%
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	0.96%	1.05%	0.91%	1.64%	1.05%
Portfolio turnover rate (b)	170%	183%	186%	203%	184%

First Trust Value Line® Dividend Index Fund (FVD)

Year Ended December 31,

	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 24.13	\$ 21.36	\$ 17.29	\$ 16.01	\$ 15.08
Income from investment operations:					
Net investment income (loss)	0.55	0.58	0.50	0.50	0.42
Net realized and unrealized gain (loss)	(0.26)	2.78	4.06	1.28	0.93
Total from investment operations	0.29	3.36	4.56	1.78	1.35
Distributions paid to shareholders from:					
Net investment income	(0.56)	(0.59)	(0.49)	(0.50)	(0.42)
Net asset value, end of period	\$ 23.86	\$ 24.13	\$ 21.36	\$ 17.29	\$ 16.01
TOTAL RETURN (a)	1.26%	15.94%	26.57%	11.17%	9.03%
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of period (in 000's)	\$1,188,031	\$1,089,299	\$ 796,361	\$ 508,103	\$ 366,399
Ratios to average net assets:					
Ratio of total expenses to average net assets	0.74%	0.75%	0.76%	0.78%	0.79%
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	2.40%	2.63%	2.57%	3.03%	2.84%
Portfolio turnover rate (b)	82%	63%	71%	54%	53%

- (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 (Continued)

For a share outstanding throughout each period

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

Year Ended December 31,

	2015	2014	2013	2012	2011
Net asset value, beginning of period	\$ 20.41	\$ 18.44	\$ 13.27	\$ 12.37	\$ 13.52
Income from investment operations:					
Net investment income (loss)	0.07	0.11	0.06	0.15	0.08
Net realized and unrealized gain (loss)	(0.71) (a)	1.98	5.17	0.90	(1.15)
Total from investment operations	(0.64)	2.09	5.23	1.05	(1.07)
Distributions paid to shareholders from:					
Net investment income	(0.06)	(0.12)	(0.06)	(0.15)	(0.08)
Net asset value, end of period	\$ 19.71	\$ 20.41	\$ 18.44	\$ 13.27	\$ 12.37
TOTAL RETURN (b)	(3.13)% (a)	11.33%	39.44%	8.53%	(7.92)%
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of period (in 000's)	\$ 53,013	\$ 60,008	\$ 56,058	\$ 45,635	\$ 55,543
Ratios to average net assets:					
Ratio of total expenses to average net assets	0.84%	0.84%	0.87%	0.87%	0.82%
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	0.32%	0.57%	0.35%	1.03%	0.47%
Portfolio turnover rate (c)	404%	325%	350%	304%	202%

- (a) The Fund received a payment from the advisor in the amount of \$95,996 in connection with a trade error. The payment from the advisor represents \$0.03 per share and had no effect on the Fund's total return.
- (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) 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
December 31, 2015**

1. Organization

First Trust Exchange-Traded Fund (the “Trust”) is an open-end management investment company organized as a Massachusetts business trust on August 8, 2003, and is registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended (the “1940 Act”).

First Trust Dow Jones Select MicroCap Index Fund – (NYSE Arca, Inc. (“NYSE Arca”) ticker “FDM”)
 First Trust Morningstar Dividend Leaders Index Fund – (NYSE Arca ticker “FDL”)
 First Trust US IPO Index Fund – (NYSE Arca ticker “FPX”)
 First Trust NYSE Arca Biotechnology Index Fund – (NYSE Arca ticker “FBT”)
 First Trust Dow Jones Internet Index Fund – (NYSE Arca ticker “FDN”)
 First Trust Capital Strength ETF – (The Nasdaq® Stock Market LLC (“Nasdaq”) ticker “FTCS”)
 First Trust Total US Market AlphaDEX® ETF – (Nasdaq ticker “TUSA”)¹
 First Trust Value Line® Dividend Index Fund – (NYSE Arca ticker “FVD”)
 First Trust Value Line® 100 Exchange-Traded Fund – (NYSE Arca ticker “FVL”)

¹ Effective January 9, 2015, First Trust Value Line® Equity Allocation Index Fund changed its name and ticker symbol to First Trust Total US Market AlphaDEX® ETF (Nasdaq ticker “TUSA”)

Each fund represents a separate series of shares of beneficial interest in the Trust (each a “Fund” and collectively, the “Funds”). Unlike conventional mutual funds, each Fund issues and redeems shares on a continuous basis, at net asset value (“NAV”), only in large specified blocks consisting of 50,000 shares called a “Creation Unit.” Creation Units are issued and redeemed principally in-kind for securities included in a Fund’s relevant index. Except when aggregated in Creation Units, each Fund’s shares are not redeemable securities. The investment objective of each Fund is to seek investment results that correspond generally to the price and yield (before the Fund’s fees and expenses) of the following indices:

Fund	Index
First Trust Dow Jones Select MicroCap Index Fund	Dow Jones Select MicroCap Index SM
First Trust Morningstar Dividend Leaders Index Fund	Morningstar® Dividend Leaders Index SM
First Trust US IPO Index Fund	IPOX®-100 U.S. Index
First Trust NYSE Arca Biotechnology Index Fund	NYSE Arca Biotechnology Index SM
First Trust Dow Jones Internet Index Fund	Dow Jones Internet Composite Index SM
First Trust Capital Strength ETF	The Capital Strength Index TM
First Trust Total US Market AlphaDEX® ETF	NASDAQ AlphaDEX® Total US Market Index ²
First Trust Value Line® Dividend Index Fund	Value Line® Dividend Index TM
First Trust Value Line® 100 Exchange-Traded Fund	Value Line® 100 Index

² Effective January 9, 2015, the Fund’s underlying index was changed from Value Line® Equity Allocation Index.

2. Significant Accounting Policies

The Funds, each of which is an investment company within the scope of Financial Accounting Standards Board (“FASB”) Accounting Standards Update 2013-08, follow accounting and reporting guidance under FASB Accounting Standards Codification Topic 946, “Financial Services-Investment Companies.” The following is a summary of significant accounting policies consistently followed by the Funds in the preparation of the financial statements. The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

A. Portfolio Valuation

Each Fund’s NAV is determined daily as of the close of regular trading on the New York Stock Exchange (“NYSE”), normally 4:00 p.m. Eastern time, on each day the NYSE is open for trading. If the NYSE closes early on a valuation day, the NAV is determined as of that time. Foreign securities are priced using data reflecting the earlier closing of the principal markets for those securities. Each Fund’s NAV is calculated by dividing the value of all assets of each Fund (including accrued interest and dividends), less all liabilities (including accrued expenses and dividends declared but unpaid), by the total number of shares outstanding.

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. Market value prices represent last sale or official closing prices from a national or foreign exchange (i.e., a regulated market) and are primarily obtained from third-party pricing services. Fair value prices represent any prices not considered market value prices and are either obtained from a third-party pricing service or are determined by the Pricing Committee of the Funds’

**First Trust Exchange-Traded Fund
December 31, 2015**

investment advisor, First Trust Advisors L.P. (“First Trust” or the “Advisor”), in accordance with valuation procedures adopted by the Trust’s Board of Trustees (the “Board”), and in accordance with provisions of the 1940 Act. Investments valued by the Advisor’s Pricing Committee, if any, are footnoted as such in the footnotes to the Portfolio of Investments. Each Fund’s investments will be valued as follows:

Common stocks and other equity securities listed on any national or foreign exchange (excluding Nasdaq and the London Stock Exchange Alternative Investment Market (“AIM”)) are valued at the last sale price on the exchange on which they are principally traded or, for Nasdaq and AIM securities, the official closing price. Securities traded on more than one securities exchange are valued at the last sale price or official closing price, as applicable, at the close of the securities exchange representing the principal market for such securities.

