FSIG

First Trust Limited Duration Investment Grade Corporate ETF

The **First Trust Limited Duration Investment Grade Corporate ETF** is an actively managed exchange-traded fund (ETF) that seeks to deliver current income by investing at least 80% of its net assets (plus any borrowings for investment purposes) in investment grade corporate debt securities.*

GIVING CREDIT TO INVESTMENT GRADE DEBT

Finding opportunities to generate attractive income within appropriate risk parameters can be challenging. A large allocation to lower quality credit or to longer duration securities may result in an undesirable risk profile. Investment grade corporate bonds with short maturities may provide a potential solution that offers a relatively stable income stream, a competitive yield and a modest level of interest rate risk.

Investment grade corporate bonds are debt instruments issued by companies with a high level of credit quality and are often referred to as "high grade". Compared to speculative grade companies, investment grade companies are characterized by strong credit metrics. For example, they tend to have lower debt and lower interest expense relative to their earnings and they typically generate robust cash flow. The higher level of credit quality allows investment grade companies greater flexibility to navigate through economic and industry cycles, which has historically resulted in low default risk. From 1920 to 2022, the average annual default rate for investment grade company debt was approximately 0.14%, according to Moody's. Moreover, the investment grade corporate debt market is large, providing ample liquidity and a wide opportunity set for investors. In fact, since 2007 the market has more than tripled in size to approximately $8.4 trillion in outstanding debt.**

We believe an allocation to investment grade corporate bonds with short maturities provides attractive income and diversification benefits to fixed income portfolios, while also offering a compelling yield advantage compared with U.S. Treasuries and mortgage-backed securities. Short maturity investment grade corporate bonds may provide the appropriate middle ground between moving too far down in credit quality and too far out the maturity curve to capture income potential.

FUND DETAILS

Fund Ticker	FSIG
Investment Advisor	First Trust Advisors L.P
Inception Date	11/17/21
CUSIP	33738D804
Intraday NAV	FSIGIV
Primary Listing	NYSE Arca
Weighted Average Duration	+/- 1 year of benchmark duration
Benchmark	Bloomberg U.S. Corporate Bond 1-5 Year Index

WHY CONSIDER FSIG?

Attractive Income Potential – designed to provide a yield in excess of typical short term strategies and to be competitive with the broad investment grade universe.

Lower Interest Rate Risk – the duration of short duration investment grade corporate bonds is 2.47 years, compared to 6.74 years for the broader investment grade corporate bond universe, as of 3/28/24.**

A Flexible Investment Approach – seeks to take advantage of select total return opportunities outside of the corporate bond universe, including rising stars and fallen angels, to potentially improve yield and diversification.

Active Management – of duration, sector exposure and security selection may improve the ability of the fund to respond to dynamic market conditions and has the potential to reduce risk while maintaining attractive income. Active management avoids the weaknesses inherent in market cap weighted index-based funds that have larger exposure to the most heavily indebted issuers.

An Experienced Team – combines rigorous fundamental credit analysis and disciplined portfolio management to seek strong performance while managing volatility through the market cycle.

*The use of leverage is not a principal investment strategy of the fund.

**Source: Bloomberg. Data as of 3/28/24. Please see Risk Considerations on the last page for additional information about risks, asset classes and index definitions.

Tools to Help Manage Risk

CREDIT QUALITY

Credit risk is the possibility that the corporate issuer may not be able to fulfill its obligation of timely payment of interest or repayment of principal at maturity. The fund actively manages credit risk through a rigorous, repeatable, and disciplined fundamental credit research process and favors issuers with a stable or improving credit profile. Importantly, while we believe that the credit fundamentals of most investment grade issuers remain sound, the combination of decreased average credit quality in the broader investment grade credit market may present risks for index-based funds.

