First Trust

FIIG

First Trust Intermediate Duration Investment Grade Corporate ETF

The **First Trust Intermediate Duration Investment Grade Corporate ETF** is an actively managed exchange-traded fund (ETF) that seeks to deliver current income and long-term capital appreciation by investing at least 80% of its net assets (plus any borrowings for investment purposes) in investment grade corporate debt securities.*

FUND DETAILS

Fund Ticker	FIIG
CUSIP	33738D796
Intraday NAV	FIIGIV
Fund Inception Date	8/2/2023
Investment Advisor	First Trust Advisors L.P.
Primary Listing	NYSE Arca
Weighted Average Duration	+/- 1.5 years of the Bloomberg U.S. Credit Corporate Bond 5-10 Year Total Return Index

GIVING CREDIT TO INVESTMENT GRADE: INCISIVE INVESTING CALLS FOR INTERMEDIATE ACTION

Finding opportunities to generate attractive income within appropriate risk parameters often proves challenging. A large allocation to low quality, short duration (including cash and cash-alternatives), or long duration credit often results in a skewed, and thus undesirable, risk profile. However, intermediate investment grade corporate bonds may provide the "happy medium" of the potential for a relatively stable income stream, competitive yield advantage, and managed level of interest rate risk, particularly with respect to the current interest rate environment. We believe today's fixed income markets are much more balanced when it comes to income and interest rate risk, and therefore, gradually extending duration from recently popular cash and cash-alternatives to intermediate investment grade corporates may mitigate potential re-investment risk. Intermediate corporate bonds have historically outperformed cash and cash alternatives following periods when the Federal Reserve ("Fed") stopped raising interest rates and reversed course to lower interest rates. Thus, we believe an allocation to intermediate investment grade corporate bonds provides attractive income and diversification benefits to fixed income portfolios, while also offering a compelling yield relative to U.S. Treasuries and mortgage-backed securities ("MBS").

Investment grade corporate bonds are debt instruments issued by companies with a high level of credit quality and are often referred to as "high grade." Investment grade companies are characterized by strong credit metrics in comparison to speculative grade companies. For example, investment grade companies tend to have lower debt and lower interest expense relative to earnings, as they typically generate robust cash flow. The higher credit quality provides investment grade companies with greater flexibility to navigate economic and industry cycles, and this has historically resulted in low default risk. Dating back to 1920, the average annual default rate for the investment grade corporate bond market was approximately 0.14%, according to Moody's.** Moreover, the investment grade corporate debt market is large, providing ample liquidity and a wide opportunity set for investors. Since 2007, the market has more than tripled in size to approximately $8.7 trillion in outstanding debt.***

WHY CONSIDER FIIG?

Attractive Income Potential | Seeks to provide a yield in excess of typical short term strategies and be competitive with the broad investment grade universe.

Managed Interest Rate Risk | The duration of intermediate investment grade corporate bonds is 6.03 years (Bloomberg U.S. Credit Corporate Bond 5-10 Year Total Return Index[1]), compared to 10.37 years for the longer duration corporate bond universe (Bloomberg U.S. 10-20 Year Investment Grade Index[2]).****

A Flexible Investment Approach | Seeks to take advantage of select total return opportunities outside of the corporate bond universe, including rising stars and fallen angels, to potentially improve yield and diversification.

Active Management | Managing the fund's duration, sector exposure, and security selection may improve the fund's ability to respond to dynamic market conditions. Active management has the potential to reduce risk while maintaining attractive income. Further, active management avoids the potential weaknesses of market capitalization weighted index-based funds that maintain greater exposure to the most heavily indebted issuers.

An Experienced Team | Combines rigorous fundamental credit analysis and disciplined portfolio management to drive strong performance while managing volatility through a full market cycle.

*The use of leverage is not a principal investment strategy of the fund.; **Source: Moody's Investor Services. 1920 to 2022.; ***Source: Bloomberg. Data as of 12/29/23.; ****Bloomberg. Data as of 12/29/23.

