First Trust

FTLS

First Trust Long/Short Equity ETF

The **First Trust Long/Short Equity ETF** (the "fund") is an actively managed exchange-traded fund (ETF) that seeks to provide investors with long-term total return.

Investment Philosophy

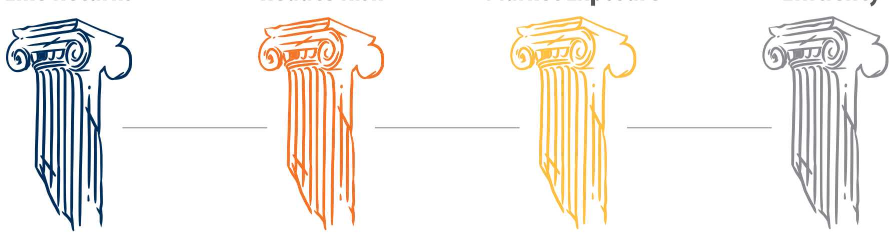
We believe companies that possess higher quality earnings will outperform companies that possess lower quality earnings over the long-term. The fund will seek to systematically provide "long" exposure to high quality earnings stocks and "short" exposure to lower quality earnings stocks.[1] The fund may invest up to 20% of its net assets (plus the amount of any borrowing for investment purposes) in U.S. exchange-listed equity index futures contracts. These futures contracts will be used to gain long or short exposure to broad based equity indexes.

Earnings Quality

Earnings quality is an assessment of the aggressiveness of accounting practices behind a company's reported earnings. Research by Sabrient Systems and Gradient Analytics has shown that aggressive accounting practices (low quality earnings) are associated with lower future stock returns compared to those companies with more conservative accounting practices (higher quality earnings). The fund's investment team's methodology seeks to identify those companies that have the potential to outperform or underperform the market.

4 Pillars of FTLS

Seek Equity Like Returns	Seek to Reduce Risk	Seek to Lower Net Market Exposure	Managed Tax Efficiency
Over a full market cycle, has potential to outperform the S&P 500 Index	Seeks to achieve lower volatility and beta[4] than the S&P 500 Index	The long and short positions may offset one another	Avoid Capital Gains A history of no capital gains distributions



There is no assurance these objectives will be achieved and there is no guarantee that the fund will avoid capital gains distributions in the future. This summary is not intended to be tax or legal advice. This summary cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. This summary is being used to support the promotion or marketing of the transactions herein. The taxpayer should consult an independent tax professional.

[1] **"Long" and "short"** are investment terms used to describe ownership of securities. To buy securities is to "go long." The opposite of going long is "selling short." Short selling is an advanced trading strategy that involves selling a borrowed security. Short sellers make a profit if the price of the security goes down and they are able to buy the security at a lower amount than the price at which they sold the security short.

[2] **Drawdown** is the percentage decline in value between the peak and the trough during a specific period.

[3] **Alpha** is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark.

[4] **Beta** is a measure of a portfolio's sensitivity to market movements.

Fund Details

Fund Ticker	FTLS
CUSIP	33739P103
Intraday NAV	FTLSIV
Fund Inception Date	9/8/14
Primary Listing	NYSE Arca

Potential Benefits

- The fund brings a complex institutional investment approach that is not normally available to retail investors.
- The fund may profit from both rising and falling markets.
- The long/short strategy seeks to mitigate large drawdowns.[2]
- The short exposure may serve a dual purpose of providing a hedge to offset losses/gains in the long positions and to generate alpha.[3]

Portfolio Managers

John Gambla, CFA, FRM, PRM
Senior Portfolio Manager
Alternatives Investment Team of First Trust

Rob A. Guttschow, CFA
Senior Portfolio Manager
Alternatives Investment Team of First Trust

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

Investment Process

The fund's investment process involves constructing both a long and short portfolio consisting of at least 80% in U.S. exchange-listed equity securities and/or U.S. exchange-traded funds that provide exposure to U.S. exchange-listed equity securites. The overall portfolio, under normal market conditions, will be 80% to 100% invested in long positions and 0% to 50% invested in short positions.

