The First Trust Core Investment Grade ETF is an actively managed exchange-traded fund (ETF) that seeks to maximize long-term total return by investing 100% of its investment portfolio in investment grade ("IG") securities.

QUALITY TO THE CORE
Finding opportunities to generate attractive income within appropriate risk parameters can be challenging. Larger allocations to below investment grade rated securities or longer duration instruments may result in an undesirable risk profile. By utilizing an investment portfolio that consists of 100% investment grade rated securities and an actively managed framework, the portfolio managers seek to maximize the potential risk and return profile through attractive, steady income potential within a risk-managed, high quality portfolio of investment grade fixed income securities. FTCB’s investment universe includes, but is not limited to:

- U.S. Treasuries
- Treasury Inflation Protected Securities ("TIPS")
- Residential and Commercial Mortgage-Backed Securities (MBS)
- Asset-Backed Securities*
- U.S. Corporate Bonds
- Non-U.S. Fixed Income Securities
- Municipal Bonds
- Collateralized Loan Obligations ("CLOs")

HIGH QUALITY FIXED INCOME INSTRUMENTS HAVE SHOWN RESILIENCE DURING RECESSIONS
During the last five recessionary periods, high quality bonds such as Treasuries, Agency MBS, Investment Grade Corporates ("IG Corporates") and Municipals have historically delivered higher returns compared to high yield bonds and equity securities as shown in the chart below.

Historical Asset Class Total Returns through NBER Recessions

-30% -20% -10% 0% 10% 20% 30% 40%

Source: Morningstar Direct, NBER (National Bureau of Economic Research). NBER defines a period of recession as a significant decline in economic activity that is spread across the economy and lasts more than a few months. The asset categories shown within this guide are represented by the indices in the above chart and represent different types of investments that offer different characteristics in terms of income, tax treatment, capital appreciation and risk. Bonds are subject to fluctuations due to higher interest rates, economic recession, deterioration of the bond market or investors' perception thereof, possible downgrades and defaults of interest and/or principal. Equities are subject to risks, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market. U.S. Treasury obligations are backed by the "full faith and credit" of the U.S. government. Prices of fixed-income securities change in response to many factors and are subject to several risks, including credit risk, interest rate risk, and income risk. See Index Definitions on page 3, and Risk and Considerations on the last page, for additional information.

Past performance is not a guarantee of future results. For illustrative purposes 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.

*FTCB’s investment portfolio includes only investment grade securities purchased by FTCB’s portfolio managers and does not include uninvested cash or any other asset unconnected to FTCB’s intended portfolio, including, but not limited to, accounts receivable or assets received as part of an issuer workout.
RISK AND REWARD OF BONDS VS. STOCKS FOLLOWING FEDERAL RESERVE (“FED”) TIGHTENING

Average Five-Year Risk/Return Following Peak Fed Funds Rate
Bonds have captured over 80% of the average five-year return of equities, following peak Fed Funds rates, with less volatility.

Average Five-Year Sharpe Ratio Following Peak Fed Funds Rate
Bonds have exhibited significantly better risk adjusted returns than equities following peak Fed Funds rates.

INVESTMENT GRADE FIXED INCOME INDEX YIELDS ARE NEAR 20-YEAR HIGHS
Investment grade securities may be particularly timely in the current market environment when compared to the lower yields of the last 10 to 15 years. As of September 30, 2023, yields on the fixed income asset classes shown in the chart below were nearing their 20-year highs.

Past performance is not a guarantee of future results. For illustrative purposes 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. Please see index definitions on the following page.

Aggregate Bond Index represented by Bloomberg U.S. Aggregate Bond Index. Please see previous page for additional asset categories represented in the above charts.
PORTFOLIO CONSTRUCTION PROCESS

Utilizing over 150 years of combined expertise in fixed income markets, FTCB’s Investment Management Team analyzes macroeconomic, quantitative and fundamental/technical foundational inputs to arrive at an overall risk allocation that identifies potential sources of alpha through both sector allocation and duration management. Investment decisions follow a clearly defined and repeatable process that undergoes constant scenario analysis and stress testing to seek to provide superior risk-adjusted returns over time.