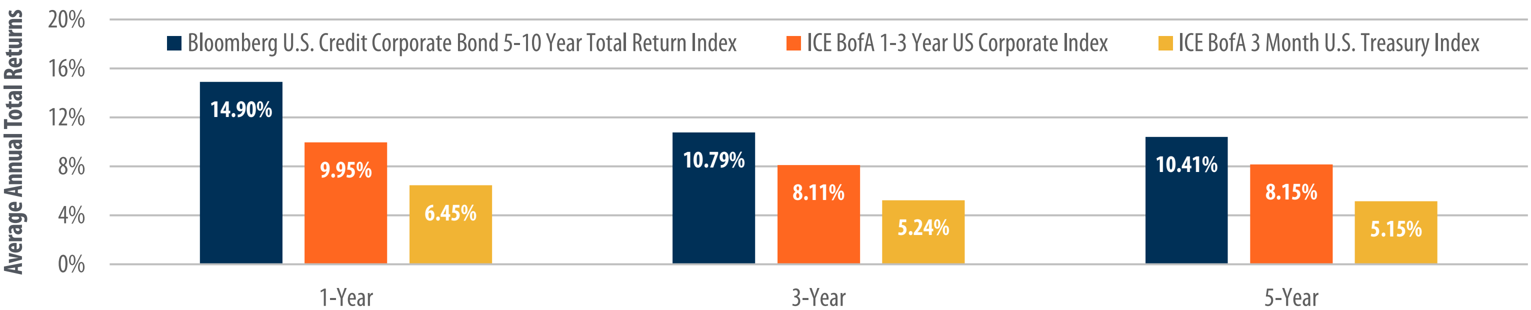
Tools to Help Manage Risk

CREDIT QUALITY

Credit risk is defined by the possibility of a corporate issuer failing to fulfill its timely repayment of interest and principal. The fund actively manages credit risk through a rigorous, repeatable, and disciplined fundamental credit research process. Further, the investment team favors issuers with a stable or improving credit profile. Importantly, while we believe that credit fundamentals of most investment grade issuers remain sound, decreased average credit quality in the broader investment grade credit market may present risks for index-based funds.

INTERMEDIATE INVESTMENT GRADE BONDS HISTORICALLY OUTPERFORMED CASH AFTER FED PAUSED RATE HIKES

In the previous 7 monetary tightening cycles, after the Fed paused hiking rates, intermediate investment grade bonds had meaningfully outperformed both 1-3 year investment grade bonds as well as 3-month Treasury Bills ("T-bills").



Past performance is not a guarantee of future results.

Source: Bloomberg. Data represents the performance of the Bloomberg U.S. Credit Corporate Bond 5-10 Year Total Return Index[3], the ICE BofA 1-3 Year US Corporate Index[4], and the ICE BofA 3 Month U.S. Treasury Index[5] over one, three, and five year periods following the last federal funds rate hike in the previous seven tightening cycles by the US Federal Reserve. The start dates of the seven periods are 9/1/1984, 10/1/1987, 3/1/1989, 3/1/1995, 6/1/2000, 7/1/2006 and 1/1/2019. For illustrative purposes only and not indicative of the fund. Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. Indexes are unmanaged and an investor cannot invest directly in an index. See last page for index definitions.

ATTRACTIVE YIELD AND TOTAL RETURN PROFILE

Since December 31, 1999, investment grade corporate bonds[6] have provided a yield advantage to MBS[7] and U.S. Treasuries[8] 86% of the time. Over the same time period, investment grade corporate bonds have produced an average yield of 5.06%, while MBS and U.S. Treasuries have yielded an average of 4.68% and 4.08%, respectively [Chart 1].

On a cumulative basis since December 31, 1999, investment grade corporate bonds have outperformed MBS, U.S. Treasuries, and the Bloomberg U.S. Aggregate Bond[9] Index by 79.60%, 84.84%, and 63.13%, respectively. We believe an allocation to actively managed, intermediate duration investment grade corporate credit is particularly timely as income and duration risk appear much more balanced following the Fed's 525 basis points of interest rate increases throughout 2022 and 2023. Investors looking to take advantage of elevated yields for a longer period of time may find that intermediate duration investment grade corporate bonds provide a compelling solution in the current market environment [Chart 2].

