

FTIF

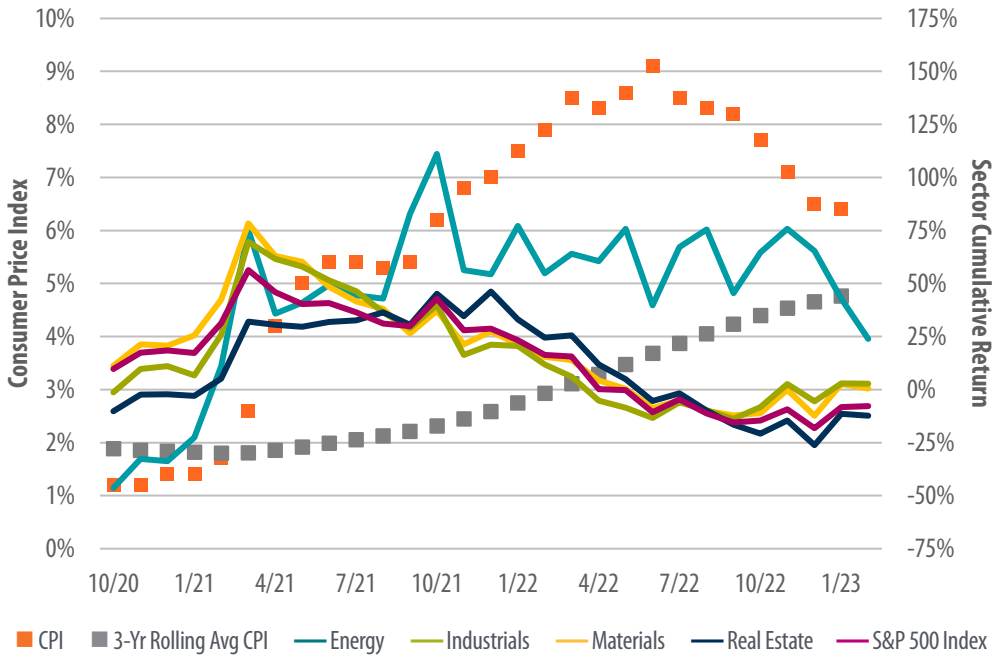
First Trust Bloomberg Inflation Sensitive Equity ETF

The **First Trust Bloomberg Inflation Sensitive Equity ETF** (the “fund”) is an exchange-traded fund (“ETF”) that seeks investment results that correspond generally to the price and yield, before the fund’s fees and expenses, of an equity index called the Bloomberg Inflation Sensitive Equity Index (the “index”).

RELEASING THE PRESSURE OF RISING INFLATION

Inflation refers to the average change in prices over time that consumers pay for a basket of goods and services. When inflation rises, the purchasing power of money erodes, and it becomes important to seek strategies to generate additional income. The Consumer Price Index (CPI), a designated indicator of inflation on everything from fuel to real estate, has been trending higher in recent years reaching a 40-year peak of 9.1% in June of 2022, as shown in the chart below. Concerns over high inflation have led investors to search for ways to seek durable return streams that have the potential to keep pace with inflation. FTIF invests primarily in U.S. exchange-listed companies within sectors that are expected to benefit, either directly or indirectly, from rising prices.

INFLATION SENSITIVE SECTORS CUMULATIVE TOTAL RETURN VS. CPI



Source: Bloomberg. Data from 10/31/20 through 2/28/23. **Past performance is not a guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. 3-Year Rolling Average CPI is the average annual change in the CPI over the previous three years. Inflation Sensitive Sectors are represented by the respective S&P 500 Sector Index. Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. Investors cannot invest directly in an index.

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.

FUND DETAILS

Fund Ticker	FTIF
Investment Advisor	First Trust Advisors L.P.
CUSIP	33733E815
Intraday NAV	FTIFIV
Fund Inception Date	3/13/23
Primary Listing	NYSE Arca
Rebalance Frequency	Semi-Annual

FTIF INVESTMENT FOCUS

- 
Inflation Sensitive Sectors
 Energy, industrials, materials, and real estate
- 
High Free-Cash-Flow Yield
 A measurement of how efficiently a company generates cash after paying for operations and capital expenses
- 
Debt-to-Market Capitalization
 Screen to remove highly leveraged companies within each sector that tend to underperform during down markets
- 
Performance
 Historically strong performance during inflationary cycles

INDEX CONSTRUCTION PROCESS ACCORDING TO THE INDEX PROVIDER

Universe | Begin with a universe of U.S. exchange-listed companies from the Bloomberg US 3000 Index in the energy, industrials, materials and real estate sectors.

