The **First Trust EIP Carbon Impact ETF** is an actively managed exchange-traded fund (ETF) that seeks to achieve a competitive risk-adjusted total return balanced between dividends and capital appreciation.

INVESTING FOR IMPACT

The First Trust EIP Carbon Impact ETF invests at least 80% of its net assets (including investment borrowings) in the equity securities of companies identified by the fund's sub-advisor, Energy Income Partners, LLC ("EIP"), as having, or seeking to have, a positive carbon impact. Positive carbon impact companies are defined by EIP as companies that reduce, have a publicly available plan to reduce, or enable the reduction of carbon and other greenhouse gas ("GHG") emissions from the production, transportation, conversion, storage and use of energy. Based on EIP's fundamental research and review of regulatory filings and investor and public communications, the companies chosen for inclusion in the fund have demonstrated a commitment to positive carbon impact activities.

EIP believes that rapidly evolving state and federal energy policies and regulations, paired with technological innovation, continue to drive the transition to an energy system that is safer, cleaner and more reliable. EIP also believes investors in regulated utilities, renewable developers and other energy infrastructure companies have an opportunity to participate in these dramatic changes. EIP is optimistic that companies involved in activities aimed at reducing carbon and other GHG emissions have positive growth potential.

EIP's APPROACH

EIP's general investment approach is to invest with the regulated monopoly shippers of energy who may benefit when the cost of the energy they are shipping declines, unlike the upstream energy producers whose fortunes are tied to commodity prices. EIP believes this approach remains sound in a transition to lower-carbon energy; the "upstream" makers of wind turbines and solar panels operate in a competitive market that may pressure prices and margins, but the buyers of those products—including utilities and their customers—may benefit as costs decline.

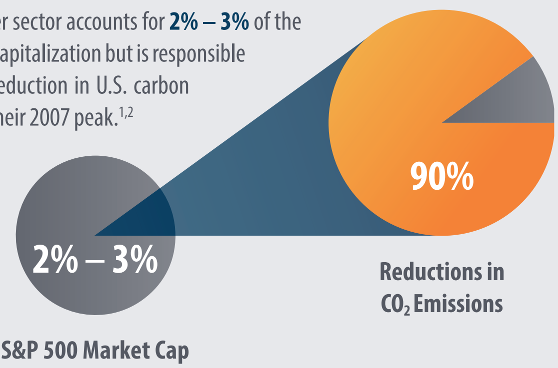
While other funds may focus more toward supply-oriented merchant businesses with highly variable margins in competitive industries, EIP tends to seek demand-facing infrastructure companies with stable earnings growth and regulated returns or very long-term contracts. Although each group occupies a critical part of the capital markets ecosystem that have worked together to lower the cost of cleaner more sustainable energy resources, EIP believes their approach may offer an advantage when comparing each group's respective earnings, dividend and return profiles. EIP seeks to own well-managed companies, with capital and financial discipline, that focus on safe, clean and reliable operations. EIP pursues this approach in order to seek the best risk-adjusted returns.

Fund Facts

Fund Ticker	ECLN
Investment Advisor	First Trust Advisors L.P.
Investment Sub-Advisor	Energy Income Partners, LLC
CUSIP	33738D705
Intraday NAV	ECLNIV
Fund Inception Date	8/19/19
Primary Listing	NYSE Arca

ELECTRIC POWER SECTOR

The electric power sector accounts for **2% – 3%** of the S&P 500 market capitalization but is responsible for **90%** of the reduction in U.S. carbon emissions since their 2007 peak.[1,2]



> "There is a common misperception that renewables represent a threat to established utilities. We believe this is wrong. In our view, renewables represent an opportunity for utilities to put shareholder growth capital to work replacing higher-cost legacy generation with lower cost cleaner substitutes to the benefit of electricity consumers."
>
> ***- James Murchie, EIP***

POTENTIAL BENEFITS OF INVESTING IN THE FIRST TRUST EIP CARBON IMPACT ETF

Income Stream

Attractive Long Term Returns

Opportunity For Growth

Investment in Quality Companies

Impactful Investing with Exposure to Companies that May Have a Role in Mitigating Climate Change