INVESTMENT GRADE BOND DEFAULT RATE

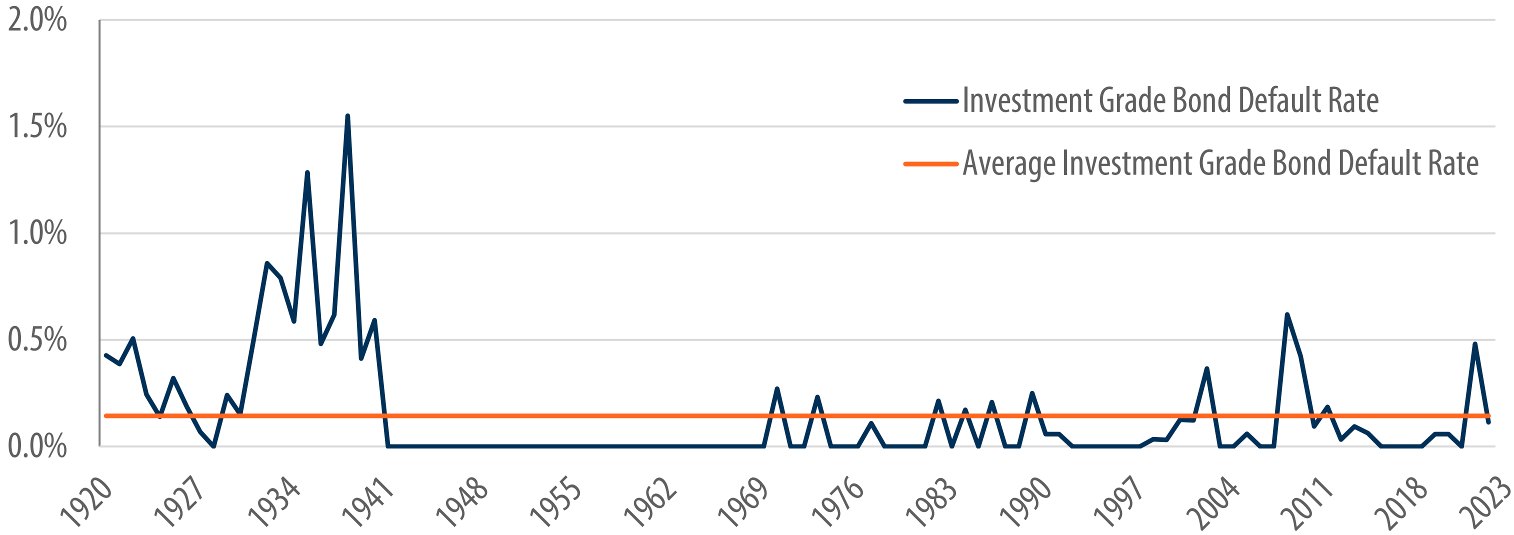


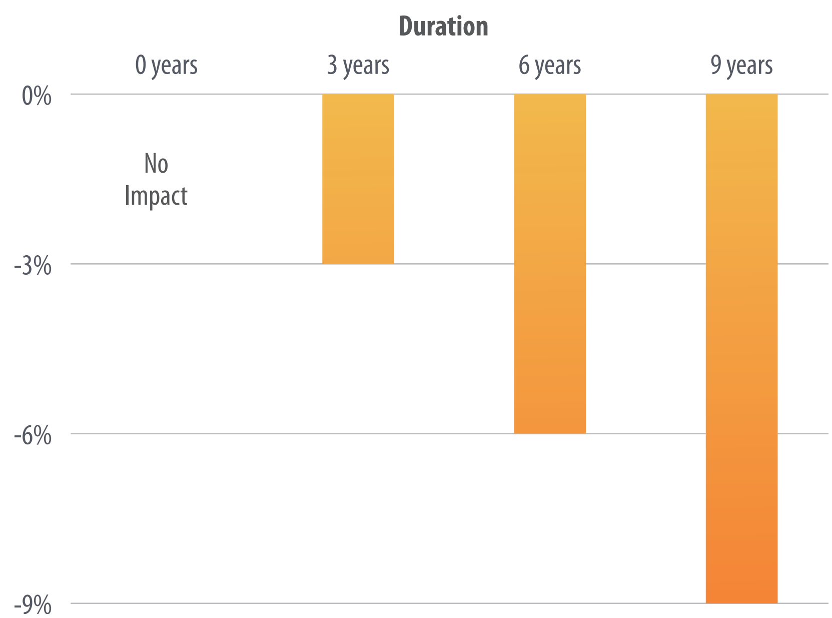
Chart Source: Moody's Investor Services. 1920 to 2023. 2022 Annual Default Rate excludes Russian issuers. With Russian issuers included, the Investment Grade Default Rate for 2022 is 0.5%.