The portfolio management team follows a systematic portfolio construction process designed to balance the drivers of risk and return that exist between the long and short positions.

Long and Short Security Selection | The investment process analyzes fundamental data, market-related data, and technical and statistical attributes of eligible securities, including a stock's earnings quality, seeking to identify those companies that have the potential to outperform or underperform the market for inclusion in the long or short portfolios, respectively. Additional proprietary research will be used to manage portfolio risk and tactically manage both the overall percentage and composition of the long and short exposures in the portfolio.

Factor Exposure | Seek to manage risk and control exposures between the long and short portfolio.

Beta Positioning | Quantitative and fundamental analysis is used to position the size and expected level of risk of the short portfolio.

Integrated Portfolio | The long and short portfolios are integrated and optimized to seek to balance the risk and return between the long and short positions relative to the general equity market.

Universe of U.S. Exchange Listed Securities

Filter for Liquidity

Construction

Quantitative Optimization Seeking Diversified, Quality Tilted Portfolio

Manage a Number of other Factor Exposures such as:

Dividend Yield, Capital Efficiency, Volatility, Valuation and Growth

Portfolio

Long Approximately 75-250 names (80-100% Invested)

Short Approximately 75-250 names (0-50% Invested)

May use ETFs or Futures Contracts to Round Out Exposures

Risk Considerations

You could lose money by investing in a fund. An investment in a fund is not a deposit of a bank and is not insured or guaranteed. There can be no assurance that a fund's objective(s) will be achieved. Investors buying or selling shares on the secondary market may incur customary brokerage commissions. Please refer to each fund's prospectus and Statement of Additional Information for additional details on a fund's risks. The order of the below risk factors does not indicate the significance of any particular risk factor.

Unlike mutual funds, shares of the fund may only be redeemed directly from Unlike mutual funds, shares of the fund may only be redeemed directly from a fund by authorized participants in very large creation/redemption units. If a 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 premium or discount to a fund's net asset value and possibly face delisting and the bid/ask spread may widen.

A fund may be subject to the risk that a counterparty will not fulfill its obligations which may result in significant financial loss to a fund.

Current market conditions risk is the risk that a particular investment, or shares of the fund in general, may fall in value due to current market conditions. As a means to fight inflation, the Federal Reserve and certain foreign central banks have raised interest rates; however, the Federal Reserve has recently lowered interest rates and may continue to do so. Recent and potential future bank failures could result in disruption to the broader banking industry or markets generally and reduce confidence in financial institutions and the economy as a whole, which may also heighten market volatility and reduce liquidity. Ongoing armed conflicts between Russia and Ukraine in Europe and among Israel, Hamas and other militant groups in the Middle East, have caused and could continue to cause significant market disruptions and volatility within the markets in Russia, Europe, the Middle East and the United States. The hostilities and sanctions resulting from those hostilities have and could continue to have a significant impact on certain fund investments as well as fund performance and liquidity. The COVID-19 global pandemic, or any future public health crisis, and the ensuing policies enacted by governments and central banks have caused and may continue to cause significant volatility and uncertainty in global financial markets, negatively impacting global growth prospects.

A fund is susceptible to operational risks through breaches in cyber security. Such events could cause a fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss.

Depositary receipts may be less liquid than the underlying shares in their primary trading market and distributions may be subject to a fee. Holders may have limited voting rights, and investment restrictions in certain countries may adversely impact their value.

The use of derivatives instruments involves different and possibly greater risks than investing directly in securities including counterparty risk, valuation risk, volatility risk, and liquidity risk. Further, losses because of adverse movements in the price or value of the underlying asset, index or rate may be magnified by certain features of the derivatives.

Equity securities may decline significantly in price over short or extended periods of time, and such declines may occur in the equity market as a whole, or they may occur in only a particular country, company, industry or sector of the market.

A fund may invest in the shares of other ETFs, which involves additional expenses that would not be present in a direct investment in the underlying funds. In addition, a fund's investment performance and risks may be related to the investment performance and risks of the underlying funds.

