

The First Trust Lunt U.S. Factor Rotation 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 Lunt Capital Large Cap Factor Rotation Index (the “index”). The index is designed to provide exposure to U.S. large-cap equities, rotating among select factors when they come into favor using the proprietary Lunt Factor Allocation Methodology.

LUNT CAPITAL MANAGEMENT, INC.

Lunt Capital Management, Inc. (“Lunt Capital”) is an SEC registered investment advisor, based in Salt Lake City, Utah. Lunt Capital offers a variety of unique, rules-based, tactically managed investment strategies for a range of investment objectives, from conservative to aggressive.

Fund Facts

Fund Ticker	FCTR
CUSIP	33733E872
Intraday NAV	FCTRIV
Fund Inception Date	7/25/18
Primary Listing	Cboe BZX

WHY FACTOR ROTATION?

A factor is an attribute or characteristic that explains investment performance. Factor-based investing is a strategy used to choose securities based on those factors which are associated with historically higher returns. This strategy attempts to offer exposure to securities which target a desired deviation from the risk-return profile relative to the broader market. Although single-factor investing offers the ability to hone in on a desirable characteristic of a stock, a multi-factor approach may provide the added benefit of diversification and provide a solution that seeks to enhance returns over time. Historically, there have been large disparities in return across factors within U.S. large-cap securities. Factor rotation can provide the potential to capture some of this return disparity. Lunt Capital believes that using multiple factors provides tools to better adapt to a wider variety of market conditions. In addition, Lunt Capital believes there are opportunities for outperformance through factor rotation using a rules-based process for gaining exposure to individual factors when they come into favor.

Factor Examples

Value	A security’s price relative to fundamentals based on measures such as book value to price, cash flow to price and return on assets
Momentum	Price performance of a security versus a market average, another security or a universe of securities
Volatility	The magnitude of a security’s up and down price fluctuations over time
Quality	The fundamentals, or financial health, of a company based on measures such as consistency of earnings, operating margins, price returns and return on equity

FACTOR PERFORMANCE

Although individual factors may either outperform or underperform the broad market in any given year, factor performance has tended to be cyclical over the long-term. In addition to behavioral biases, investor risk appetite and economic cycles can drive factor performance. The value factor tends to perform better in a risk-taking environment, while the low volatility factor tends to perform best in a risk averse environment. The momentum factor tends to do best when trends persist in a market. The quality factor is more of a risk-adjusted return factor and tends to provide more stable absolute performance over a market cycle relative to other factors. The example below illustrates how factor performance may vary throughout changing market cycles.

ANNUAL FACTOR RANKING EXAMPLE

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Top Ranking ↑	Volatility High	Volatility Low	Momentum Low	Momentum High	Volatility Low	Value Low	Quality Low	Volatility High	Value Low	Momentum Low	Momentum High
	Momentum High	Quality High	Value High	Volatility High	Quality High	Momentum High	Value High	Quality Low	Momentum High	Value High	Value Low
	Quality High	Value High	Quality Low	Quality Low	Value Low	Volatility High	Volatility High	Value Low	Quality High	Quality Low	Quality High
	Value Low	Value Low	Volatility High	Value High	Momentum Low	Quality Low	Value Low	Volatility Low	Volatility Low	Volatility Low	Volatility Low
	Volatility Low	Momentum High	Value Low	Value Low	Momentum High	Value High	Momentum High	Momentum Low	Value High	Volatility High	Volatility High
	Value High	Momentum Low	Quality High	Momentum Low	Value High	Quality High	Quality High	Momentum High	Volatility High	Quality High	Value High
	Momentum Low	Quality Low	Volatility Low	Quality High	Quality Low	Volatility Low	Volatility Low	Value High	Quality Low	Momentum High	Momentum Low
Bottom Ranking ↓	Quality Low	Volatility High	Momentum High	Volatility Low	Volatility High	Momentum Low	Momentum Low	Quality High	Momentum Low	Value Low	Quality Low

