First Trust

LGOV
First Trust Long Duration Opportunities ETF

The **First Trust Long Duration Opportunities ETF** is an actively managed exchange-traded fund (ETF) that seeks to generate current income with a focus on preservation of capital.

Fund Details

Fund Ticker	LGOV
Fund Inception Date	1/22/2019
CUSIP	33738D606
Intraday NAV	LGOVIV
Primary Listing	NYSE Arca

The fund will seek to achieve its investment objectives by investing at least 80% of its net assets (including investment borrowings) in investment grade fixed-income securities that are issued or guaranteed by the U.S. Government, including U.S. Treasury securities, mortgage-related debt securities and other mortgage-related instruments tied to residential and commercial mortgages. We believe mortgage-backed securities (MBS) offer attractive income generating potential relative to other high quality fixed income assets. An investment in the fund may offer the following potential advantages:

- Attractive level of current income with a weighted average effective duration target of eight or more years
- Low correlation to equity markets
- High asset credit quality with at least 80% of assets in government securities
- Large and liquid asset class effectively accommodates efficient portfolio rebalancing

INVESTMENT PROCESS

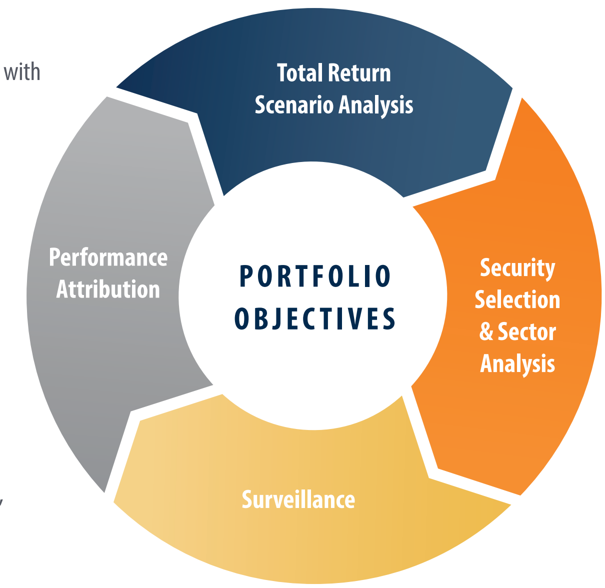
The investment process is a disciplined, rigorous and repeatable combination of top down macro-economic views with quantitatively driven risk based hedges, coupled with bottom up security selection.

Total Return Scenario Analysis | Evaluate individual security and portfolio level returns which are quantitatively exposed to interest rate, yield curve, and credit spread movements or "shocks".

Security Selection & Sector Analysis | Perform top-down review of core MBS and Treasury sectors to determine sector positioning weights based on macro market fundamentals. Then perform bottom-up analysis of individual securities to determine the sub-sectors to overweight, neutral weight, and underweight.

Surveillance | Analyze holdings on a systematic basis to monitor any changes in security and portfolio performance, along with meaningful changes in risk factors.

Performance Attribution | Perform granular total return analysis of key portfolio attributes such as duration, credit quality, yield, sector and liquidity.



WHY ACTIVE PORTFOLIO MANAGEMENT?

Typically, ETFs that follow an indexing approach invest a higher percentage of the fund's assets in securities within the index with the largest current market issuance, which exposes investors to potentially overvalued or poorly structured market sectors. With heightened interest rate and equity market volatility, the portfolio managers believe high quality securities such as Treasuries and MBS are an important piece of a diversified portfolio. They believe their low total return correlation to other core asset classes and positive credit quality trends are valuable investment characteristics. When selecting the portfolio for the First Trust Long Duration Opportunities ETF, the portfolio management team focuses on the global economy, macro trends in the fixed income market as well as evolving trends in government and MBS sectors. The portfolio managers believe thorough and continuous monitoring of housing market fundamentals, quantitative portfolio modeling, and the ability to rebalance the portfolio to stay above the fund's weighted average effective duration target, of eight years or more, is critical to achieving higher risk-adjusted returns. Quantitative portfolio modeling is used to evaluate expected relative portfolio performance and optimally create an efficient strategy based on the following variables:

- **Interest rates**
- **Mortgage prepayments**
- **Yield volatility**
- **MBS spread**
- **Security structural transformation**
- **Housing market fundamentals**
- **Defaults and severities**
- **Government and regulatory policy**

Definitions:

Duration is a measure of the weighted average life of a bond, which takes into account the maturity of each payment of a bond including coupons and the final maturity payment. The value of longer duration bonds are more sensitive to interest rate changes than shorter duration bonds.