Shares of open-end funds are valued at fair value which is based on NAV per share.

Securities traded in an over-the-counter market are fair valued at the mean of their most recent bid and asked price, if available, and otherwise at their closing bid price.

Overnight repurchase agreements are valued at amortized cost when it represents the best estimate of fair value.

Certain securities may not be able to be priced by pre-established pricing methods. Such securities may be valued by the Trust’s Board or its delegate, the Advisor’s Pricing Committee, at fair value. These securities generally include, but are not limited to, restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended) 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 a Fund’s NAV 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 market quotations or official closing prices on the applicable exchanges. A variety of factors may be considered in determining the fair value of such securities, including, but not limited to, the following:

- 1) the type of security;
- 2) the size of the holding;
- 3) the initial cost of the security;
- 4) transactions in comparable securities;
- 5) price quotes from dealers and/or pricing services;
- 6) relationships among various securities;
- 7) information obtained by contacting the issuer, analysts, or the appropriate stock exchange;
- 8) an analysis of the issuer’s financial statements; and
- 9) the existence of merger proposals or tender offers that might affect the value of the security.

In addition, differences between the prices used to calculate a Fund’s NAV and the prices used by such Fund’s corresponding index could result in a difference between a Fund’s performance and the performance of its underlying index.

The Funds are subject to fair value accounting standards that define fair value, establish the framework for measuring fair value and provide a three-level hierarchy for fair valuation based upon the inputs to the valuation as of the measurement date. The three levels of the fair value hierarchy are as follows:

- Level 1 – Level 1 inputs are quoted prices in active markets for identical investments. An active market is a market in which transactions for the investment occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Level 2 inputs are observable inputs, either directly or indirectly, and include the following:
 - o Quoted prices for similar investments in active markets.
 - o Quoted prices for identical or similar investments in markets that are non-active. A non-active market is a market where there are few transactions for the investment, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
 - o Inputs other than quoted prices that are observable for the investment (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
 - o Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**First Trust Exchange-Traded Fund
December 31, 2015**

- Level 3 – Level 3 inputs are unobservable inputs. Unobservable inputs may reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the investment.

The inputs or methodologies used for valuing investments are not necessarily an indication of the risk associated with investing in those investments. A summary of the inputs used to value each Fund's investments as of December 31, 2015, is included with each Fund's Portfolio of Investments.

B. Securities Transactions and Investment Income

Securities transactions are recorded as of the trade date. Realized gains and losses from securities transactions are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date. Interest income, if any, is recorded on the accrual basis.

Distributions received from a Fund's investments in real estate investment trust ("REITs") may be comprised of return of capital, capital gains and income. The actual character of the amounts received during the year is not known until after the REITs' fiscal year end. A Fund records the character of distributions received from REITs during the year based on estimates available. The characterization of distributions received by a Fund may be subsequently revised based on information received from the REITs after their tax reporting periods conclude.

C. Offsetting on the Statements of Assets and Liabilities

Offsetting Assets and Liabilities require entities to disclose both gross and net information about instruments and transactions eligible for offset on the Statements of Assets and Liabilities, and disclose instruments and transactions subject to master netting or similar agreements. These disclosure requirements are intended to help investors and other financial statement users better assess the effect or potential effect of offsetting arrangements on a fund's financial position. The transactions subject to offsetting disclosures are derivative instruments, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions.

This disclosure, if applicable, is included within each Fund's Portfolio of Investments under the heading "Offsetting Assets and Liabilities." For financial reporting purposes, the Funds do not offset financial assets and financial liabilities that are subject to master netting arrangements ("MNAs") or similar agreements on the Statements of Assets and Liabilities. MNAs provide the right, in the event of default (including bankruptcy and insolvency), for the non-defaulting counterparty to liquidate the collateral and calculate the net exposure to the defaulting party or request additional collateral.

D. Securities Lending

The Funds may lend securities representing up to 33 1/3% of the value of their total assets to broker-dealers, banks and other institutions to generate additional income. When a Fund loans its portfolio securities, it will receive, at the inception of each loan, collateral equal to at least 102% (for domestic securities) or 105% (for international securities) of the market value of the loaned securities. The collateral amount is valued at the beginning of each business day and is compared to the market value of the loaned securities from the prior business day to determine if additional collateral is required. If additional collateral is required, a request is sent to the borrower. Securities lending involves the risk that the Fund may lose money because the borrower of the Fund's loaned securities fails to return the securities in a timely manner or at all. The Fund could also lose money in the event of (i) a decline in the value of the collateral provided for the loaned securities, (ii) a decline in the value of any investments made with cash collateral or (iii) an increase in the value of the loaned securities if the borrower does not increase the collateral accordingly and the borrower fails to return the securities. These events could also trigger adverse tax consequences for the Funds.

Under the Funds' Securities Lending Agency Agreement, the securities lending agent will generally bear the risk that a borrower may default on its obligation to return loaned securities. Brown Brothers Harriman & Co. ("BBH") acts as the Funds' securities lending agent and is responsible for executing the lending of the portfolio securities to creditworthy borrowers. The Funds, however, will be responsible for the risks associated with the investment of cash collateral. A Fund may lose money on its investment of cash collateral, which may affect its ability to repay the collateral to the borrower without the use of other Fund assets. Each Fund that engages in securities lending receives compensation (net of any rebate and securities lending agent fees) for lending its securities. Compensation can be in the form of fees received from the securities lending agent or dividends or interest earned from the investment of cash collateral. The dividend and interest earned on the securities loaned is accounted for in the same manner as other dividend and interest income. At December 31, 2015, FPX, FBT and FDN have securities in the securities lending program. During the fiscal year ended December 31, 2015, FPX, FBT and FDN participated in the securities lending program.

In the event of a default by a borrower with respect to any loan, BBH will exercise any and all remedies provided under the applicable borrower agreement to make the Funds whole. These remedies include purchasing replacement securities by applying the collateral held from the defaulting broker against the purchase cost of the replacement securities. If, despite such efforts by BBH to exercise these remedies, a Fund sustains losses as a result of a borrower's default, BBH will indemnify the Fund by purchasing

First Trust Exchange-Traded Fund
December 31, 2015

replacement securities at its own expense, or paying the Fund an amount equal to the market value of the replacement securities, subject to certain limitations which are set forth in detail in the Securities Lending Agency Agreement between the Trust on behalf of the Funds and BBH.

E. Repurchase Agreements

Repurchase agreements involve the purchase of securities subject to the seller's agreement to repurchase the securities at a mutually agreed upon date and price, under the terms of a Master Repurchase Agreement ("MRA"). During the term of a repurchase agreement, the value of the underlying securities held as collateral on behalf of a Fund, including accrued interest, is required to exceed the value of the repurchase agreement, including accrued interest. The underlying securities for all repurchase agreements are held at the Funds' custodian or designated sub-custodians under tri-party repurchase agreements.

MRAs govern transactions between a Fund and select counterparties. The MRAs contain provisions for, among other things, initiation, income payments, events of default, and maintenance of collateral for repurchase agreements.