Chart 1: Investment Grade Corporates: Consistent Yield Advantage

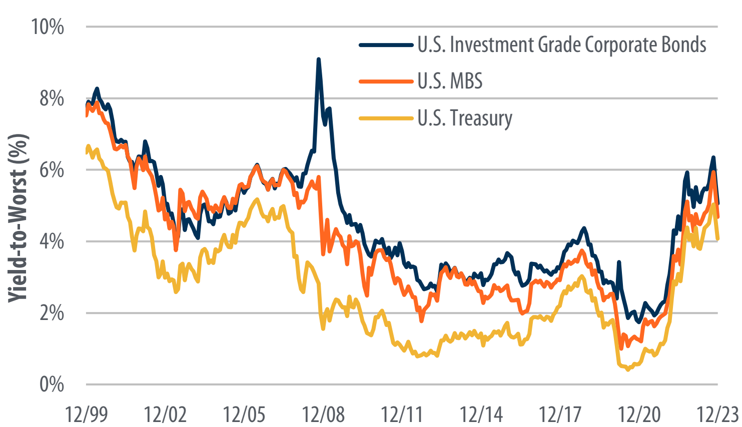
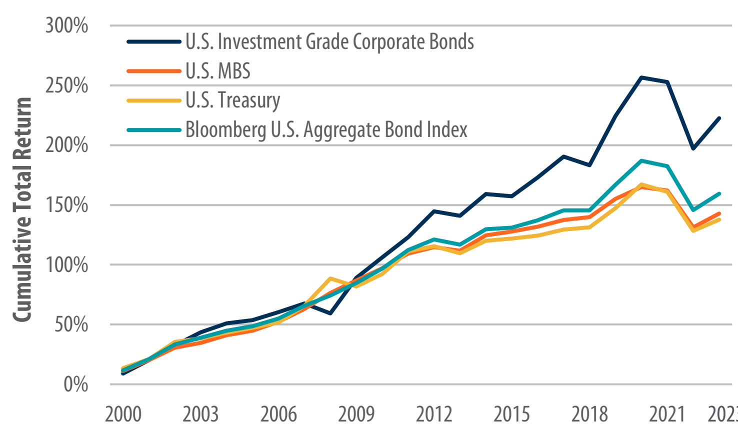


Chart 2: Investment Grade Corporates: Outsized Cumulative Total Return



Past performance is not a guarantee of future results.

Source: Bloomberg. Data from 12/31/99 - 12/29/23. For illustrative purposes only and not indicative of any investment. Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. Indexes are unmanaged and an investor cannot invest directly in an index. Please see index definitions on the last page.

Investment Process and Philosophy

THE IMPORTANCE OF ACTIVE MANAGEMENT

The investment philosophy of the portfolio management team (the "Team") is based on the belief that deep fundamental credit analysis, performed by a highly experienced credit team, within a risk managed framework, will generate higher absolute and risk-adjusted returns within investment grade debt strategies. The Team expresses this philosophy through an investment process that combines rigorous bottom-up fundamental credit analysis and disciplined portfolio construction. Risk management is critically embedded within the Team's fundamental credit analysis and portfolio construction. Fundamental credit analysis involves an evaluation of the macroeconomic environment, industry trends, consistency of cash flows, and valuation and management quality, among other considerations. The investment process favors companies that produce relatively stable cash flows through a full economic cycle, valuations supportive of their debt balances, and management teams with sound track records. Key portfolio construction considerations include yield curve management (duration, convexity and yield curve risk), relative value analysis, portfolio diversification, issuer liquidity analysis, and continuous monitoring of company fundamentals.

Industry Trends

Fundamental Credit Analysis

Cash Flow Consistency | Enterprise Value Assessment | Management Evaluation

↓

Investment Decision

↑

Relative Value | Diversification | Yield Curve Management

Portfolio Construction

Macroeconomic Viewpoint

POTENTIAL BENEFITS OF AN ACTIVELY MANAGED ETF

The ETF structure provides an efficient and simple way to invest in corporate debt and provides many potential benefits:

- Intraday liquidity
- Transparency of holdings
- Low investment minimums
- Tax efficiency
- Portfolio diversification
- Potential to outperform indexes
- Professional portfolio selection and ongoing portfolio management
- Risk management tools intended to reduce interest rate risk and portfolio volatility
- Flexibility to strategically adjust portfolio holdings to take advantage of changing market conditions

THE FIIG INVESTMENT MANAGEMENT TEAM

William Housey, CFA
Managing Director of Fixed Income,
Senior Portfolio Manager

Todd Larson, CFA
Senior Vice President,
Portfolio Manager

Eric R. Maisel, CFA
Senior Vice President,
Portfolio Manager

Nathan Simons, CFA
Vice President,
Portfolio Manager

Scott Skowronski, CFA
Senior Vice President,
Portfolio Manager

Jeffrey Scott, CFA
Senior Vice President,
Portfolio Manager

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.

