EXPOSURE TO GLD WITH A DOWNSIDE BUFFER

The FT Cboe Vest Gold Strategy Quarterly Buffer ETF (BGLD) is an actively managed exchange-traded fund (“ETF”) that seeks to provide investors with returns (before fees, expenses and taxes) that match those of the SPDR® Gold Trust (“GLD” or the “underlying ETF”), up to a predetermined upside cap, while providing a buffer against GLD losses between -5% and -15% (before fees, expenses and taxes), over the Target Outcome Period. The fund will invest substantially all of its assets in U.S. Treasury securities, cash, cash equivalents, and in the shares of a wholly-owned subsidiary (the “subsidiary”) that holds FLEXible EXchange® Options (“FLEX Options”) that reference the performance of GLD. The cap and buffer for BGLD are reset at the end of each outcome period.

The example is for illustrative purposes only and is not indicative of any actual investment. The return scenarios are hypothetical and do not account for payment of fees and expenses so the actual return would be lower. The fund may not realize gains to the same extent as GLD and is expected to be less than a direct investment in GLD due to the covered calls. The degree to which the fund will participate in GLD’s price performance will depend on prevailing market conditions, especially market volatility.

HOW DOES IT WORK?

Layer | Process | Explanation
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1 | Set GLD Exposure | The portfolio will purchase U.S. Treasury securities or cash equivalents in combination with the purchase of long call options to provide upside, and some downside exposure, to the price returns of GLD.
2 | Set Buffer Limit | The portfolio will sell a put option below the price of GLD that is equal to the predetermined buffer ending level for the fund. The sold put option will provide the downside exposure to the price returns of GLD past the buffer ending level.
3 | Set Upside Cap | The portfolio will sell a call option with a strike price at the capped level, generating the premium to help pay for the total bond and option portfolio. Writing a call gives the seller the obligation to sell shares of the underlying asset at a strike price that is set above the current market price. Once GLD increases to the strike price of the sold call option, the fund will hit its cap and no longer participate in any further gains.

The chart above illustrates a potential return payoff at the end of approximately three months and is based on hypothetical reference asset returns. The chart does not account for payment of fees and expenses. The fund may not be able to achieve the hypothetical return set forth above. The outcome may only be realized for an investor who holds shares on the first day of the Target Outcome Period and continues to hold them on the last day of the Target Outcome Period. There is no guarantee that the outcomes for a Target Outcome Period will be realized.

*The fund seeks to shield investors against losses from -5% to -15%, over the outcome period.

**The fund does not issue K-1s for tax purposes. Investors will receive a 1099 with distributions reported as ordinary income.

1The subsidiary is wholly-owned by the fund and is organized under the laws of the Cayman Islands. All investments in FLEX options on the underlying ETF will be undertaken by the subsidiary. The subsidiary is advised by First Trust Advisors L.P., the Fund’s investment advisor, and sub-advised by Cboe Vest Financial LLC, the sub-advisor.

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You should consider a 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 a fund. The prospectus or summary prospectus should be read carefully before investing.

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 by the FDIC or guaranteed by the U.S. government. 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 SAI 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.

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.

A fund that uses FLEX Options to employ a “target outcome strategy” has characteristics unlike many other traditional investment products and may not be appropriate for all investors. There can be no guarantee that a target outcome fund will be successful in its strategy to buffer against losses. A shareholder may lose their entire investment. In the event an investor purchases shares after the first day of the target outcome period defined in the fund’s prospectus (hereinafter referred to as the “Corporations”). The Corporations have not passed on the legality or suitability of, or the advisability of investing in the funds and shall have no liability whatsoever in connection with the funds. The funds are not sponsored, endorsed, sold or marketed by Cboe Exchange, Inc. or any of its affiliates (“Cboe”) or First Trust Portfolios L.P., the Subsidiary investment risk applies to a fund that invests in certain securities through a wholly-owned subsidiary of the fund is organized under the laws of the Cayman Islands (“Subsidiary”). Changes in the laws of the U.S. or Cayman Islands could result in the inability of a fund to operate as intended. The Subsidiary is not registered under the 1940 Act and is not subject to all the investor protections of the 1940 Act. Thus, a fund that is an investor in the Subsidiary will not have all the protections offered to investors in registered investment companies. A target outcome fund’s investment strategy is designed to deliver returns if shares are bought on the first day that the fund enters into the FLEX Options and are held until the FLEX Options expire at the end of the Target Outcome Period subject to the cap.

If a fund does not qualify as a RIC for any taxable year and certain relief provisions were not available, a fund’s taxable income would be subject to tax at the fund level and to a further tax at the shareholder level when such income is distributed. Further, there may be other tax implications to a fund based on the type of investments in a fund.

Trading on an exchange may be halted due to market conditions or other reasons. There can be no assurance that a fund’s advisor will be able to effect desired purchases or sales at any time or price, and a fund’s share price may fluctuate substantially over short periods of time, and as a result, a fund’s share price may be more volatile than other types of investments. The underlying ETF does not insure its gold and a loss may be suffered for which no party is liable for damages.

Securities issued or guaranteed by federal agencies and U.S. government sponsored instrumentalities may or may not be backed by the full faith and credit of the U.S. government.

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

First Trust Advisors L.P. is registered as a commodity pool operator and commodity trading advisor and is also a member of the National Futures Association.

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.

Please see the fund’s prospectus for a discussion of additional risks of investing in the fund.

Definitions:

An option is a contractual obligation between a buyer and a seller. There are two types of options known as “calls” and “puts.” The buyer of a call option has the right, but not the obligation, to purchase an agreed upon quantity of an underlying asset from the writer (seller) of the option at a predetermined price (the strike price) within a certain window of time (until the option’s expiration), creating a long position. “Long” is an investment term used to describe ownership of the securities. A put option is the opposite of a call option and gives the buyer the right to sell to the writer (seller) the underlying asset at the strike price until the option’s expiration. If the strike price is reached, the buyer has the right to exercise the option. For this right, the buyer pays a fee to the seller, called a premium.

Target Outcome Period refers to the amount of time between when the FLEX Options were purchased and when they will expire. In the case of these ETFs, the Target Outcome Period is about three months. Underlying ETF is the underlying asset which the FLEX Option prices are based on.

Cap is a limit on the possible return that an ETF can provide at the end of an outcome period. This is also referred to as the “maximum return potential.” This means that if the performance of the reference asset is above the cap at the end of an outcome period, the return an ETF provides will not reflect this full performance. Instead, only the reference asset’s performance up to the cap is used to determine an ETF’s return. Buffer is like a cushion that, at the end of the outcome period, absorbs downside loss of the reference asset up to the buffer level (before fees and expenses).

The SPDR® Gold Trust (GLD) is an exchange-traded investment trust that holds physical gold bars and seeks to provide investment results that, before expenses, correspond generally to the price performance of gold bullion.