Changes In The Energy Economy

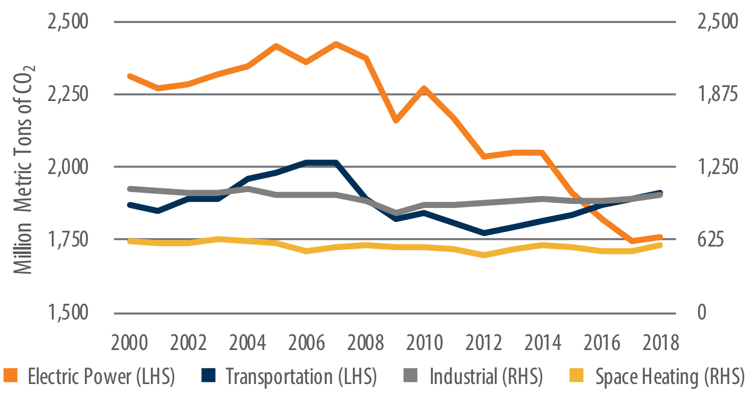
EIP believes technology, public policy and capital markets are driving the decarbonization of the energy economy. Economic substitution of lower cost renewables and natural gas for coal in power generation, and the growing adoption of utility-scale solar and wind power, are causing more carbon intensive sources of power to be displaced, transforming the way energy is produced and supplied around the world.*

Driving this change is the electric power sector, which makes up 2% - 3% of S&P 500 market capitalization yet is responsible for 90% of the reduction in U.S. carbon dioxide ("CO_2") emissions.[1, 2]

- Since peaking in 2007, total U.S. CO_2 emissions have declined by 12% through 2018, driven primarily by the electric power sector whose carbon output declined by 27%, accounting for 90% of this reduction (see Chart 1).[1]
- Driving this decline has been the displacement of coal by natural gas and renewables in supplying U.S. electricity over the last two decades (see Chart 2).
- Natural gas emits roughly half the CO_2 per megawatt-hour (MWh) of electricity generated from coal or oil, while renewables emit virtually no CO_2.[1] Rising output of cheaper natural gas and renewables have forced the closure of more expensive, dirtier coal fired power generation (see Charts 2 and 4).
- According to EIP, technological improvements have dramatically lowered the cost of alternative energies, such as solar, wind, and cleaner burning natural gas, allowing clean energy adoption to become more economical and provide a source of earnings growth for utilities.
- These new investments drive growth in the utilities' "rate base", the capital on which they earn allowed (regulated) rates of return. Lower costs mean utility customer bills stay flat in real terms (see Chart 3).
- According to EIP, many U.S. electric utilities have stated plans to reduce carbon emissions — some with 80%+ reduction goals by 2050 — from the continued deployment of cleaner, lower cost sources of power. EIP believes this also represents an opportunity for renewable power developers that sell power to utilities on long term contracts.

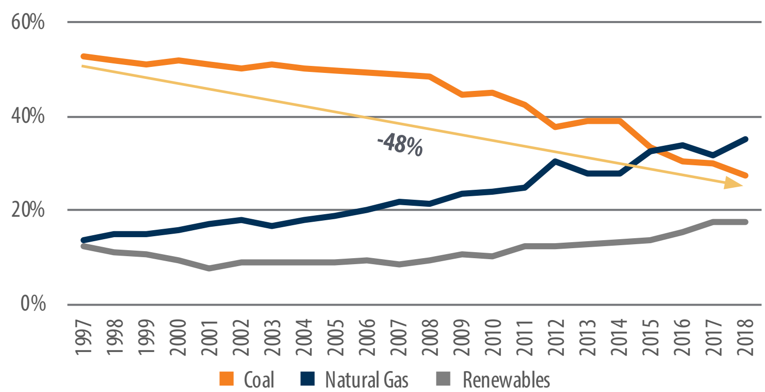
*Please note that despite potential changes to the energy economy, the fund may not benefit from such changes and may not benefit to the same extent as other investment vehicles that are investing in a similar fashion. In addition, such changes to the energy economy may not develop as anticipated.