Repurchase agreements received for lending securities are collateralized by U.S. Treasury Notes. The U.S. Treasury Notes are held in a joint custody account at BBH on behalf of the Funds participating in the securities lending program. In the event the counterparty defaults on the repurchase agreement, the U.S. Treasury Notes can either be maintained as part of a Fund's portfolio or sold for cash. A Fund could suffer a loss to the extent that the proceeds from the sale of the underlying collateral held by the Fund is less than the repurchase price and the Fund's costs associated with the delay and enforcement of the MRA.

While the Funds may invest in repurchase agreements, any repurchase agreements held by the Funds during the fiscal year ended December 31, 2015, were received as collateral for lending securities.

F. Dividends and Distributions to Shareholders

Dividends from net investment income of each Fund, if any, are declared and paid quarterly or as the Board may determine from time to time. Distributions of net realized gains earned by each Fund, if any, are distributed at least annually.

Distributions from income and capital gains are determined in accordance with income tax regulations, which may differ from U.S. GAAP. Certain capital accounts in the financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These permanent differences are primarily due to the varying treatment of income and gain/loss on significantly modified portfolio securities held by the Funds and have no impact on net assets or NAV per share. Temporary differences, which arise from recognizing certain items of income, expense and gain/loss in different periods for financial statement and tax purposes, will reverse at some time in the future.

The tax character of distributions paid by each Fund during the fiscal year ended December 31, 2015 was as follows:

	Distributions paid from Ordinary Income	Distributions paid from Capital Gains	Distributions paid from Return of Capital
First Trust Dow Jones Select MicroCap Index Fund	\$ 743,446	\$ —	\$ —
First Trust Morningstar Dividend Leaders Index Fund	32,145,837	—	—
First Trust US IPO Index Fund	4,530,346	—	—
First Trust NYSE Arca Biotechnology Index Fund	3,747,095	—	—
First Trust Dow Jones Internet Index Fund	—	—	—
First Trust Capital Strength ETF	1,868,316	—	—
First Trust Total US Market AlphaDEX® ETF	65,921	—	—
First Trust Value Line® Dividend Index Fund	28,470,161	—	—
First Trust Value Line® 100 Exchange-Traded Fund	184,307	—	—

**First Trust Exchange-Traded Fund
December 31, 2015**

The tax character of distributions paid by each Fund during the fiscal year ended December 31, 2014 was as follows:

	Distributions paid from Ordinary Income	Distributions paid from Capital Gains	Distributions paid from Return of Capital
First Trust Dow Jones Select MicroCap Index Fund	\$ 512,148	\$ —	\$ —
First Trust Morningstar Dividend Leaders Index Fund	27,604,717	—	—
First Trust US IPO Index Fund	4,268,031	—	—
First Trust NYSE Arca Biotechnology Index Fund	1,076,820	—	—
First Trust Dow Jones Internet Index Fund	—	—	—
First Trust Capital Strength ETF	1,680,216	—	—
First Trust Total US Market AlphaDEX® ETF	55,881	—	—
First Trust Value Line® Dividend Index Fund	24,031,395	—	—
First Trust Value Line® 100 Exchange-Traded Fund	352,430	—	—

As of December 31, 2015, the components of distributable earnings on a tax basis for each Fund were as follows:

	Undistributed Ordinary Income	Accumulated Capital and Other Gain (Loss)	Net Unrealized Appreciation (Depreciation)
First Trust Dow Jones Select MicroCap Index Fund	\$ —	\$(21,847,201)	\$ (49,207)
First Trust Morningstar Dividend Leaders Index Fund	(58,812)	(55,945,417)	34,606,952
First Trust US IPO Index Fund	—	(41,646,138)	60,432,351
First Trust NYSE Arca Biotechnology Index Fund	—	(141,896,651)	238,300,057
First Trust Dow Jones Internet Index Fund	—	(49,380,673)	405,146,228
First Trust Capital Strength ETF	—	(24,133,781)	2,689,039
First Trust Total US Market AlphaDEX® ETF	(341)	(3,635,762)	(363,147)
First Trust Value Line® Dividend Index Fund	—	(36,814,938)	15,519,987
First Trust Value Line® 100 Exchange-Traded Fund	—	(83,967,724)	962,605

G. Income Taxes

Each Fund intends to continue to qualify as a regulated investment company by complying with the requirements under Subchapter M of the Internal Revenue Code of 1986, as amended, which includes distributing substantially all of its net investment income and net realized gains to shareholders. Accordingly, no provision has been made for federal and state income taxes. However, due to the timing and amount of distributions, each Fund may be subject to an excise tax of 4% of the amount by which approximately 98% of the Fund's taxable income exceeds the distributions from such taxable income for the calendar year.

The Funds are subject to accounting standards that establish a minimum threshold for recognizing, and a system for measuring, the benefits of a tax position taken or expected to be taken in a tax return. Taxable years ending 2012, 2013, 2014 and 2015 remain open to federal and state audit. As of December 31, 2015, management has evaluated the application of these standards to the Funds, and has determined that no provision for income tax is required in the Funds' financial statements for uncertain tax positions.

Under the Regulated Investment Company Modernization Act of 2010 (the "Act"), net capital losses arising in taxable years after December 22, 2010, may be carried forward indefinitely, and their character is retained as short-term and/or long-term losses. Previously, net capital losses were carried forward for up to eight years and treated as short-term losses. As a transition rule, the Act requires that post-enactment net capital losses be used before pre-enactment net capital losses. At December 31, 2015, the Funds had pre-enactment and post-enactment net capital losses for federal income tax purposes as shown in the following table. To the extent that these loss carryforwards are used to offset future capital gains, it is probable that the capital gains so offset will not be distributed to Fund shareholders. The Funds are subject to certain limitations, under U.S. tax rules, on the use of capital loss carryforwards and net unrealized built-in losses. These limitations apply when there has been a 50% change in ownership.

**First Trust Exchange-Traded Fund
December 31, 2015**

	Capital Loss Available Through 2016	Capital Loss Available Through 2017	Capital Loss Available Through 2018	Post- Enactment – No Expiration	Total Capital Loss Available
First Trust Dow Jones Select MicroCap Index Fund	\$ 902,807	\$ 3,227,616	\$ 5,096,533	\$ 12,620,245	\$ 21,847,201
First Trust Morningstar Dividend Leaders Index Fund	14,962,284	16,831,977	473,435	23,677,721	55,945,417
First Trust US IPO Index Fund	2,682,788	1,127,563	65,058	37,770,729	41,646,138
First Trust NYSE Arca Biotechnology Index Fund	2,061,136	5,787,577	1,039,054	133,008,884	141,896,651
First Trust Dow Jones Internet Index Fund	6,295,170	1,163,966	—	41,921,537	49,380,673
First Trust Capital Strength ETF	11,401,861	11,336,270	1,367,556	28,094	24,133,781
First Trust Total US Market AlphaDEX® ETF	1,168,041	2,421,122	—	46,599	3,635,762
First Trust Value Line® Dividend Index Fund	16,730,748	19,646,203	437,987	—	36,814,938
First Trust Value Line® 100 Exchange-Traded Fund	47,805,834	29,477,928	—	6,683,962	83,967,724

During the taxable year ended December 31, 2015, the following Funds utilized capital loss carryforwards in the following amounts:

