



FOR IMMEDIATE RELEASE

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### **First Trust to Launch First Trust Dorsey Wright DALI 1 ETF**

*An index-tracking ETF based on Dorsey Wright's systematic momentum strategy using the Dynamic Asset Level Investing process.*

**WHEATON, IL** - (BUSINESS WIRE) - May 15, 2018 - [First Trust Advisors L.P.](#) ("First Trust"), a leading exchange-traded fund ("ETF") provider and asset manager, announced today that it launched a new index-based ETF, the First Trust Dorsey Wright DALI 1 ETF (Nasdaq: DALI) (the "fund"). The fund seeks investment results that correspond generally to the price and yield (before the fund's fees and expenses) of an index called the Nasdaq Dorsey Wright DALI 1 Index (the "index").

The index is designed to evaluate four broad asset classes: Domestic Equity, International Equity, Fixed Income and Commodities. The Dynamic Asset Level Investing process (the "DALI process") is used to identify the asset class best positioned to outperform the market generally. The DALI process was designed as a tactical tool to provide guidance for asset allocation decisions among asset classes, as well as within asset classes, steering an investor toward those areas of the market that Nasdaq Dorsey Wright believes may outperform. The DALI process is used to evaluate supply and demand forces of asset classes, and rank them from strongest to weakest based on Nasdaq Dorsey Wright's proprietary relative strength methodology. The asset class with the highest relative strength score is selected for inclusion in the index and the fund's assets will be allocated to ETFs that provide exposure to the asset class.

The index construction process was developed by Nasdaq Dorsey Wright, a registered investment advisory firm that provides professional management and investment research services for numerous broker/dealers and large institutions around the world. The cornerstone of their approach is technical analysis, and in particular, the law of supply and demand. "In times of increasing volatility, the ability to differentiate between the values of asset classes has never been more important. Our relative strength-based asset class ranking system, DALI, has been a mainstay of our research for over a decade, and we are excited to bring this unique strategy to market with First Trust," said Jay Gagnani, Head of Research and Client Engagement for Nasdaq Dorsey Wright.

"We are thrilled to offer this unique strategy within a single ETF, providing an efficient way for investment advisors to apply Nasdaq Dorsey Wright's research on asset-class relative strength," said Ryan Issakainen, CFA, Senior Vice President, ETF Strategist at First Trust. For more information about First Trust, please contact Ryan Issakainen at (630) 765-8689 or [RIssakainen@FTAdvisors.com](mailto:RIssakainen@FTAdvisors.com).

**About First Trust**

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First Trust, a federally registered investment advisor, and its affiliate First Trust Portfolios L.P. ("FTP"), a FINRA registered broker-dealer, are privately held companies that provide a variety of investment services. First Trust is the investment advisor to exchange-traded funds, closed-end funds, mutual funds, separate managed accounts and provides supervisory services to FTP sponsored unit investment trusts. First Trust's assets under management were approximately \$123 billion as of April 30, 2018. This includes the supervisory services First Trust provides to FTP sponsored unit investment trusts, which are unmanaged. FTP is a sponsor of unit investment trusts and distributor of mutual fund shares and exchange-traded fund creation units. First Trust is based in Wheaton, Illinois. For more information, visit <http://www.ftportfolios.com>.

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*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 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 Nasdaq Stock Market LLC.

The fund's return may not match the return of the Nasdaq Dorsey Wright DALI 1 Index. The ETFs 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 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 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 or fund shares in general may fall in value. There can be no assurance that the fund's investment objective will be achieved.

The fund may be concentrated in a small number of ETFs (including a single ETF). The ETFs may invest in securities issued by companies concentrated in a particular industry or sector which involves additional risks including limited diversification.

Certain ETFs invest in volatile securities. Frequent or significant short-term price movement may adversely impact the performance of the fund.

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 may own a significant portion of the ETFs included in the index. Any such ETF may be removed from the index in the event that it does not comply with the eligibility requirements of the index. As a result, the fund may be forced to sell shares of certain ETFs at inopportune times or for prices other than at current market values or may elect not to sell such shares on the day that they are removed from the index, due to market conditions or otherwise.

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The risks of owning an ETF generally reflect the risks of owning the underlying securities, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. The fund invests in securities of affiliated ETFs, which involves additional expenses that would not be present in a direct investment in such affiliated ETFs.

The ETFs in which the fund invests may invest in equity securities and the value of the fund's shares will fluctuate with changes in the value of these equity securities.

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

Certain securities held by the underlying ETFs may be subject to credit risk, call risk, income risk, interest rate risk, prepayment risk, and extension risk. 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. Call risk is the risk that performance could be adversely impacted if an issuer calls higher-yielding debt instruments held by the fund. Income risk is the risk that income from the fund's portfolio could decline if interest rates fall. Interest rate risk is the risk that the value of fixed-income securities 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. Extension risk is the risk that, when interest rates rise, certain obligations will be paid off by the issuer more slowly than anticipated, causing the value of these securities to fall.

Underlying ETFs that invest in fixed income securities are subject to the risk that such securities generally trade "over-the-counter" and have no fixed market price.

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

Companies that issue bank loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. Senior floating rate 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.

Income from municipal bonds could be declared taxable and all or a portion of the fund's otherwise exempt interest dividends may be taxable to investors subject to the federal alternative minimum tax.

Convertible securities have characteristics of both equity and debt securities and, as a result, are exposed to certain additional risks.

Preferred securities combine some of the characteristics of both common stocks and bonds and are typically subordinated to bonds and other debt instruments in a company's capital structure, in terms of priority to corporate income, and therefore will be subject to greater credit risk than those debt instruments.

Mortgage-related securities, including mortgage-backed securities, are more susceptible to adverse economic, political or regulatory events that affect the value of real estate.

Certain ETFs in which the fund may invest have exposure to commodities through investments in commodity futures contracts and exchange-traded commodity linked instruments. The value of commodities instruments typically is based upon the price movements of a physical commodity or an economic variable linked to such price movements. The prices of commodities instruments may fluctuate quickly and dramatically and may not correlate to price movements in other asset classes. An active trading market may not exist for certain commodities. Commodities instruments are also subject to the risk that a counterparty to a commodities instrument may default on its obligations. Each of these factors and events could have a significant negative impact on the fund. Futures and futures-related products can be highly volatile.

The ETFs in which the fund invests may invest in securities of non-U.S. issuers which are 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. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market

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countries. The ETFs in which the fund invests may invest in depositary receipts which may be less liquid than the underlying shares in their primary trading market. Changes in currency exchange rates and the relative value of non-U.S. currencies may affect the value of the fund's investments and the value of the fund's shares.

The index employs a "momentum" style methodology that emphasizes selecting ETFs that have had higher recent price performance compared to other ETFs. Momentum can turn quickly and cause significant variation from other types of investments.

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 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 is subject to additional risks, as described in the fund's prospectus and summary prospectus, including market maker risk, portfolio turnover risk and trading issues risk.

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.

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.

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Source: First Trust Advisors L.P.