Eligibility Criteria | Each company is ranked by market capitalization within each sector. The 50 largest companies by “free float” market capitalizations, relative to each of the four sectors, are eligible for inclusion. Next, the index calculates the debt-to-market capitalization ratio for each company and removes the lowest 10% of companies within each sector. The remaining companies are ranked based on two inflation metrics: (1) high beta to 2-year inflation breakeven and (2) high beta to Bloomberg Commodity Index. Within each sector, the top 50% of remaining companies by their combined inflation metric score are kept within the index.

Security Selection & Weighting | The top 50 companies with the highest free-cash-flow yield based on a trailing 12-month period are selected, subject to a maximum of 20 stocks from a single sector. The selected companies will be equally weighted.

Rebalancing | The index is reconstituted and rebalanced semi-annually.



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 SAI 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.

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.

Energy companies are subject to certain risks, including volatile fluctuations in price and supply of energy fuels, international politics, terrorist attacks, reduced demand, the success of exploration projects, natural disasters, clean-up and litigation costs relating to oil spills and environmental damage, and tax and other regulatory policies of various governments. Oil production and refining companies are subject to extensive federal, state and local environmental laws and regulations regarding air emissions and the disposal of hazardous materials and may be subject to tariffs. In addition, oil prices are generally subject to extreme volatility.

Equity securities may decline significantly in price over short or extended periods of time, and such declines may occur in the equity market as a whole, or they may occur in only a particular country, company, industry or sector of the market.

An index fund will be concentrated in an industry or a group of industries to the extent that the index is so concentrated. A fund with significant exposure to a single asset class, or the securities of issuers within the same country, state, region, industry, or sector may have its value more affected by an adverse economic, business or political development than a broadly diversified fund.

There is no assurance that the index provider or its agents will compile or maintain the index accurately. Losses or costs associated with any index provider errors generally will be borne by a fund and its shareholders.

Industrials and producer durables companies are subject to certain risks, including the general state of the economy, intense competition, consolidation, domestic and international politics, excess capacity and consumer demand and spending trends. They may also be significantly affected by overall capital spending levels, economic cycles, technical obsolescence, delays in modernization, labor relations, and government regulations.

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

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.

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, or other events could have significant negative impact on a fund. In February 2022, Russia invaded Ukraine which has caused and could continue to cause significant market disruptions and volatility within the markets in Russia, Europe, and the United States. The hostilities and sanctions resulting from those hostilities could have a significant impact on certain fund investments as well as fund performance. The COVID-19 global pandemic 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. While the U.S. has resumed “reasonably” normal business activity, many countries continue to impose lockdown measures. Additionally, there is no guarantee that vaccines will be effective against emerging variants of the disease.

Materials and processing companies are subject to certain risks, including the general state of the economy, consolidation, domestic and international politics and excess capacity. Materials companies may also be significantly affected by volatility of commodity prices, import controls, worldwide competition, liability for environmental damage, depletion of resources and mandated expenditures for safety and pollution control devices.

Large inflows and outflows may impact a new fund's market exposure for limited periods of time.

An index fund's return may not match the return of the index for a number of reasons including operating expenses, costs of buying and selling securities to reflect changes in the index, and the fact that a fund's portfolio holdings may not exactly replicate the index.

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.

A fund that invests in securities included in or representative of an index will hold those securities regardless of investment merit and the fund generally will not take defensive positions in declining markets.

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.

The risks associated with investing in real estate companies may be similar to those associated with direct ownership of real estate and include fluctuations in the value of underlying properties, defaults by borrowers or tenants, market saturation, changes in general and local economic conditions, decreases in market rates for rents, increases in competition, property taxes, capital expenditures or operating expenses, dependency upon management skills, limited diversification, and other economic, political or regulatory occurrences.

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.

First Trust Advisors L.P. is the advisor 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 professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

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Free float refers to the number of outstanding shares that are available to the public for trade.

Beta is a measure of a stock's volatility in relation to the overall market.

Bloomberg Commodity Index is a broadly-diversified index designed to provide exposure to commodities via future contracts.

Free-cash-flow yield compares the free cash flow per share a company is expected to earn against its market value per share.

Bloomberg US 3000 Index is a float market-cap-weighted benchmark of the 3000 most highly capitalized US companies.

The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance, while the S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.