	Pre-Enactment Capital Loss Carryforward Utilized	Post-Enactment Capital Loss Carryforward Utilized
First Trust Capital Strength ETF	\$ —	\$ 140,681
First Trust Total US Market AlphaDEX® ETF	—	35,145
First Trust Value Line® Dividend Index Fund	2,184,539	—

At the taxable year ended December 31, 2015, the following Funds' capital loss carryforwards expired in the following amounts:

	Capital Loss Carryforward Expired
First Trust Dow Jones Select MicroCap Index Fund	\$ 910,503
First Trust Morningstar Dividend Leaders Index Fund	198,670
First Trust US IPO Index Fund	740,683
First Trust Capital Strength ETF	180,261
First Trust Total US Market AlphaDEX® ETF	1,392,919
First Trust Value Line® 100 Exchange-Traded Fund	1,905,072

Certain losses realized during the current fiscal year may be deferred and treated as occurring on the first day of the following fiscal year for Federal income tax purposes. For the fiscal year ended December 31, 2015, the following Funds incurred and elected to defer net ordinary losses as follows:

	Qualified Late Year Losses	
	Ordinary Losses	Capital Losses
First Trust Morningstar Dividend Leaders Index Fund	\$ 58,812	\$ —
First Trust Total US Market AlphaDEX® ETF	341	—

In order to present paid-in capital, accumulated net investment income (loss) and accumulated net realized gain (loss) on investments on the Statements of Assets and Liabilities that more closely represent their tax character, certain adjustments have been made to paid-in capital, accumulated net investment income (loss) and accumulated net realized gain (loss) on investments. These adjustments are

**First Trust Exchange-Traded Fund
December 31, 2015**

primarily due to the difference between book and tax treatments of income and gains on various investment securities held by the Funds and in-kind transactions. The results of operations and net assets were not affected by these adjustments. For the fiscal year ended December 31, 2015, the adjustments for each Fund were as follows:

	Accumulated Net Investment Income (Loss)	Accumulated Net Realized Gain (Loss) on Investments	Paid-in Capital
First Trust Dow Jones Select MicroCap Index Fund	\$ (17,892)	\$ (7,388,207)	\$ 7,406,099
First Trust Morningstar Dividend Leaders Index Fund	154,844	(27,598,155)	27,443,311
First Trust US IPO Index Fund	82,863	(26,342,975)	26,260,112
First Trust NYSE Arca Biotechnology Index Fund	1,158,162	(465,780,313)	464,622,151
First Trust Dow Jones Internet Index Fund	9,194,381	(241,237,915)	232,043,534
First Trust Capital Strength ETF	4,523	(7,902,005)	7,897,482
First Trust Total US Market AlphaDEX® ETF	3,272	1,306,302	(1,309,574)
First Trust Value Line® Dividend Index Fund	470,190	(89,686,315)	89,216,125
First Trust Value Line® 100 Exchange-Traded Fund	(4,075)	491,092	(487,017)

H. Expenses

Expenses that are directly related to one of the Funds are charged directly to the respective Fund. General expenses of the Trust are allocated to all the Funds based upon the net assets of each Fund.

First Trust has entered into licensing agreements with each of the following “Licensors” for the respective Funds:

Fund	Licensor
First Trust Dow Jones Select MicroCap Index Fund	Dow Jones & Company, Inc.
First Trust Morningstar Dividend Leaders Index Fund	Morningstar, Inc.
First Trust US IPO Index Fund	IPOX® Schuster LLC
First Trust NYSE Arca Biotechnology Index Fund	NYSE Euronext
First Trust Dow Jones Internet Index Fund	Dow Jones & Company, Inc.
First Trust Capital Strength ETF	Nasdaq, Inc.
First Trust Total US Market AlphaDEX® ETF	Nasdaq, Inc.
First Trust Value Line® Dividend Index Fund	Value Line Publishing, Inc.®
First Trust Value Line® 100 Exchange-Traded Fund	Value Line Publishing, Inc.®

The respective license agreements allow for the use by First Trust of certain trademarks and trade names of the respective Licensors. The Funds are sub-licensees to the applicable license agreement. The respective Funds are required to pay licensing fees, which are shown on the Statements of Operations.

3. Investment Advisory Fee, Affiliated Transactions and Other Fee Arrangements

First Trust, the investment advisor to the Funds, is a limited partnership with one limited partner, Grace Partners of DuPage L.P., and one general partner, The Charger Corporation. The Charger Corporation is an Illinois corporation controlled by James A. Bowen, Chief Executive Officer of First Trust. First Trust is responsible for the selection and ongoing monitoring of the securities in each Fund’s portfolio, managing the Funds’ business affairs and providing certain administrative services necessary for the management of the Funds.

For these services, First Trust is entitled to receive monthly fees from each Fund calculated at the following annual rates:

	% of Average Daily Net Assets
First Trust Dow Jones Select MicroCap Index Fund	0.50%
First Trust Morningstar Dividend Leaders Index Fund	0.30%
First Trust US IPO Index Fund	0.40%
First Trust NYSE Arca Biotechnology Index Fund	0.40%
First Trust Dow Jones Internet Index Fund	0.40%
First Trust Capital Strength ETF	0.50%
First Trust Total US Market AlphaDEX® ETF	0.50%
First Trust Value Line® Dividend Index Fund	0.50%
First Trust Value Line® 100 Exchange-Traded Fund	0.50%

**First Trust Exchange-Traded Fund
December 31, 2015**

The Trust and First Trust have entered into an Expense Reimbursement, Fee Waiver and Recovery Agreement (“Recovery Agreement”) in which First Trust has agreed to waive fees and/or reimburse Fund expenses to the extent that the operating expenses of each Fund (excluding interest expense, brokerage commissions and other trading expenses, acquired fund fees and expenses, taxes and extraordinary expenses) exceed the below amount as a percentage of average daily net assets per year (the “Expense Cap”). The Expense Cap will be in effect until at least April 30, 2017.

	Expense Cap
First Trust Dow Jones Select MicroCap Index Fund	0.60%
First Trust Morningstar Dividend Leaders Index Fund	0.45%
First Trust US IPO Index Fund	0.60%
First Trust NYSE Arca Biotechnology Index Fund	0.60%
First Trust Dow Jones Internet Index Fund	0.60%
First Trust Capital Strength ETF	0.65%
First Trust Total US Market AlphaDEX® ETF	0.70%
First Trust Value Line® Dividend Index Fund	0.70%
First Trust Value Line® 100 Exchange-Traded Fund	0.70%

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. These amounts are included in “Expenses previously waived or reimbursed” on the Statements of Operations.

The advisory fee waivers and expense reimbursements for the fiscal year ended December 31, 2015 and the fees waived or expenses borne by First Trust subject to recovery from the applicable Fund for the periods indicated were as follows:

	Advisory Fee Waivers	Expense Reimbursement	Fees Waived or Expenses Borne by First Trust Subject to Recovery			
			Year Ended 12/31/2013	Year Ended 12/31/2014	Year Ended 12/31/2015	Total
First Trust Dow Jones Select MicroCap Index Fund	\$ 69,191	\$ —	\$ 115,749	\$ 66,284	\$ 69,191	\$ 251,224
First Trust Morningstar Dividend Leaders Index Fund	260,965	—	269,543	273,147	260,965	803,655
First Trust US IPO Index Fund	—	—	70,526	23,043	—	93,569
First Trust NYSE Arca Biotechnology Index Fund	—	—	—	—	—	—
First Trust Dow Jones Internet Index Fund	—	—	—	—	—	—
First Trust Capital Strength ETF	—	—	49,536	4,069	—	53,605
First Trust Total US Market AlphaDEX® ETF	32,325	49,550	59,346	128,690	81,875	269,911
First Trust Value Line® Dividend Index Fund	464,054	—	391,960	408,933	464,054	1,264,947
First Trust Value Line® 100 Exchange-Traded Fund	83,472	—	81,246	85,675	83,472	250,393

During the fiscal year ended December 31, 2015, First Trust recovered fees that were previously waived from First Trust US IPO Index Fund and First Trust Capital Strength ETF of \$22,244 and \$17,437, respectively.

