

FCFY

First Trust S&P 500 Diversified Free Cash Flow ETF

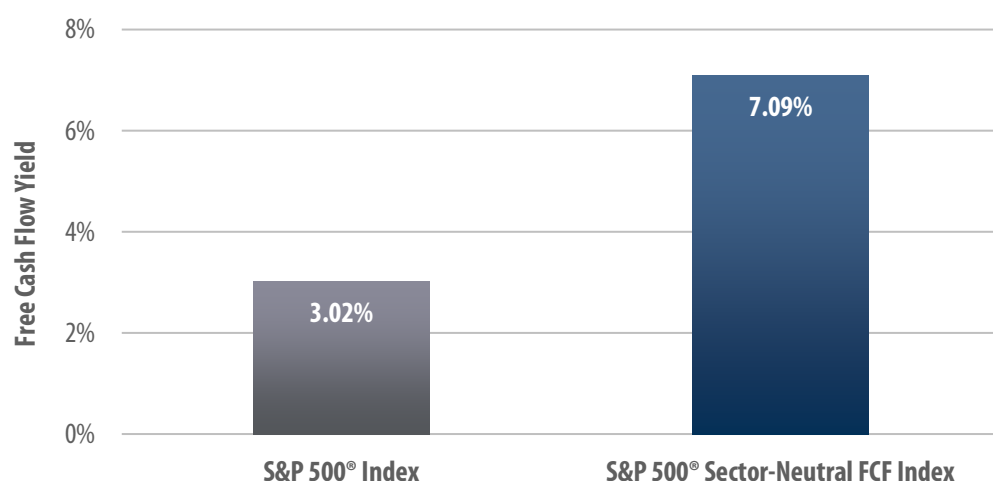
The **First Trust S&P 500 Diversified Free Cash Flow ETF** (the “fund”) is an exchange-traded fund (“ETF”) that seeks investment results that correspond generally to the price and yield, before the fund’s fees and expenses, of an equity index called the S&P 500® Sector-Neutral FCF Index (the “index”).

FREE CASH FLOW: A FUNDAMENTAL MEASURE

Of the many factors that can be used to determine the financial health of a company, free cash flow (“FCF”) may offer a clearer picture since it measures a company’s ability to generate excess cash after paying for operations and capital expenses. Companies producing plenty of FCF may be attractive since they tend to be higher quality and may be less reliant on capital markets to finance business operations. FCF can be used in a variety of ways, including to fund dividends and stock buybacks, to pay down debt, or to pursue projects to bolster profitability. Additionally, FCF Yield — FCF compared to some measure of company value such as Enterprise Value — is a metric that can be used to compare FCF for various stocks. **FCFY** seeks to provide exposure to the performance of companies within the S&P 500® Index that have the highest FCF Yield within each Global Industry Classification Standard (GICS®)* sector represented in the S&P 500® Index.

WEIGHTED AVERAGE FREE CASH FLOW YIELDS

S&P 500® Index vs. S&P 500® Sector-Neutral FCF Index



Source: Capital IQ. Data as of 6/30/25. **Past performance is not a guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. 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. Please see the following page for index definitions.

*GICS is a four-tiered, hierarchical industry classification system that consists of 11 sectors, 25 industry groups, 74 industries and 163 sub-industries. The GICS methodology is widely accepted as an industry analytical framework for investment research, portfolio management and asset allocation.

FUND DETAILS

Fund Ticker	FCFY
Investment Advisor	First Trust Advisors L.P.
CUSIP	33733E799
Intraday NAV	FCFYIV
Fund Inception Date	8/23/23
Primary Listing	NYSE Arca
Rebalance Frequency	Semi-Annually

INVESTMENT FOCUS

Free Cash Flow Yield

A measurement of how efficiently a company generates cash after paying for operations and capital expenses relative to a measure of company value.

Sector Neutrality

Provides exposure to each GICS® sector and mirrors sector weightings represented in the S&P 500® Index at the time of reconstitution. Diversification does not guarantee a profit or protect against loss.