Chart 1 | U.S. Carbon Emissions by Sector 2000-2018



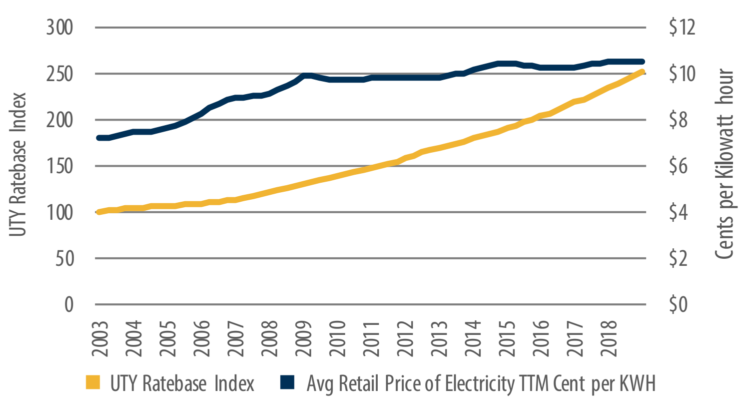
Source: *U.S. Energy Information Administration's (EIA) Monthly Energy Review, July 2019*
LHS – Left hand side. RHS – Right hand side.

Chart 2 | U.S. Power Generation from Coal, Natural Gas & Renewables 1997-2018



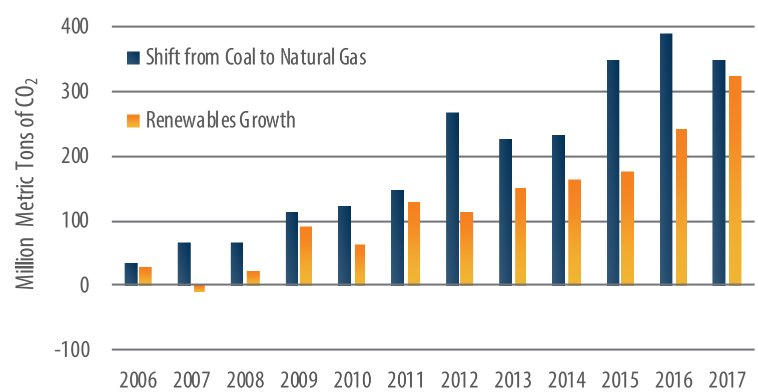
Source: *EIA Electric Power Monthly* with Data for January 2019.

Chart 3 | Rate Base of UTY Constituents vs. Average Retail Price of Electricity



Source: As of 3/29/19. *EIA's Monthly Energy Review, March 2019*, Bloomberg. Rate Base of the PHLX Utility Sector Index (UTY). Constituents is defined as the year-over-year growth for each market capitalization weighted member of UTY. Rate Base is calculated by (Capital Expenditures + Depreciation)/ Net Fixed Assets based on the members in UTY. Rate Base is indexed to 100. See endnotes for index definition.

Chart 4 | Contributions to U.S. CO_2 Reductions from Coal Displacement and Renewables Growth: CO_2 Savings from Power Sector since 2005



Source: *EIA U.S. Energy-Related Carbon Dioxide Emissions, 2017*. Data is the most recently available.

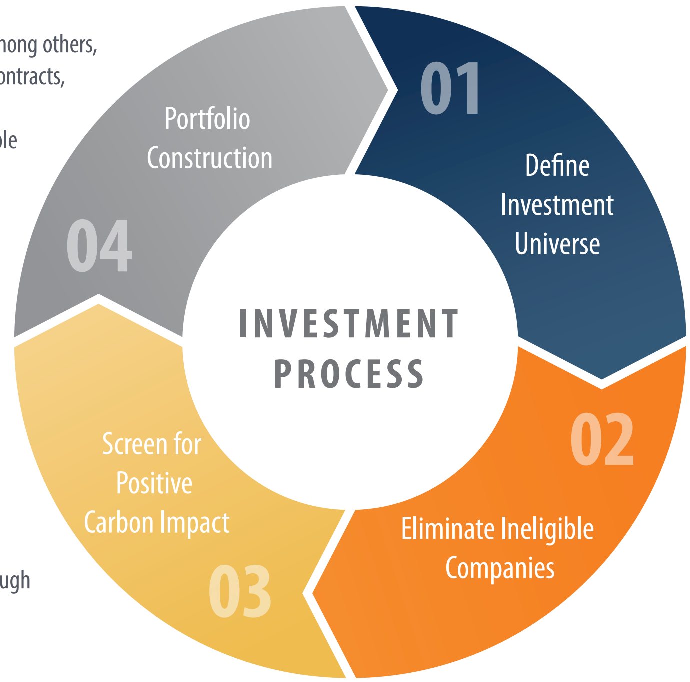
Through a professionally managed portfolio, the fund seeks to offer investors an attractive balance of income and growth while also providing a vehicle to focus some of their investments on carbon impact and its potential role in mitigating climate change.