During the fiscal year ended December 31, 2015, the First Trust Value Line® 100 Exchange-Traded Fund received a payment from the Advisor of \$95,996 in connection with a trade error.

The Trust has multiple service agreements with The Bank of New York Mellon (“BNYM”). Under the service agreements, BNYM performs custodial, fund accounting, certain administrative services, and transfer agency services for each Fund. As custodian, BNYM is responsible for custody of each Fund’s assets. As fund accountant and administrator, BNYM is responsible for maintaining the books and records of each Fund’s securities and cash. As transfer agent, BNYM is responsible for maintaining shareholder records for each Fund. BNYM is a subsidiary of The Bank of New York Mellon Corporation, a financial holding company.

**First Trust Exchange-Traded Fund
December 31, 2015**

At a meeting held on December 7, 2015, the Board accepted Mr. Bradley’s resignation from his position as the President and Chief Executive Officer of the Trust, effective December 31, 2015. At the same meeting, the Board elected Mr. Dykas, formerly Chief Financial Officer and Treasurer of the Trust, to serve as the President and Chief Executive Officer and Mr. Swade, formerly an Assistant Treasurer of the Trust, to serve as the Treasurer, Chief Financial Officer and Chief Accounting Officer of the Trust.

Each Trustee who is not an officer or employee of First Trust, any sub-advisor or any of their affiliates (“Independent Trustees”) is paid a fixed annual retainer that is allocated pro rata among each fund in the First Trust Fund Complex based on net assets. Each Independent Trustee is also paid an annual per fund fee that varies based on whether the fund is a closed-end or other actively managed fund or is an index fund.

Additionally, the Lead Independent Trustee and the Chairmen of the Audit Committee, Nominating and Governance Committee and Valuation Committee are paid annual fees to serve in such capacities, with such compensation allocated pro rata among each fund in the First Trust Fund Complex based on net assets. Trustees are reimbursed for travel and out-of-pocket expenses in connection with all meetings. The Lead Independent Trustee and Committee Chairmen rotate every three years. The officers and “Interested” Trustee receive no compensation from the Trust for acting in such capacities.

4. Purchases and Sales of Securities

For the fiscal year ended December 31, 2015, the cost of purchases and proceeds from sales of investments for each Fund, excluding short-term investments and in-kind transactions, were as follows:

	<u>Purchases</u>	<u>Sales</u>
First Trust Dow Jones Select MicroCap Index Fund	\$ 32,722,781	\$ 32,531,980
First Trust Morningstar Dividend Leaders Index Fund	536,826,720	537,876,912
First Trust US IPO Index Fund	295,819,914	289,095,501
First Trust NYSE Arca Biotechnology Index Fund	954,567,148	955,746,011
First Trust Dow Jones Internet Index Fund	877,498,323	877,144,341
First Trust Capital Strength ETF	112,464,587	112,313,070
First Trust Total US Market AlphaDEX® ETF	10,870,598	10,838,198
First Trust Value Line® Dividend Index Fund	948,518,883	945,744,279
First Trust Value Line® 100 Exchange-Traded Fund	235,827,905	235,694,091

For the fiscal year ended December 31, 2015, the cost of in-kind purchases and proceeds from in-kind sales for each Fund were as follows:

	<u>Purchases</u>	<u>Sales</u>
First Trust Dow Jones Select MicroCap Index Fund	\$ 31,186,032	\$ 32,741,701
First Trust Morningstar Dividend Leaders Index Fund	141,040,071	236,111,218
First Trust US IPO Index Fund	372,390,758	107,245,969
First Trust NYSE Arca Biotechnology Index Fund	2,367,599,170	1,235,001,696
First Trust Dow Jones Internet Index Fund	3,414,219,518	1,041,784,367
First Trust Capital Strength ETF	146,775,642	66,948,921
First Trust Total US Market AlphaDEX® ETF	4,910,727	1,218,672
First Trust Value Line® Dividend Index Fund	701,934,501	588,514,927
First Trust Value Line® 100 Exchange-Traded Fund	5,253,836	10,473,560

5. Creation, Redemption and Transaction Fees

Shares are created and redeemed by each Fund only in Creation Unit size aggregations of 50,000 shares in transactions with broker-dealers or large institutional investors that have entered into a participation agreement (an “Authorized Participant”). Such transactions are generally permitted on an in-kind basis, with a balancing cash component to equate the transaction to the daily NAV per Share of each Fund on the transaction date times the number of Shares in a Creation Unit. Authorized Participants purchasing Creation Units must pay to BNYM, as transfer agent, a standard creation transaction fee (the “Creation Transaction Fee”), which is based on the number of different securities in a Creation Unit of each Fund according to the fee schedule set forth below:

<u>Number of Securities in a Creation Unit</u>	<u>Creation Transaction Fee</u>
1-100	\$ 500
101-499	\$1,000
500 or more	\$1,500

**First Trust Exchange-Traded Fund
December 31, 2015**

The Creation Transaction Fee is applicable to each purchase transaction regardless of the number of Creation Units purchased in the transaction. An additional variable fee of up to three times the Creation Transaction Fee may be charged to approximate additional expenses incurred by a Fund with respect to transactions effected outside of the clearing process (i.e., through a DTC Participant) or to the extent that cash is used in lieu of securities to purchase Creation Units. The price for each Creation Unit will equal the daily NAV per Share of a Fund on the transaction date times the number of Shares in a Creation Unit plus the fees described above and, if applicable, any transfer taxes.

Authorized Participants redeeming Creation Units must pay to BNYM, as transfer agent, a standard redemption transaction fee (the "Redemption Transaction Fee"), which is based on the number of different securities in a Creation Unit of each Fund according to the fee schedule set forth below:

<u>Number of Securities in a Creation Unit</u>	<u>Redemption Transaction Fee</u>
1-100	\$ 500
101-499	\$1,000
500 or more	\$1,500

The Redemption Transaction Fee is applicable to each redemption transaction regardless of the number of Creation Units redeemed in the transaction. An additional variable fee of up to three times the Redemption Transaction Fee may be charged to approximate additional expenses incurred by a Fund with respect to redemptions effected outside of the clearing process or to the extent that redemptions are for cash. Each Fund reserves the right to effect redemptions in cash. A shareholder may request cash redemption in lieu of securities; however, a Fund may, in its discretion, reject any such request.

6. Distribution Plan

The Board 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 First Trust Portfolios L.P. ("FTP"), the distributor of the Funds, 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 Authorized Participants for providing distribution assistance, including broker-dealer and shareholder support and educational and promotional services.

No 12b-1 fees are currently paid by the Funds, and pursuant to a contractual arrangement, no 12b-1 fees will be paid any time before April 30, 2016.