DURATION

Many issuers within the investment grade bond market had taken advantage of the low interest rate environment to reduce their cost of capital and to extend their maturity profiles. The result has been a more than 20% increase in the interest rate risk of the investment grade corporate bond market (duration extension).[1] A security's duration is a measure of its price sensitivity to interest rate movements. In other words, it tells the investor how much the security's price is likely to change for a given change in interest rates. In general, each year of duration represents an expected 1% change in the value of a security for every 1% change in interest rates. For example, if a portfolio of securities has an average duration of three years, its value can be expected to fall approximately 3% if interest rates rise by 1%. Conversely, the portfolio's value can be expected to rise approximately 3% if interest rates fall by 1%. Prices of securities with lower durations tend to be less sensitive to interest rate changes than securities with higher durations. As a result, lower duration securities tend to exhibit less price volatility in rising interest rate environments than those with longer durations. The fund has a limited duration portfolio mandate, which may provide less interest rate volatility relative to a longer duration corporate bond portfolio.

[1]Source: Bloomberg. Data from 12/29/06 to 3/31/23.

CHANGES IN BOND PRICES IF INTEREST RATES RISE 1%

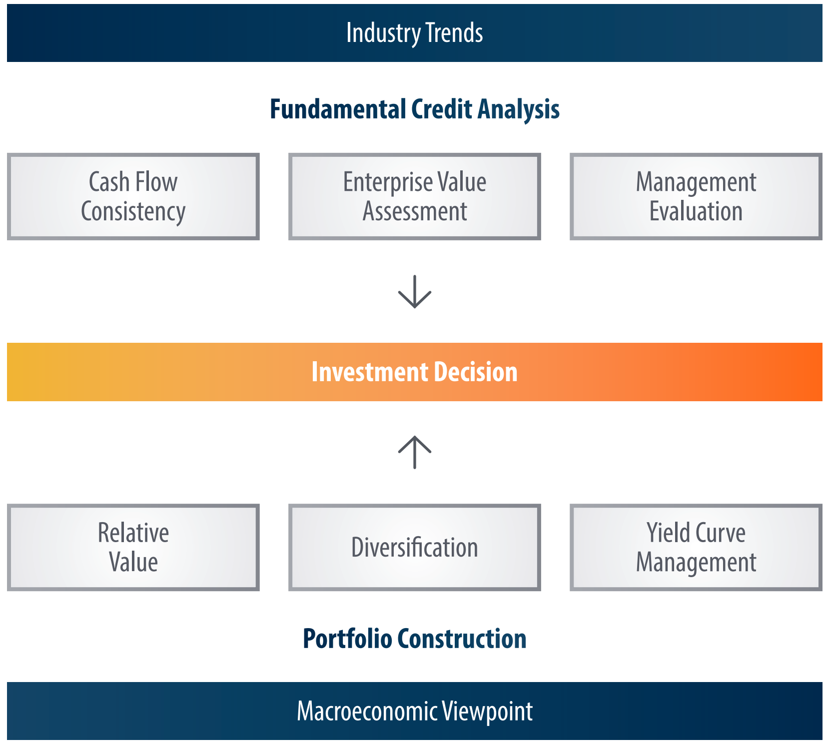


This hypothetical illustration of the effects of rising interest rates on returns is for illustrative purposes only and does not account for all factors that may potentially impact returns.