INVESTMENT PROCESS

DEFINE INVESTMENT UNIVERSE

Define a universe of potential investments from companies operating in the industries identified below, among others, which may exhibit higher than average payout ratio supported by stable cash flows derived from long-term contracts, a regulated cost-of-service pricing scheme with inflation adjustments or cost pass-through protections.

- Utilities; natural gas pipelines; manufacturers, contracted developers and/or owners of renewable energy and other companies that operate and/or produce services in support of activities such as renewable energy equipment, energy storage, carbon capture and sequestration, fugitive methane abatement and energy transmission and distribution equipment.



ELIMINATE INELIGIBLE COMPANIES

Eliminate companies that EIP has identified as having no plans to reduce emissions and have a strategic commitment to the following activities:

- Coal production
- Crude oil exploration and production
- Crude oil transportation, storage or delivery

SCREEN FOR POSITIVE CARBON IMPACT

From the remaining eligible companies, EIP identifies those that currently or have plans to:

- Reduce carbon and other GHG emissions within their own operations
- Facilitate the reduction of carbon and other GHG emissions across the broader market, such as through the displacement of more carbon intensive fuels (such as coal or oil)
- Facilitate the increased use of renewable resources across the broader market

PORTFOLIO CONSTRUCTION

EIP selects from the remaining securities using a combination of quantitative and qualitative screens. The remaining securities are weighted based on each position's expected rate of return against risks, position size and diversification considerations and the fund's portfolio limitations.

ABOUT EIP

Founded in 2003, EIP manages a $6 billion portfolio of high quality, well managed publicly traded energy infrastructure companies that own natural monopolies operating under state and federal cost-of-service regulation or long-term contracts.[3] In EIP's view, its expertise covers the energy infrastructure sector as well as state and federal energy policy and utility regulation. EIP's approach, which in its view drives investment success over time, is a singular focus on the quality of the management teams of its portfolio companies.

PORTFOLIO MANAGEMENT TEAM

JAMES MURCHIE	EVA PAO	JOHN TYSSELAND
Co-Portfolio Manager, Founder and CEO of EIP	Co-Portfolio Manager, Principal of EIP	Co-Portfolio Manager, Principal of EIP

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, Inc.

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 stock owned by the fund, fund shares or stocks in general may fall in value. The fund is subject to management risk because it is an actively managed portfolio. In managing the fund's investment portfolio, the sub-advisor will apply investment techniques and risk analyses that may not have the desired result. There can be no assurance that the fund's investment objective will be achieved.

The fund may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies.

The companies held by the fund may not ultimately undertake, or be successful in, their efforts to reduce the carbon impact of the production, transportation, conversion or storage of energy.

The fund is concentrated in the industries comprising the energy infrastructure sector, which involves additional risks, including limited diversification. The companies engaged in the energy infrastructure sector, which includes energy companies, MLPs and utilities companies, 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. An investment in the fund may be more volatile than an investment that is more broadly diversified.

An investment in a fund containing securities of non-U.S. issuers is subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers. The fund may invest in depositary receipts which may be less liquid than the underlying shares in their primary trading market.

The fund is subject to inflation risk. 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.

An investment in MLP units involves risks which differ from an investment in common stock of a corporation. Holders of MLP units have limited control and voting rights. In addition, there is the risk that a MLP could be taxed as a corporation. Current and future tax and regulatory policies could adversely impact an MLP's business, financial condition, results of operations and cash flows, and ability to pay cash distributions or dividends. Rising interest rates could adversely impact the financial performance of MLPs, MLP related entities and energy companies.

Illiquid securities involve the risk that the securities will not be able to be sold at the time desired by the fund or at prices approximately the value at which the fund is carrying the securities on its books.

Changes in currency exchange rates and the relative value of non-US currencies may affect the value of a fund's investments and the value of a fund's shares.

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.

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.

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, the Internal Revenue Code or any other regulatory framework. Financial advisors are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

Definitions

The **PHLX Utility Sector Index** is a market capitalization weighted index composed of geographically diverse public U.S. utility stocks.

[1] *EIA's Monthly Energy Review, July 2019*. Data from 2005-2018.

[2] As of 8/14/19. Electric Power Sector is represented by the electric utilities members of PHLX Utility Sector Index (UTY).

[3] As of 6/28/19.