7. Indemnification

The Trust, on behalf of the Funds, has a variety of indemnification obligations under contracts with its service providers. The Trust's maximum exposure under these arrangements is unknown. However, the Trust has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

8. Subsequent Events

Management has evaluated the impact of all subsequent events on the Funds through the date the financial statements were issued, and has determined that there was the following subsequent event:

Effective January 1, 2016, the fixed annual retainer paid to the Independent Trustees will be allocated equally among each fund in the First Trust Fund Complex and will no longer be allocated pro rata based on each fund's net assets.

To the Board of Trustees and Shareholders of First Trust Exchange-Traded Fund:

We have audited the accompanying statements of assets and liabilities of First Trust Dow Jones Select MicroCap Index Fund, First Trust Morningstar Dividend Leaders Index Fund, First Trust US IPO Index Fund, First Trust NYSE Arca Biotechnology Index Fund, First Trust Dow Jones Internet Index Fund, First Trust Capital Strength ETF, First Trust Total US Market AlphaDEX® ETF (formerly known as First Trust Value Line® Equity Allocation Index Fund), First Trust Value Line® Dividend Index Fund, and First Trust Value Line® 100 Exchange-Traded Fund, each a series of the First Trust Exchange-Traded Fund (the “Funds”), including the portfolios of investments, as of December 31, 2015, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds’ management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Funds are not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds’ internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2015 by correspondence with the Funds’ custodian and brokers; where replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of each of the funds listed above included in the First Trust Exchange-Traded Fund, as of December 31, 2015, and the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Deloitte + Touche LLP

Chicago, Illinois
February 23, 2016

**First Trust Exchange-Traded Fund
December 31, 2015 (Unaudited)**

Proxy Voting Policies and Procedures

A description of the policies and procedures that the Trust uses to determine how to vote proxies and information on how each Fund voted proxies relating to its portfolio securities during the most recent 12-month period ended June 30 is available (1) without charge, upon request, by calling (800) 988-5891; (2) on the Funds' website located at <http://www.ftportfolios.com>; and (3) on the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

Portfolio Holdings

The Trust files its complete schedule of each Fund's portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Trust's Form N-Qs are available (1) by calling (800) 988-5891; (2) on the Funds' website located at <http://www.ftportfolios.com>; (3) on the SEC's website at <http://www.sec.gov>; and (4) for review and copying at the SEC's Public Reference Room ("PRR") in Washington, DC. Information regarding the operation of the PRR may be obtained by calling (800) SEC-0330.

Federal Tax Information

For the taxable year ended December 31, 2015, the following percentages of income dividends paid by the Funds qualify for the dividends received deduction available to corporations:

	<u>Dividends Received Deduction</u>
First Trust Dow Jones Select MicroCap Index Fund	100.00%
First Trust Morningstar Dividend Leaders Index Fund	100.00%
First Trust US IPO Index Fund	100.00%
First Trust NYSE Arca Biotechnology Index Fund	100.00%
First Trust Dow Jones Internet Index Fund	—
First Trust Capital Strength ETF	100.00%
First Trust Total US Market AlphaDEX® ETF	100.00%
First Trust Value Line® Dividend Index Fund	100.00%
First Trust Value Line® 100 Exchange-Traded Fund	100.00%

For the taxable year ended December 31, 2015, the following percentages of income dividends paid by the Funds are hereby designated as qualified dividend income:

	<u>Qualified Dividend Income</u>
First Trust Dow Jones Select MicroCap Index Fund	100.00%
First Trust Morningstar Dividend Leaders Index Fund	100.00%
First Trust US IPO Index Fund	100.00%
First Trust NYSE Arca Biotechnology Index Fund	100.00%
First Trust Dow Jones Internet Index Fund	—
First Trust Capital Strength ETF	100.00%
First Trust Total US Market AlphaDEX® ETF	100.00%
First Trust Value Line® Dividend Index Fund	100.00%
First Trust Value Line® 100 Exchange-Traded Fund	100.00%

Submission of Matters to a Vote of Shareholders

A special meeting of shareholders of First Trust Total US Market AlphaDEX® ETF (the "Fund") was held on December 8, 2014. At the meeting, shareholders approved (i) a change to the Fund's investment objective that would replace its current underlying index, the Value Line® Equity Allocation Index, with a new underlying index, the NASDAQ AlphaDEX® Total US Market Index and (ii) the reclassification of the Fund's investment objective from a fundamental policy to a non-fundamental policy. 120,055 (60.03%) of the outstanding voting securities were voted at the meeting. The number of votes cast in favor of the proposal (i) was 116,789, the number of votes against was 2,726, the number of abstentions was 540 and the number of broker non-votes was 79,947. The number of votes cast in favor of proposal (ii) was 88,238, the number of votes against was 31,277, the number of abstentions was 540 and the number of broker non-votes was 79,947.

**First Trust Exchange-Traded Fund
December 31, 2015 (Unaudited)**

Risk Considerations

Risks are inherent in all investing. You should consider each Fund's investment objective, risks, charges and expenses carefully before investing. You can download each Fund's prospectus at <http://www.ftportfolios.com> or contact First Trust Portfolios L.P. at (800) 621-1675 to request a prospectus, which contains this and other information about each Fund. For additional information about the risks associated with investing in the Funds, please see the Funds' statement of additional information, as well as other regulatory filings. Read these documents carefully before you invest. First Trust Portfolios L.P. is the distributor of the First Trust Exchange-Traded Fund.

The following summarizes some of the risks that should be considered for the Funds.

Each Fund's shares will change in value, and you could lose money by investing in a Fund. Shares are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in stock prices. Overall stock values could decline generally or could underperform other investments. Overall stock market values could decline generally or could underperform other investments.

An investment in a Fund involves risks similar to those of investing in any fund of equity securities traded on an exchange. Investors buying or selling Fund shares on the secondary market may incur brokerage commissions. In addition, investors who sell Fund shares may receive less than the Fund shares' net asset value. Unlike shares of open-end funds, investors are generally not able to purchase exchange-traded fund ("ETF") shares directly from a Fund and individual ETF shares are not redeemable. However, specified large blocks of ETF shares called creation units can be purchased from, or redeemed to, a Fund.

Each Fund is subject to index tracking risk. You should anticipate that the value of Fund shares will decline, more or less, in correlation with any decline in the value of the index that the Fund seeks to track.

Each Fund's return may not match the return of the index it seeks to track for a number of reasons. While First Trust seeks to have a correlation of 0.95 or better, before expenses, between a Fund's performance and the performance of its corresponding index, there can be no assurance that a Fund will be able to achieve such a correlation. Accordingly, each Fund's performance may correlate to a lesser extent and may possibly vary substantially from the performance of its corresponding index.

Each Fund is also exposed to additional market risk due to a policy of investing principally in the securities included in its corresponding index. As a result of such policies, securities held by each Fund will generally not be bought or sold in response to market fluctuations and the securities may be issued by companies concentrated in a particular industry. As a result, each Fund will generally not sell a stock because the stock's issuer is in financial trouble, unless that stock is removed or is anticipated to be removed from the index the Fund seeks to track.

