

ARVR

First Trust Indxx Metaverse ETF

The **First Trust Indxx Metaverse 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 Indxx Metaverse Index (the “index”).

THE METAVERSE: A NEW FRONTIER

"Metaverse" describes the next generation of the Internet, which has the potential to allow creators to build the next chapter of human interaction through immersive experiences in three-dimensional virtual spaces. From virtual and augmented reality software for entertainment and educational content, to specialized devices such as displays, lasers and other optics-related elements, the Metaverse constitutes a wide-reaching, growing network of virtual-reality spaces integrated with Artificial Intelligence (AI) and 3D technologies. While companies are working to build out these interconnected computer simulated environments, it may take several years before key features become mainstream. The Metaverse has the potential to impact multiple sectors and industries, and, similar to the development of the Internet, may fundamentally transform our lives. ARVR seeks to capitalize on this innovation by providing exposure to companies involved in the following Metaverse sub-themes:

INTERNET PROTOCOL (IP) AND CONTENTS

Companies that develop content, software, and services used in augmented and virtual reality. This includes companies that create video games, graphic design tools, 3D modeling software and media content. Further, the sub-theme includes companies providing creative tools and intellectual property that aid in the creation of the Metaverse and companies that provide platforms to develop applications or software that enable virtual or augmented reality.

PLATFORMS

Companies that support technologies like interoperability* and provide platforms to interact and share immersive digital content, including social networking and social technology platforms, video communication platforms, virtual marketplaces and virtual worlds.

PAYMENT

Companies that are integrating payment gateways into the Metaverse. This includes companies creating nonfungible tokens for use in virtual reality.

OPTICS & DISPLAY

Companies that manufacture displays, controllers, motion sensors, lasers, and other components used in augmented reality and/or virtual reality devices.

SEMICONDUCTOR, HARDWARE AND 5G

Companies that provide semiconductor and hardware products used for interacting in virtual and augmented reality. Further, this sub-theme includes companies investing in 5G infrastructure, which is considered the backbone of the virtual universe.

Interoperability is the ability of computer systems or software to exchange and make use of information.

FUND DETAILS

Fund Ticker	ARVR
Investment Advisor	First Trust Advisors L.P.
CUSIP	33734X762
Intraday NAV	ARVRIV
Fund Inception Date	4/19/22
Primary Listing	Nasdaq
Rebalance Frequency	Quarterly

METAVERSE INDUSTRY PROJECTIONS

- **68.4%** | Estimated compound annual growth rate (CAGR) between 2021-2025 for the product value of augmented and virtual reality.¹
- **\$783 billion** | Projected Metaverse market size in 2024, up from \$478.7 billion in 2020.²
- **\$400 billion** | Estimated revenue from virtual gaming worlds in 2025, up from \$180 billion in 2020.³
- **\$126 billion** | Estimated global AI software revenue in 2025.⁴



¹Source: IDC, via Forbes, December 2021.

²Source: Bloomberg Intelligence, December 2021

³Source: Grayscale Research, November 2021

⁴Source: Statista, March 2020

INDEX CONSTRUCTION PROCESS

UNIVERSE | Begin with a universe of common stocks and depositary receipts issued by U.S. and non-U.S. Metaverse companies listed in a developed or emerging market, as defined by the index provider.*

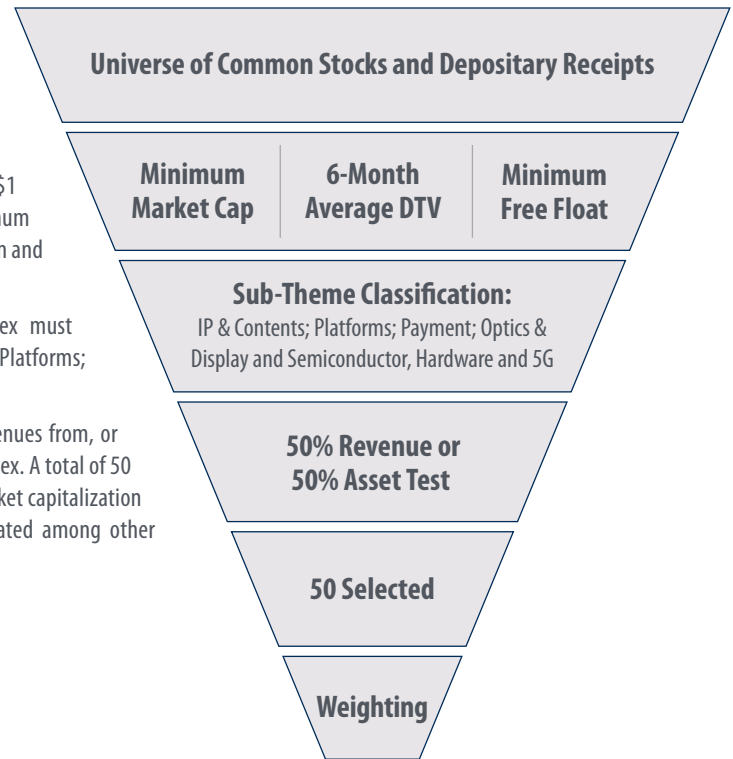
ELIGIBILITY CRITERIA | Each security must have a minimum market capitalization of \$1 billion; six-month average daily turnover value of greater than or equal to \$5 million and a minimum free float of 10% of shares outstanding in order to meet the index provider's market capitalization and liquidity requirements.

