First Trust Dorsey Wright Momentum & Dividend ETF

As of 6/28/19

**Fund Objective**
This exchange-traded fund seeks investment results that correspond generally to the price and yield (before the fund’s fees and expenses) of an index called the Dorsey Wright Momentum Plus Dividend Yield Index.

**Fund Facts**
- **Fund Ticker**: DDIV
- **CUSIP**: 33738R696
- **Intraday NAV**: DDIV
- **Fund Inception Date**: 3/10/14
- **Expense Ratio**: 0.60%
- **30-Day SEC Yield**: 3.55%
- **Rebalance Frequency**: Quarterly
- **Primary Listing**: Nasdaq

**Index Facts**
- **Index Ticker**: DWAMYT
- **Index Inception Date**: 7/2/18
- **Index Yield**: 4.40%

**Performance Summary (%)**
- **Quarter**: YTD 1 Year 3 Years 5 Years 10 Years Since Inception
- **Fund Performance**
  - Net Asset Value (NAV): 3.86 21.80 4.77 6.17 6.23 — 7.02
  - After Tax Held: 3.46 21.91 3.51 5.00 5.07 — 5.83
  - Market Price: 2.28 12.90 2.77 4.21 4.29 — 4.91

**Calendar Year Total Returns (%)**
- **2009**: DDIV — — — — — —
  - Dow Jones U.S. Select Dividend™ Index — — — — — —
  - S&P 500 Index — — — — — —
- **2010**: — — — — — —
- **2011**: — — — — — —
- **2012**: — — — — — —
- **2013**: — — — — — —
- **2014**: — — — — — —
- **2015**: — — — — — —
- **2016**: — — — — — —
- **2017**: — — — — — —
- **2018**: — — — — — —

**3-Year Statistics**
- **Standard Deviation (%)**: 12.44 -5.59 0.86 0.43 0.85
  - **Alpha**: -5.59 0.86 0.43 0.85
  - **Beta**: 0.86 0.43 0.85
  - **Sharpe Ratio**: 0.43 0.85
  - **Correlation**: 1.00
- **DDIV**
- **Dow Jones U.S. Select Dividend™ Index**
- **S&P 500 Index**

**Index Description**
The Dorsey Wright Momentum Plus Dividend Yield Index is a rules-based equity index that is designed to track the overall performance of the 50 highest dividend yielding stocks within the NASDAQ US Large Mid Cap Index that maintain high levels of relative strength.

- To construct the index, Dorsey, Wright & Associates (DWA) begins with the eligible constituents of the NASDAQ US Large Mid Cap Index.
  - These eligible constituents are determined after meeting certain criteria, including maintaining a minimum average daily dollar volume of $1 million for the 30-day period prior to evaluation.
  - Each security is assigned a relative strength score based on its forward price momentum compared to the momentum of a broad market benchmark index. Securities that exhibit a minimum level of relative strength are eligible for inclusion in the index.
  - Eligible securities are then ranked based upon their current dividend yield, and the top 50 securities with the highest dividend yield are selected for inclusion in the index.
  - The securities are then weighted, with greater weights given to securities with higher dividend yields.

- The index is reconstituted and rebalanced quarterly.

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

130-day SEC yield is calculated by dividing the net investment income per share earned during the most recent 30-day period by the maximum offering price per share on the last day of the period. Index yield represents the weighted average trailing 12-month dividend of the constituents of the Dorsey Wright Momentum Plus Dividend Yield Index.

On September 6, 2018, the fund’s underlying index changed from the Richard Bernstein Advisors Quality Income Index to the Dorsey Wright Momentum Plus Dividend Yield Index. Therefore, the fund’s performance and historical returns shown for the periods prior to this date are not necessarily indicative of the performance that the fund, based on its current index, would have generated.

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

‡Index yield represents the weighted average trailing 12-month dividend of the constituents of the Dorsey Wright Momentum Plus Dividend Yield Index.

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†30-day SEC yield is calculated by dividing the net investment income per share earned during the most recent 30-day period by the maximum offering price per share on the last day of the period. Index yield represents the weighted average trailing 12-month dividend of the constituents of the Dorsey Wright Momentum Plus Dividend Yield Index.
ETF Characteristics
The fund lists and principally trades its shares on the Nasdaq Stock Market LLC. The fund’s return may not match the return of the Dorsey Wright Momentum Plus Dividend Yield Index. Securities held by the fund will generally not be bought or sold in response to market fluctuations. Investors buying or selling fund shares on the secondary market may incur customary brokerage commissions. Market prices may differ to some degree from the net asset value of the shares. Investors who sell fund shares may receive less than the share’s net asset value. Shares may be sold throughout the day on the exchange through any brokerage account. However, unlike mutual funds, shares may only be redeemed directly from the fund by authorized participants, in very large creation/redemption units. If the fund’s authorized participants are unable to proceed with creation/redemption orders and no other authorized participant is able to step forward to create or redeem, fund shares may trade at a discount to the fund’s net asset value and possibly face delisting.

Risk Considerations
The fund’s shares will change in value, and you could lose money by investing in the fund. One of the principal risks of investing in the fund is market risk. Market risk is the risk that a particular stock owned by the fund, fund shares or stocks in general may fall in value. There can be no assurance that the fund’s investment objective will be achieved. The fund may invest in securities issued by companies concentrated in a particular industry or sector, which involves additional risks, including limited diversification. The fund may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies. The fund may invest in securities issued by companies concentrated in a particular industry or sector, which involves additional risks, including limited diversification. The fund may invest in companies whose primary business is the provision of products and services to the government, primarily at the federal level. The fund may invest in issuers in the healthcare sector, which involves additional risks, including limited diversification.

ETF overview:
As of 6/28/19

- **Number Of Holdings**: 50
- **Maximum Market Cap.**: $369.80 Billion
- **Median Market Cap.**: $12.15 Billion
- **Minimum Market Cap.**: $3.53 Billion
- **Price/Earnings**: 18.51
- **Price/Book**: 2.18
- **Price/Cash Flow**: 11.28
- **Price/Sales**: 2.50
- **Key holdings**:
  - Chimera Investment Corporation: 5.02%
  - New Residential Investment Corp.: 4.89%
  - CVR Energy, Inc.: 4.70%
  - Blackstone Mortgage Trust, Inc.: 4.29%
  - ONEOK, Inc.: 2.96%
  - Lamar Advertising Company: 2.93%
  - The Interpublic Group of Companies, Inc.: 2.78%
  - Ryman Hospitality Properties, Inc.: 2.65%
  - CoreSite Realty Corporation: 2.64%
  - CubeSmart: 2.64%
- **Top Sector Exposure (%)**:
  - Real Estate: 27.36%
  - Utilities: 25.42%
  - Financials: 25.08%
  - Energy: 7.71%
  - Health Care: 4.75%
  - Information Technology: 3.17%
  - Consumer Discretionary: 2.85%
  - Communication Services: 2.80%
  - Materials: 0.86%

**Portfolio Information**

**Top Holdings (%)**

**Top Sector Exposure (%)**

The First Trust Dorsey Wright Momentum & Dividend ETF is not sponsored, endorsed, sold or promoted by Nasdaq, Inc. or its affiliates (Nasdaq, with its affiliates, are referred to as the “Corporations”). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the fund. The Corporations make 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 securities generally or in the fund particularly, or the ability of the Dorsey Wright Momentum Plus Dividend Yield Index to track general stock performance.

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Not FDIC Insured • Not Bank Guaranteed • May Lose Value