Each Fund relies on a license from an index provider that permits the Fund to use its corresponding index and associated trade names and trademarks in connection with the name and investment strategies of the Fund. Such licenses may be terminated by the respective index provider and, as a result, each Fund may lose its ability to use such intellectual property. There is also no guarantee that the index provider has all rights to license the respective intellectual property to First Trust, on behalf of the Fund. Accordingly, in the event the license is terminated or the index provider does not have rights to license the particular intellectual property, it may have a significant effect on the operation of the related Fund.

Each Fund is subject to issuer specific changes risk. The value of an individual security or a 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.

Each Fund will be concentrated in the securities of companies of a given industry if the Fund's corresponding index is concentrated in such industry. A concentration makes a Fund more susceptible to any single occurrence affecting the related industry and may subject a Fund to greater market risk than less concentrated funds.

With the exception of First Trust Dow Jones Select MicroCap Index Fund, First Trust Value Line® Dividend Index Fund, First Trust Total US Market AlphaDEX ETF and First Trust Value Line® 100 Exchange-Traded Fund, each Fund is considered to be non-diversified. As a result, those Funds are exposed to additional market risk. A non-diversified fund may invest a relatively high percentage of its assets in a limited number of issuers. As a result, changes in the market value of a single portfolio security could cause greater fluctuations in share price than would occur in a diversified fund. Furthermore, non-diversified funds are more susceptible to any single political, regulatory or economic occurrence.

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The Funds are not actively managed. The Funds may be affected by a general decline in certain market segments relating to their corresponding index. The Funds invest in securities included in or representative of their corresponding index regardless of their investment merit. The Funds generally will not attempt to take defensive positions in declining markets.

The First Trust Dow Jones Select MicroCap Index Fund invests in micro-capitalization companies. Such 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.

The First Trust Dow Jones Internet Index Fund invests in stocks of companies in the technology sector. You should be aware that an investment in a portfolio which invests in a particular sector involves additional risks, including limited diversification. The companies engaged in the technology sector are subject to fierce competition and high research and development costs, and their products and services may be subject to rapid obsolescence.

The First Trust NYSE Arca Biotechnology Index Fund is concentrated in stocks of companies in the biotechnology sector. You should be aware that an investment in a portfolio which is concentrated in a particular sector involves additional risks, including limited diversification. The companies engaged in the biotechnology sector are subject to fierce competition, substantial research and development costs, governmental regulations and pricing constraints, and their products and services may be subject to rapid obsolescence.

The First Trust NYSE Arca Biotechnology Index Fund and First Trust Capital Strength ETF invest in the securities of companies in the health care sector. Because companies in the health care sector are involved in medical services or health care including biotechnology research and production, drugs and pharmaceuticals and health care facilities and services, general problems of these companies include extensive competition, generic drug sales or the loss of patent protection, product liability litigation and increased government regulations.

The First Trust US IPO Index Fund invests in companies that have recently conducted an initial public offering. The stocks of such companies are often subject to extreme price volatility and speculative trading.

The First Trust Total US Market AlphaDEX ETF and First Trust Dow Jones Select Micro Cap Index Fund invest in securities of companies in the financials sector. Banks, thrifts and their holding companies are especially subject to the adverse effects of economic recession; 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. Although recently enacted legislation repealed most of the barriers which separated the banking, insurance and securities industries, these industries are still extensively regulated at both the federal and state level and may be adversely affected by increased regulations. The downturn in the U.S. and world economies has adversely affected banks, thrifts and other companies in the financials sector.

The First Trust Dow Jones Internet Index Fund invests in securities of companies in the information technology industry. Information technology companies are generally subject to the risks of rapidly changing technologies; short product life cycles; fierce competition; and aggressive pricing and reduced profit margins.

The First Trust US IPO Index Fund, First Trust Value Line® 100 Exchange-Traded Fund and First Trust Dow Jones Internet Index Fund invest in the securities of companies in the consumer discretionary sector. Because companies in the consumer discretionary sector manufacture products and provide discretionary services directly to the consumer, 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.

The First Trust Morningstar Dividend Leaders Index Fund and First Trust Value Line® Dividend Index Fund invest in the securities of utilities companies. Utilities companies are subject to 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. Utilities issuers have been experiencing certain of these problems to varying degrees.

The First Trust Dow Jones Internet Index Fund invests in the securities of Internet companies. 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 and frequent new product introductions. The Fund's investment in Internet companies may also be subject to the risk of owning small capitalization companies that have recently begun operations.

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With the exception of First Trust Capital Strength ETF and First Trust Dow Jones Select MicroCap Index Fund, the Funds may invest in small capitalization and mid-capitalization companies. Such companies' securities may be less liquid and may experience greater price volatility than securities of larger, more established companies.

Because a Fund's corresponding index may include American Depositary Receipts ("ADRs"), American Depositary Shares ("ADSs") and/or stocks of non-U.S. companies, the investments of certain Funds, including but not limited to, the First Trust Value Line® 100 Exchange-Traded Fund, involves risks of investing in non-U.S. securities that are in addition to the risk associated with domestic securities. Non-U.S. companies, in general, are not subject to the regulatory requirements of U.S. companies and, as such, there may be less publicly available information about these companies. Moreover, non-U.S. accounting, auditing and financial reporting standards generally are different from those applicable to U.S. companies. In addition, non-U.S. companies are exposed to additional economic, political, social or diplomatic events. ADRs and ADSs also involve substantially identical risks to those associated with investments in non-U.S. securities. In addition, the issuers of certain depository receipts, particularly unsponsored or unregistered depository receipts, are under no obligation to distribute shareholder communications to the holders of such receipts, or to pass through to them any voting rights with respect to the deposited securities.

NOT FDIC INSURED

NOT BANK GUARANTEED

MAY LOSE VALUE

Board of Trustees and Officers

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The Trust's statement of additional information includes additional information about the Trustees and is available, without charge, upon request, by calling (800) 988-5891.

Name, Address, Date of Birth and Position with the Trust	Term of Office and Year First Elected or Appointed	Principal Occupations During Past 5 Years	Number of Portfolios in the First Trust Fund Complex Overseen by Trustee	Other Trusteeships or Directorships Held by Trustee During Past 5 Years
INDEPENDENT TRUSTEES				
Richard E. Erickson, Trustee c/o First Trust Advisors L.P. 120 E. Liberty Drive, Suite 400 Wheaton, IL 60187 D.O.B.: 04/51	<ul style="list-style-type: none"> • Indefinite Term • Since Inception 	Physician; President, Wheaton Orthopedics; Limited Partner, Gundersen Real Estate Limited Partnership; Member, Sportsmed LLC	120	None
Thomas R. Kadlec, Trustee c/o First Trust Advisors L.P. 120 E. Liberty Drive, Suite 400 Wheaton, IL 60187 D.O.B.: 11/57	<ul style="list-style-type: none"> • Indefinite Term • Since Inception 	President, ADM Investor Services, Inc. (Futures Commission Merchant)	120	Director of ADM Investor Services, Inc., ADM Investor Services International and Futures Industry Association
Robert F. Keith, Trustee c/o First Trust Advisors L.P. 120 E. Liberty Drive, Suite 400 Wheaton, IL 60187 D.O.B.: 11/56	<ul style="list-style-type: none"> • Indefinite Term • Since Inception 	President, Hibs Enterprises (Financial and Management Consulting)	120	Director of Trust Company of Illinois
Niel B. Nielson, Trustee c/o First Trust Advisors L.P. 120 E. Liberty Drive, Suite 400 Wheaton, IL 60187 D.O.B.: 03/54	<ul style="list-style-type: none"> • Indefinite Term • Since Inception 	Managing Director and Chief Operating Officer (January 2015 to Present), Pelita Harapan Educational Foundation (Educational Products and Services); President and Chief Executive Officer (June 2012 to September 2014), Servant Interactive LLC (Educational Products and Services); President and Chief Executive Officer (June 2012 to September 2014), Dew Learning LLC (Educational Products and Services); President (June 2002 to June 2012), Covenant College	120	Director of Covenant Transport Inc. (May 2003 to May 2014)
INTERESTED TRUSTEE				
James A. Bowen ⁽¹⁾ , Trustee, Chairman of the Board 120 E. Liberty Drive, Suite 400 Wheaton, IL 60187 D.O.B.: 09/55	<ul style="list-style-type: none"> • Indefinite Term • Since Inception 	Chief Executive Officer First Trust Advisors L.P. and First Trust Portfolios L.P.; Chairman of the Board of Directors, BondWave LLC (Software Development Company/Investment Advisor) and Stonebridge Advisors LLC (Investment Advisor)	120	None