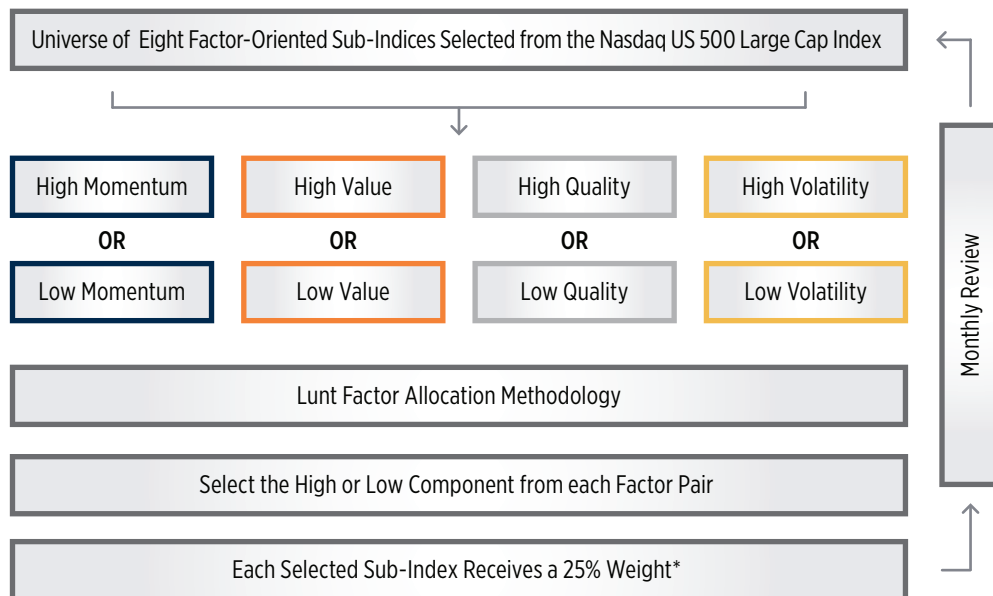
This example is for illustrative purposes and does not represent any actual investment. The factors are based on 8 Nasdaq factor sub-indexes which are each comprised of 50 securities from the Nasdaq US 500 Large Cap Index that represent the high and low side of each of the four factors.

Diversification does not guarantee a profit or protect against loss.

INDEX CONSTRUCTION PROCESS

Using a rules-based, objective, proprietary methodology, the index tactically rotates exposure among the high and low side of four primary factors: Value, Momentum, Volatility and Quality.

- Universe** | Begin with eight factor-oriented sub-indices, representing the highest and lowest ranking stocks in each of the four factors. Each sub-index is comprised of 50 securities selected from the Nasdaq US 500 Large Cap Index.
- Evaluate Factor Pairs** | Sub-indices are ranked based on Lunt Capital's proprietary factor rotation rules to determine which side of each factor (high or low) is exhibiting stronger risk-adjusted relative strength.
- Selection and Weighting** | The top four scoring sub-indices are selected for inclusion in the index. Sub-indices of the same factor cannot be selected during the same monthly period (e.g. high and low of the same factor). Each sub-index holds a 25% weight in the index at the time of inclusion.*
- Review and Rebalance** | The eight sub-indices are evaluated monthly. Momentum, value and volatility sub-indices are rebalanced semi-annually and the quality sub-indices are rebalanced annually.



*If a selected sub-index is currently in the index, its weight remains unchanged. Newly selected sub-index(es) inherit the weighting of the outgoing sub-index(es). If all four sub-indices change, each will receive a 25% weight.

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.

ETF Characteristics

The fund lists and principally trades its shares on Cboe BZX Exchange, Inc. The fund's return may not match the return of the Lunt Capital Large Cap Factor Rotation Index. The 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 security 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 is not actively managed and generally will not attempt to take defensive positions in declining markets. Because of market movement, there can be no assurance that the securities held by the fund will stay within the given market capitalization range. The fund currently has fewer assets than larger funds, and like other relatively new funds, large inflows and outflows may impact the fund's market exposure for limited periods of time.

The fund's strategy may frequently involve buying and selling portfolio securities to rebalance the fund's exposure to the sub-indices, which may result in the fund paying higher levels of transaction costs and generating greater tax liabilities for shareholders. As the use of Internet technology has become more prevalent in the course of business, the fund has become more susceptible to potential operational risks through breaches in cyber security. The fund is classified as "non-diversified" and may invest a relatively high percentage of its assets in a limited number of issuers. As a result, the 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. First Trust Advisors L.P. is the adviser to the fund. First Trust Advisors L.P. is an affiliate of First Trust Portfolios L.P., the fund's distributor. 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 and the Internal Revenue Code. First Trust has no knowledge of and has not been provided any information regarding any investor. Financial advisors must determine whether particular investments are appropriate for their clients. First Trust believes the financial advisor is a fiduciary, is capable of evaluating investment risks independently and is responsible for exercising independent judgment with respect to its retirement plan clients. The Index is the property of Lunt Capital Management, Inc., which has contracted with Nasdaq, Inc. to calculate and maintain the Index. The fund 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 index to track general stock performance.