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.

S&P 500® SECTOR-NEUTRAL FCF INDEX CONSTRUCTION PROCESS

Universe | The index's starting universe consists of all the securities comprising the S&P 500® Index. According to the index provider, all companies in the S&P 500® Index are then ranked based on their FCF Yield within their respective GICS® sectors.

Security Selection | Next, the index provider selects companies that are within the top 20% of FCF Yield from each GICS® sector. Companies with the lowest non-positive FCF Yield within a sector are excluded.*

Weighting | At each reconstitution, the index sector weights mirror the sector weights of the S&P 500® Index, and the constituents are weighted by their FCF Yield within each sector. If companies with a non-positive FCF Yield are selected, then the remaining weight within the GICS® sector is equally distributed to non-positive FCF Yield companies. In addition, the weight for each index constituent is constrained between 0.25% and 5.00%.

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

*Subject to minimum constituent counts.

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 Statement of Additional Information 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.

Current market conditions risk is the risk that a particular investment, or shares of the fund in general, may fall in value due to current market conditions. For example, changes in governmental fiscal and regulatory policies, disruptions to banking and real estate markets, actual and threatened international armed conflicts and hostilities, and public health crises, among other significant events, could have a material impact on the value of the fund's investments.

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.

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.

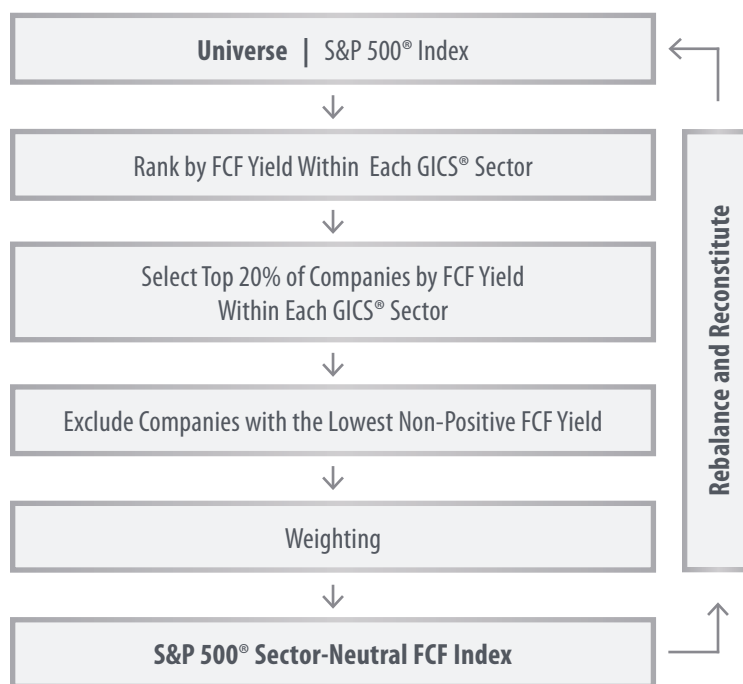
A fund may be a constituent of one or more indices or models which could greatly affect a fund's trading activity, size and volatility.

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.

Information technology companies are subject to certain risks, including rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards and regulation and frequent new product introductions.

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

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, natural disasters or other events could have significant negative impact on a fund.



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.

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.

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. (FTA) is the adviser to the First Trust fund(s). FTA is an affiliate of First Trust Portfolios L.P., the distributor of the fund(s).

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.

The S&P 500® Sector-Neutral FCF Index ("Index") is a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJI") and has been licensed for use by First Trust. S&P® is a registered trademark of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by First Trust. The Fund is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product nor do they have any liability for any errors, omissions, or interruptions of the Index.

Definitions

Enterprise Value is the value of a company's common stock, preferred stock, total debt and minority interest.

S&P 500® Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance.

The **S&P 500® Sector-Neutral FCF Index** is designed to measure the constituents of the S&P 500® Index that exhibit high free cash flow yield relative to other companies within the same GICS® sector.