⁽¹⁾ Mr. Bowen is deemed an "interested person" of the Trust due to his position as Chief Executive Officer of First Trust Advisors L.P., investment advisor of the Trust.

Board of Trustees and Officers (Continued)

First Trust Exchange-Traded Fund December 31, 2015 (Unaudited)

Name, Address and Date of Birth	Position and Offices with Trust	Term of Office and Length of Service	Principal Occupations During Past 5 Years
OFFICERS⁽²⁾			
James M. Dykas 120 E. Liberty Drive, Suite 400 Wheaton, IL 60187 D.O.B.: 01/66	President and Chief Executive Officer	<ul style="list-style-type: none"> Indefinite Term Since January 2016 	Managing Director and Chief Financial Officer (January 2016 to Present), Controller (January 2011 to January 2016), Senior Vice President (April 2007 to January 2016), First Trust Advisors L.P. and First Trust Portfolios L.P.
Donald P. Swade 120 E. Liberty Drive, Suite 400 Wheaton, IL 60187 D.O.B.: 08/72	Treasurer, Chief Financial Officer and Chief Accounting Officer	<ul style="list-style-type: none"> Indefinite Term Since January 2016 	Vice President (April 2012 to Present), First Trust Advisors L.P. and First Trust Portfolios L.P., Vice President (September 2006 to April 2012), Guggenheim Funds Investment Advisors, LLC/Claymore Securities, Inc.
W. Scott Jardine 120 E. Liberty Drive, Suite 400 Wheaton, IL 60187 D.O.B.: 05/60	Secretary and Chief Legal Officer	<ul style="list-style-type: none"> Indefinite Term Since Inception 	General Counsel, First Trust Advisors L.P. and First Trust Portfolios L.P.; Secretary and General Counsel, BondWave LLC (Software Development Company/ Investment Advisor); Secretary of Stonebridge Advisors LLC (Investment Advisor)
Daniel J. Lindquist 120 E. Liberty Drive, Suite 400 Wheaton, IL 60187 D.O.B.: 02/70	Vice President	<ul style="list-style-type: none"> Indefinite Term Since Inception 	Managing Director (July 2012 to Present), Senior Vice President (September 2005 to July 2012), First Trust Advisors L.P. and First Trust Portfolios L.P.
Kristi A. Maher 120 E. Liberty Drive, Suite 400 Wheaton, IL 60187 D.O.B.: 12/66	Chief Compliance Officer and Assistant Secretary	<ul style="list-style-type: none"> Indefinite Term Chief Compliance Officer Since January 2011 Assistant Secretary Since Inception 	Deputy General Counsel, First Trust Advisors L.P. and First Trust Portfolios L.P.
Roger F. Testin 120 E. Liberty Drive, Suite 400 Wheaton, IL 60187 D.O.B.: 06/66	Vice President	<ul style="list-style-type: none"> Indefinite Term Since Inception 	Senior Vice President, First Trust Advisors L.P. and First Trust Portfolios L.P.
Stan Ueland 120 E. Liberty Drive, Suite 400 Wheaton, IL 60187 D.O.B.: 11/70	Vice President	<ul style="list-style-type: none"> Indefinite Term Since Inception 	Senior Vice President (September 2012 to Present), Vice President (August 2005 to September 2012), First Trust Advisors L.P. and First Trust Portfolios L.P.

⁽²⁾ The term “officer” means the president, vice president, secretary, treasurer, controller or any other officer who performs a policy making function.

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Privacy Policy

First Trust values our relationship with you and considers your privacy an important priority in maintaining that relationship. We are committed to protecting the security and confidentiality of your personal information.

Sources of Information

We collect nonpublic personal information about you from the following sources:

- Information we receive from you and your broker-dealer, investment advisor or financial representative through interviews, applications, agreements or other forms;
- Information about your transactions with us, our affiliates or others;
- Information we receive from your inquiries by mail, e-mail or telephone; and
- Information we collect on our website through the use of “cookies”. For example, we may identify the pages on our website that your browser requests or visits.

Information Collected

The type of data we collect may include your name, address, social security number, age, financial status, assets, income, tax information, retirement and estate plan information, transaction history, account balance, payment history, investment objectives, marital status, family relationships and other personal information.

Disclosure of Information

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. In addition to using this information to verify your identity (as required under law), the permitted uses may also include the disclosure of such information to unaffiliated companies for the following reasons:

- In order to provide you with products and services and to effect transactions that you request or authorize, we may disclose your personal information as described above to unaffiliated financial service providers and other companies that perform administrative or other services on our behalf, such as transfer agents, custodians and trustees, or that assist us in the distribution of investor materials such as trustees, banks, financial representatives, proxy services, solicitors and printers.
- We may release information we have about you if you direct us to do so, if we are compelled by law to do so, or in other legally limited circumstances (for example to protect your account from fraud).

In addition, in order to alert you to our other financial products and services, we may share your personal information with affiliates of the Fund.

Privacy Online

We allow third-party companies, including AddThis, to collect certain anonymous information when you visit our website. These companies may use non-personally identifiable information during your visits to this and other websites in order to provide advertisements about goods and services likely to be of greater interest to you. These companies typically use a cookie, third party web beacon or pixel tags, to collect this information. To learn more about this behavioral advertising practice, you can visit www.networkadvertising.org.

Confidentiality and Security

With regard to our internal security procedures, we restrict access to your nonpublic personal information to those individuals who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards to protect your nonpublic personal information.

Policy Updates and Inquiries

As required by federal law, we will notify you of our privacy policy annually. We reserve the right to modify this policy at any time, however, if we do change it, we will tell you promptly. For questions about our policy, or for additional copies of this notice, please go to www.ftportfolios.com, or contact us at 1-800-621-1675 (First Trust Portfolios) or 1-800-222-6822 (First Trust Advisors).

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First Trust Exchange-Traded Fund

INVESTMENT ADVISOR

First Trust Advisors L.P.
120 East Liberty Drive, Suite 400
Wheaton, IL 60187

ADMINISTRATOR, CUSTODIAN, FUND ACCOUNTANT & TRANSFER AGENT

The Bank of New York Mellon
101 Barclay Street
New York, NY 10286

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP
111 S. Wacker Drive
Chicago, IL 60606

LEGAL COUNSEL

Chapman and Cutler LLP
111 W. Monroe Street
Chicago, IL 60603