The risk of a position in a futures contract may be very large compared to the relatively low level of margin a fund is required to deposit and a relatively small price movement in a futures contract may result in immediate and substantial loss relative to the size of margin deposit.

A fund may be a constituent of one or more indices or models which could greatly affect a fund's trading activity, size and volatility.

Information technology companies are subject to certain risks, including rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards and regulation and frequent new product introductions.

Leverage may result in losses that exceed the amount originally invested and may accelerate the rates of losses. Leverage tends to magnify, sometimes significantly, the effect of any increase or decrease in a fund's exposure to an asset or class of assets and may cause the value of a fund's shares to be volatile and sensitive to market swings.

Certain fund investments may be subject to restrictions on resale, trade over-the-counter or in limited volume, or lack an active trading market. Illiquid securities may trade at a discount and may be subject to wide fluctuations in market value.

The portfolio managers of an actively managed portfolio will apply investment techniques and risk analyses that may not have the desired result.

Market risk is the risk that a particular security, or shares of a fund in general may fall in value. Securities are subject to market fluctuations caused by such factors as general economic conditions, political events, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of a fund could decline in value or underperform other investments as a result. In addition, local, regional or global events such as war, acts of terrorism, spread of infectious disease or other public health issues, recessions, natural disasters or other events could have significant negative impact on a fund.

A fund faces numerous market trading risks, including the potential lack of an active market for fund shares due to a limited number of market makers. Decisions by market makers or authorized participants to reduce their role or step away in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of a fund's portfolio securities and a fund's market price.

Master limited partnerships ("MLPs") are subject to certain risks, including price and supply fluctuations caused by international politics, energy conservation, taxes, price controls, and other regulatory policies of various governments. In addition, there is the risk that MLPs could be taxed as corporations, resulting in decreased returns from such MLPs.

Securities of non-U.S. issuers are subject to additional risks, including currency fluctuations, political risks, withholding, lack of liquidity, lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers.

A fund and a fund's advisor may seek to reduce various operational risks through controls and procedures, but it is not possible to completely protect against such risks. The fund also relies on third parties for a range of services, including custody, and any delay or failure related to those services may affect the fund's ability to meet its objective.

High portfolio turnover may result in higher levels of transaction costs and may generate greater tax liabilities for shareholders.

The market price of a fund's shares will generally fluctuate in accordance with changes in the fund's net asset value ("NAV") as well as the relative supply of and demand for shares on the exchange, and a fund's investment advisor cannot predict whether shares will trade below, at or above their NAV.

Real Estate Investment Trusts ("REITs") are subject to the risks of investing in real estate, including, but not limited to, changes in the real estate market, vacancy rates and competition, volatile interest rates and economic recession. Increases in interest rates typically lower the present value of a REIT's future earnings stream and may make financing property purchases and improvements more costly. The value of a fund will generally decline when investors in REIT stocks anticipate or experience rising interest rates.

Short selling creates special risks which could result in increased gains or losses and volatility of returns. Because losses on short sales arise from increases in the value of the security sold short, such losses are theoretically unlimited.

A fund with significant exposure to a single asset class, country, region, industry, or sector may be more affected by an adverse economic or political development than a broadly diversified fund.

Securities of small- and mid-capitalization companies may experience greater price volatility and be less liquid than larger, more established companies.

Trading on an exchange may be halted due to market conditions or other reasons. There can be no assurance that a fund's requirements to maintain the exchange listing will continue to be met or be unchanged.

A fund may hold securities or other assets that may be valued on the basis of factors other than market quotations. This may occur because the asset or security does not trade on a centralized exchange, or in times of market turmoil or reduced liquidity. Portfolio holdings that are valued using techniques other than market quotations, including "fair valued" assets or securities, may be subject to greater fluctuation in their valuations from one day to the next than if market quotations were used. There is no assurance that a fund could sell or close out a portfolio position for the value established for it at any time.

A fund may invest in securities that exhibit more volatility than the market as a whole.

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

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.