Correlation is a measure of the similarity of performance.

PORTFOLIO MANAGEMENT TEAM

Jim Snyder, Senior Portfolio Manager, Senior Vice President | First Trust Securitized Products Group

Mr. Snyder has 28 years of investment experience and joined First Trust in 2013. Prior to joining First Trust, he worked as a Senior Portfolio Manager at Fort Sheridan Advisors. In his career, Mr. Snyder has led several mortgage trading and portfolio groups at Deerfield Capital, Spyglass Capital & Trading and American Express Financial Advisors. Mr. Snyder managed AXP Federal Income Fund and developed mortgage trading strategies for Spyglass Capital and Deerfield's Mortgage REIT and Opportunity Fund. Mr. Snyder holds a B.S. and M.A. in Economics from DePaul University and an MBA from University of Chicago Booth School of Business.

Jeremiah Charles, Senior Portfolio Manager, Senior Vice President | First Trust Securitized Products Group

Mr. Charles has 15 years of investment experience and joined First Trust in 2013. Prior to joining First Trust, he worked as a Vice President of MBS at CRT Capital. Before joining CRT in 2011, Mr. Charles spent 6 years with Deerfield Capital Management LLC as a Senior Vice President and Senior Portfolio Manager for the Mortgage Trading team. He began his professional career as an Analyst at Piper Jaffray. Mr. Charles holds a B.S. in Finance from the Leeds School of Business at the University of Colorado, and a M.S. in Real Estate Finance with Honors from the Charles H. Kellstadt Graduate School of Business at DePaul University.

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 the NYSE Arca.

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 securities in general may fall in value. Actively managed funds are subject to management risk because the advisor will apply investment techniques and risk analyses that may not have the desired result. There can be no guarantee that the fund will meet its investment objective.

The fund is subject to call risk, credit risk, income risk, inflation risk, interest rate risk and prepayment risk. Call risk is the risk that performance could be adversely impacted if an issuer calls higher-yielding debt instruments held by the fund. Credit risk is the risk that an issuer of a security will be unable or unwilling to make dividend, interest and/or principal payments when due and that the value of a security may decline as a result. Income risk is the risk that income from the fund's fixed-income investments could decline during periods of falling interest rates. Inflation risk is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. Interest rate risk is the risk that the value of the fixed-income securities in the fund will decline because of rising market interest rates. Prepayment risk is the risk that the fund may not be able to reinvest proceeds received on terms as favorable as the prepaid security.

Mortgage-related securities, including mortgage-backed securities, are more susceptible to adverse economic, political or regulatory events that affect the value of real estate. Mortgage-related securities are subject to the risk that the rate of mortgage prepayments decreases, which extends the average life of a security and increases the interest rate exposure.

Non-agency debt, including asset-backed securities, 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.

If a counterparty defaults on its payment obligations, the fund will lose money and the value of fund shares may decrease.

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

The use of options or other derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives. These risks are heightened when the fund's portfolio managers use derivatives to enhance the fund's return or as a substitute for a position or security, rather than solely to hedge (or offset) the risk of a position or security held by the fund.

The fund will, under most circumstances, effect a significant portion of creations and redemptions for cash rather than in-kind securities. As a result, the fund may be less tax-efficient.

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.

High portfolio turnover may result in the fund paying higher levels of transaction costs and generating greater tax liabilities for shareholders.

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

Investment in repurchase agreements, including mortgage dollar rolls and TBA transactions, may be subject to market and credit risk with respect to the collateral securing the agreements. TBA transactions are also subject to the risk of the default or bankruptcy of the fund's counterparty or that the security will not be issued.

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.

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.

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.