SECURITY CLASSIFICATION | Eligible companies considered for inclusion in the index must be involved in business activities associated with the following sub-themes: IP & Contents; Platforms; Payment; Optics & Display and Semiconductor, Hardware & 5G.

SECURITY SELECTION & WEIGHTING | Only companies that derive at least 50% of revenues from, or devote 50% of assets to, one of the Metaverse sub-themes will be eligible for inclusion in the index. A total of 50 will be selected based on market capitalization and equally weighted. Each company with a market capitalization less than \$10 billion will have its weight halved, with the remaining weight equally allocated among other components in the index.

REBALANCING | The index is rebalanced quarterly and reconstituted semi-annually.

*Depositary receipts issued by Chinese companies are not eligible for inclusion in the index. The index does include non-Chinese variable interest entities ("VIEs") in order to gain exposure to Chinese companies.



Indxx Metaverse 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.

RISK CONSIDERATIONS

A fund's return may not match the return of its underlying index. A fund invests in securities included in the index regardless of investment merit and the securities held by a 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. 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 discount to a fund's net asset value and possibly face delisting.

A fund's shares will change in value, and you could lose money by investing in a fund. One of the principal risks of investing in a fund is market risk. Market risk is the risk that a particular stock owned by a fund, fund shares or stocks in general may fall in value. There can be no assurance that a fund's investment objective will be achieved. 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 has caused and may continue to cause significant volatility and declines 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.

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.

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.

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.

Depositary receipts may be less liquid than the underlying shares in their primary trading market and distributions may be subject to a fee. Holders may have limited voting rights, and investment restrictions in certain countries may adversely impact their value.

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 and communication services companies are subject to certain risks, which may include 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. Communications services companies are particularly vulnerable to domestic and international government regulation, rely heavily on intellectual property rights, and may be adversely affected by the loss or impairment of those rights.

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

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

Metaverse is a new and developing technology, the consequences of which have not been fully explored. The risks associated with the Metaverse may not emerge until the technology is widely used. The risks may include, but not be limited to, small or limited markets for their securities, changes in business cycles, world economic growth, technological progress, rapid obsolescence, fierce competition, loss of patent, copyright, trademark and trade secret protection and government regulation. Metaverse companies, especially smaller, start-up companies, tend to be more volatile than securities of companies that do not rely heavily on technology. There is no guarantee that the products or services produced by companies in Metaverse-related businesses will be successful.

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.

Securities of non-U.S. issuers are subject to additional risks, including currency fluctuations, political risks, withholding, lack of liquidity, lack of adequate financial information, and exchange control restrictions impacting non-U.S.

issuers. Investments in emerging markets securities issued by governments in emerging countries and by companies located in, or having significant operations in emerging countries are generally considered speculative and involve additional risks relating to political, economic and regulatory conditions. In China, direct ownership of companies in certain sectors by foreign individuals and entities is prohibited. In order to allow for foreign investment in these businesses, many Chinese companies have created VIE structures to enable indirect foreign ownership. This arrangement allows U.S. investors, such as the fund, to obtain economic exposure to the Chinese issuer or operating company through contractual means rather than through formal equity ownership. Although VIEs are a longstanding industry practice and well known to officials and regulators in China, VIEs are not formally recognized under Chinese law. Intervention by the Chinese government with respect to VIEs could significantly affect the Chinese company's performance and the enforceability of the VIEs contractual arrangements that establish the links between the Chinese company and the shell company in which the fund invests.

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.

Trading on the exchange may be halted due to market conditions or other reasons. There can be no assurance that the requirements to maintain the listing of a fund on the exchange will continue to be met or be unchanged.

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 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.