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.

During periods of falling interest rates if an issuer calls higher-yielding debt instruments, a fund may be forced to invest the proceeds at lower interest rates, likely resulting in a decline in the fund's income.

A fund that effects all or a portion of its creations and redemptions for cash rather than in-kind may be less tax-efficient.

Covenant-lite loans contain fewer maintenance covenants than traditional loans and may not include terms that allow the lender to monitor the financial performance of the borrower and declare a default if certain criteria are breached. This may hinder a fund's ability to mitigate problems and increase a fund's exposure to losses on such investments.

An issuer or other obligated party of a debt security may be unable or unwilling to make dividend, interest and/or principal payments when due and the value of a security may decline as a result.

Ratings assigned by a credit rating agency are opinions of such entities, not absolute standards of credit quality and they do not evaluate risks of securities. Any shortcomings or inefficiencies in the process of determining credit ratings may adversely affect the credit ratings of the securities held by a fund and their perceived or actual credit risk.

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. As a means to fight inflation, the Federal Reserve and certain foreign central banks have raised interest rates; however, the Federal Reserve has recently lowered interest rates and may continue to do so. Recent and potential future bank failures could result in disruption to the broader banking industry or markets generally and reduce confidence in financial institutions and the economy as a whole, which may also heighten market volatility and reduce liquidity. Ongoing armed conflicts between Russia and Ukraine in Europe and among Israel, Hamas and other militant groups in the Middle East, have caused and could continue to cause significant market disruptions and volatility within the markets in Russia, Europe, the Middle East and the United States. The hostilities and sanctions resulting from those hostilities have and could continue to have a significant impact on certain fund investments as well as fund performance and liquidity. The COVID-19 global pandemic, or any future public health crisis, 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, negatively impacting global growth prospects.

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.

Investments in debt securities subject the holder to the credit risk of the issuer and the value of debt securities will generally change inversely with changes in interest rates. In addition, debt securities generally do not trade on a securities exchange making them less liquid and more difficult to value.

Extension risk is the risk that, when interest rates rise, certain obligations will be paid off by the issuer (or other obligated party) more slowly than anticipated, causing the value of these debt securities to fall. Rising interest rates tend to extend the duration of debt securities, making their market value more sensitive to changes in interest rates.

Financial services companies are subject to the adverse effects of economic recession, currency exchange rates, government regulation, decreases in the availability of capital, volatile interest rates, portfolio concentration in geographic markets, industries or products, and competition from new entrants in their fields of business.

Floating rate securities are structured so that the security's coupon rate fluctuates based upon the level of a reference rate. As a result, the coupon on floating rate securities will generally decline in a falling interest rate environment, causing a fund to experience a reduction in the income it receives from the security. A floating rate security's coupon rate resets periodically according to the terms of the security. Consequently, in a rising interest rate environment, floating rate securities with coupon rates that reset infrequently may lag behind the changes in market interest rates.

Health care companies may be affected by government regulations and government health care programs, increases or decreases in the cost of medical products and services and product liability claims, among other factors. Many health care companies are heavily dependent on patent protection, and the expiration of a company's patent may adversely affect that company's profitability. Health care companies are also subject to competitive forces that may result in price discounting, may be thinly capitalized and susceptible to product obsolescence.

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

A fund's income may decline when interest rates fall or if there are defaults in its portfolio.

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.

As inflation increases, the present value of a fund's assets and distributions may decline.

Interest rate risk is the risk that the value of the debt securities in a fund's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term debt securities and higher for longer-term debt securities.

Leverage may result in losses that exceed the amount originally invested and may accelerate the rates of losses. Leverage tends to magnify, sometimes significantly, the effect of any increase or decrease in a fund's exposure to an asset or class of assets and may cause the value of a fund's shares to be volatile and sensitive to market swings.