Investment Process and Philosophy

THE IMPORTANCE OF ACTIVE MANAGEMENT

The investment philosophy of the portfolio management team (the "Team") is based on the belief that deep fundamental credit analysis performed by a highly experienced credit team, within a risk managed framework, will generate higher absolute and risk-adjusted returns within investment grade debt strategies. This investment philosophy is expressed by the Team through an investment process that combines rigorous bottom-up fundamental credit analysis and disciplined portfolio construction. Risk management is a critical component of the entire process and is embedded within the Team's fundamental credit analysis and portfolio construction. The fundamental credit analysis involves the evaluation of the macro-economy, industry trends, consistency of cash flows, valuation and management quality, among other considerations. The investment process favors companies that produce relatively stable cash flows through an economic cycle, companies that have valuations supportive of the debt balances and companies that have management teams with a sound track record. The key considerations of portfolio construction include yield curve management (focusing on duration, convexity and yield curve risk), relative value, portfolio diversification, issuer liquidity and continuous monitoring.

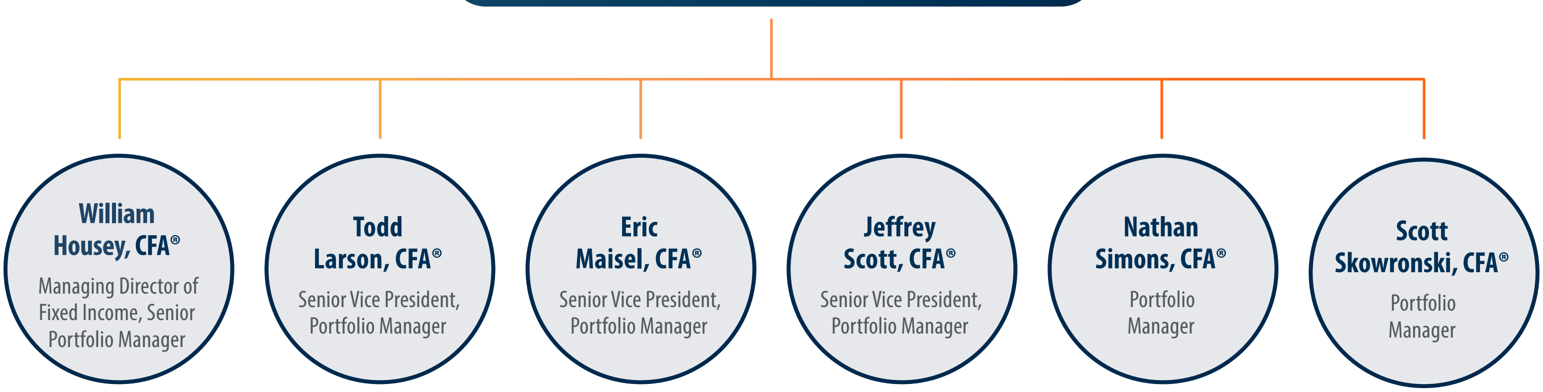


POTENTIAL BENEFITS OF AN ACTIVELY MANAGED ETF

The ETF structure provides an efficient and simple way to invest in corporate debt and provides many potential benefits:

- Intraday liquidity
- Transparency of holdings
- Low investment minimums
- Tax efficiency
- Portfolio diversification
- Potential to outperform indexes
- Professional portfolio selection and ongoing portfolio management
- Risk management tools to seek to reduce interest rate risk/portfolio volatility
- Flexibility to strategically adjust portfolio holdings to take advantage of changing market conditions

THE FSIG INVESTMENT MANAGEMENT TEAM



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.

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 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.

During periods of falling interest rates if an issuer calls higher-yielding debt instruments, a fund may be forced to invest the proceeds at lower interest rates, likely resulting in a decline in the fund's income.

A fund that effects all or a portion of its creations and redemptions for cash rather than in-kind may be less tax-efficient.

Covenant-lite loans contain fewer maintenance covenants than traditional loans and may not include terms that allow the lender to monitor the financial performance of the borrower and declare a default if certain criteria are breached. This may hinder a fund's ability to mitigate problems and increase a fund's exposure to losses on such investments.

An issuer or other obligated party of a debt security may be unable or unwilling to make dividend, interest and/or principal payments when due and the value of a security may decline as a result.