To the extent a fund invests in floating or variable rate obligations that use the London Interbank Offered Rate ("LIBOR") as a reference interest rate, it is subject to LIBOR Risk. LIBOR has ceased to be made available as a reference rate and there is no assurance that any alternative reference rate, including the Secured Overnight Financing Rate ("SOFR"), will be similar to or produce the same value or economic equivalence as LIBOR. The unavailability or replacement of LIBOR may affect the value, liquidity or return on certain fund investments and may result in costs incurred in connection with closing out positions and entering into new trades. Any potential effects of the transition away from LIBOR on a fund or on certain instruments in which a fund invests is difficult to predict and could result in losses to the fund.

Certain fund investments may be subject to restrictions on resale, trade over-the-counter or in limited volume, or lack an active trading market. Illiquid securities may trade at a discount and may be subject to wide fluctuations in market value.

The portfolio managers of an actively managed portfolio will apply investment techniques and risk analyses that may not have the desired result.

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.

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.

High portfolio turnover may result in higher levels of transaction costs and may generate greater tax liabilities for shareholders.

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.

Prepayment risk is the risk that the issuer of a debt security will repay principal prior to the scheduled maturity date. Debt securities allowing prepayment may offer less potential for gains during a period of declining interest rates, as a fund may be required to reinvest the proceeds of any prepayment at lower interest rates.

Companies that issue loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. 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. The senior loan market has seen a significant increase in loans with weaker lender protections which may impact recovery values and/or trading levels in the future.

A fund with significant exposure to a single asset class, country, region, industry, or sector may be more affected by an adverse economic or political development than a broadly diversified fund.

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.

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.

A fund may hold securities or other assets that may be valued on the basis of factors other than market quotations. This may occur because the asset or security does not trade on a centralized exchange, or in times of market turmoil or reduced liquidity. Portfolio holdings that are valued using techniques other than market quotations, including "fair valued" assets or securities, may be subject to greater fluctuation in their valuations from one day to the next than if market quotations were used. There is no assurance that a fund could sell or close out a portfolio position for the value established for it at any time.

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.

Index Definitions

[1,3]**Bloomberg U.S. Credit Corporate Bond 5-10 Year Total Return Index** measures the investment grade, fixed-rate, taxable corporate bond market with 5-10 year maturities.

[2]**Bloomberg U.S. 10-20 Year Investment Grade Index** measures the investment grade, fixed-rate, taxable corporate bond market and includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers with 10-20 year maturities.

[4]**ICE BofA 1-3 Year U.S. Corporate Index** is a subset of the ICE BofA U.S. Corporate Index including all securities with a remaining term to final maturity less than three years. The ICE BofA U.S. Corporate Index tracks the performance of U.S. dollar denominated investment grade (BBB/Baa-rated or better) corporate debt publicly issued in the U.S. domestic market.

[5]**ICE BofA 3-month U.S. Treasury Bill Index -** The Index contains short-term U.S. Government securities with a remaining term to final maturity of about 90 days.

[6]**U.S. Investment Grade Corporate Bonds** are represented by the **Bloomberg U.S. Corporate Bond Index** which tracks publicly issued, SEC-registered, U.S. corporate and specified foreign debentures and secured notes that have a maturity greater than one year, at least $250 M outstanding par balance, and rated Baa3/BBB- or higher.

[7]**U.S. MBS** are represented by the **Bloomberg U.S. MBS Index** which tracks agency mortgage backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae, Fannie Mae, and Freddie Mac.

[8]**U.S. Treasuries** are represented by the **Bloomberg U.S. Treasury Index** which measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

[9]**Bloomberg U.S. Aggregate Bond Index** covers the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS, ABS, and CMBS.

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.

Cash alternatives include but are not limited to highly liquid investments such as short-term debt securities, money market funds and other cash equivalents.

Correlation is a measure of the similarity of performance.

A **fallen angel** is a bond that was once rated as investment grade but has fallen to junk-bond status because of the issuing company's poor credit quality. A **rising star** is a bond that is rated as a junk bond but could become investment grade because of improvements in the issuing company's credit quality. There is no guarantee that a bond's credit quality will improve.