Ratings assigned by a credit rating agency are opinions of such entities, not absolute standards of credit quality and they do not evaluate risks of securities. Any shortcomings or inefficiencies in the process of determining credit ratings may adversely affect the credit ratings of the securities held by a fund and their perceived or actual credit risk.

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 and expect to continue to do so, and the Federal Reserve has announced that it intends to reverse previously implemented quantitative easing. 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.

Investments in debt securities subject the holder to the credit risk of the issuer and the value of debt securities will generally change inversely with changes in interest rates. In addition, debt securities generally do not trade on a securities exchange making them less liquid and more difficult to value.

Extension risk is the risk that, when interest rates rise, certain obligations will be paid off by the issuer (or other obligated party) more slowly than anticipated, causing the value of these debt securities to fall. Rising interest rates tend to extend the duration of debt securities, making their market value more sensitive to changes in interest rates.

Financial services companies are subject to the adverse effects of economic recession, currency exchange rates, government regulation, decreases in the availability of capital, volatile interest rates, portfolio concentration in geographic markets, industries or products, and competition from new entrants in their fields of business.

Floating rate securities are structured so that the security's coupon rate fluctuates based upon the level of a reference rate. As a result, the coupon on floating rate securities will generally decline in a falling interest rate environment, causing a fund to experience a reduction in the income it receives from the security. A floating rate security's coupon rate resets periodically according to the terms of the security. Consequently, in a rising interest rate environment, floating rate securities with coupon rates that reset infrequently may lag behind the changes in market interest rates.

High yield securities, or "junk" bonds, are less liquid and are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, are considered to be highly speculative.

A fund's income may decline when interest rates fall or if there are defaults in its portfolio.

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.

As inflation increases, the present value of a fund's assets and distributions may decline.

Interest rate risk is the risk that the value of the debt securities in a fund's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term debt securities and higher for longer-term debt securities.

Large capitalization companies may grow at a slower rate than the overall market.

To the extent a fund invests in floating or variable rate obligations that use the London Interbank Offered Rate ("LIBOR") as a reference interest rate, it is subject to LIBOR Risk. LIBOR has ceased to be made available as a reference rate and there is no assurance that any alternative reference rate, including the Secured Overnight Financing Rate ("SOFR"), will be similar to or produce the same value or economic equivalence as LIBOR. The unavailability or replacement of LIBOR may affect the value, liquidity or return on certain fund investments and may result in costs incurred in connection with closing out positions and entering into new trades. Any potential effects of the transition away from LIBOR on a fund or on certain instruments in which a fund invests is difficult to predict and could result in losses to the fund.

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.

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

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.

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.

Prepayment risk is the risk that the issuer of a debt security will repay principal prior to the scheduled maturity date. Debt securities allowing prepayment may offer less potential for gains during a period of declining interest rates, as a fund may be required to reinvest the proceeds of any prepayment at lower interest rates.

Companies that issue loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. Loans are usually rated below investment grade but may also be unrated. As a result, the risks associated with these loans are similar to the risks of high-yield fixed income instruments. The senior loan market has seen a significant increase in loans with weaker lender protections which may impact recovery values and/or trading levels in the future.

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.

The purchase of securities on a when-issued, TBA ("to be announced"), delayed delivery or forward commitment basis may give rise to investment leverage and increase a fund's volatility and exposure to default.

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.

Definitions

U.S Investment Grade represented by the **Bloomberg U.S. Corporate Bond Index** which tracks publicly issued, SEC-registered, U.S. corporate and specified foreign debentures and secured notes that have a maturity greater than one year, at least $250 M outstanding par balance, and rated Baa3/BBB- or higher.

Short duration investment grade corporate bonds are represented by the **Bloomberg U.S. Corporate Bond 1-5 Year Index** which measures the investment grade, fixed-rate, taxable corporate bond market with 1-5 year maturities.

A **fallen angel** is a bond that was once rated as investment grade but has fallen to junk-bond status because of the issuing company's poor credit quality. A **rising star** is a bond that is rated as a junk bond but could become investment grade because of improvements in the issuing company's credit quality.

Convexity measures the sensitivity of a bond's duration to changes in yield.