INDEX DEFINITIONS

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

Bloomberg U.S. Corporate Bond Index - Measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

Bloomberg U.S. High Yield Corporate Bond Index - Measures the USD-denominated, high yield, fixed-rate corporate bond market.

Bloomberg U.S. Mortgage Backed Securities Index - Tracks agency mortgage backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae, Fannie Mae, and Freddie Mac.


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

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.
A fund may invest in the shares of other ETFs, which involves additional expenses that would not be present in a direct investment in the underlying funds. In addition, a fund's investment performance and risks may be related to those of the underlying funds.

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.

The market for forward contracts is substantially unregulated and can experience lengthy periods of illiquidity, unusually high trading volume and other negative impacts, such as political intervention. Forward contracts can increase a fund's risk exposure to underlying references and their attendant risks, such as credit risk, currency risk, market risk, and interest rate risk, while also exposing a fund to counterparty risk, liquidity risk and valuation risk, among others.

The role of a position in a futures contract may be very large compared to the relatively low value of a margin. A fund is required to deposit and a relatively small amount of margin in a futures contract may result in immediate and substantial loss relative to the size of margin deposited.

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 also decline.

Inflation-indexed debt securities, such as TIPS, are subject to the same risks as other debt securities. Although the holders of TIPS receive no less than the par value of the security at maturity, if a fund purchases TIPS in the secondary market whose principal values have previously been adjusted upward and downward to reflect changes in the Consumer Price Index ("CPI-") inflation rates, a fund may receive at maturity less than it invested and incur a loss.

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 greater 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 class or market sector. Leverage may increase the fund's exposure to the risk of default by counterparties or borrowers, thereby increasing the risk of loss to the fund.

Certain fund investments may be subject to restrictions on resale, trade-out-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 due to current market conditions. As a means to fight inflation, the Federal Reserve and certain foreign central banks have raised interest rates and expect to continue to do so, and the Federal Reserve has announced it intends to reverse previously implemented quantitative easing. Recent and potential future bank failures could result in disruptions to the broader banking industry or markets generally and reduce confidence in financial institutions and the economy as a whole, which may also lead to heightened market volatility and reduce liquidity. 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 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 or other centralized marketplace, and such securities are priced primarily through the over-the-counter market.

The use of derivatives instruments involves different and possibly greater risks than investing directly in securities including counterparty risk, valuation risk, volatility risk, and liquidity risk. Further, losses because of adverse movements in the price or value of the underlying asset, index or rate may be magnified by the use of derivatives.

Investments in emerging market securities are generally considered speculative and involve additional risks relating to political, economic and regulatory conditions.

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 its individual holdings and, as a result, 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.

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 a fund's ability to meet its investment objective.

The prices of options are volatile and the effective use of options depends on a fund's ability to terminate option positions at times deemed desirable to do so. There is no assurance that a fund will be able to effect closing transactions at any particular time or at an acceptable price.

Because OTC derivatives do not trade on an exchange, the parties to an OTC derivative face heightened levels of counterparty risk, liquidity risk and valuation risk.

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 an 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.

Short selling creates special risks which could result in increased gains or losses and volatility of returns. Because losses on short sales arise from increases in the value of the security sold short, such losses are theoretically unlimited.

Investments in sovereign bonds involve special risks because the governmental authority that controls the repayment of the debt may be unwilling or unable to meet its contractual obligations due to events such as war, civil disturbances, or acts of terrorism, spread of infectious disease or other public health issues, recessions, natural disasters or other events that may have a significant impact on the issuer's ability to meet its obligations. In addition, local, regional or global events such as war, civil disturbances or acts of terrorism, spread of infectious disease or other public health issues, recessions, natural disasters or other events could have a significant negative impact on a fund.

A fund faces numerous market trading risks, including the potential lack of a market for the fund's shares, an inability to purchase or redeem the fund's shares at a price that reflects the fund's NAV, an inability to sell securities in the market at all or at a price that reflects the fund's NAV, illiquidity, an inability to sell assets in the market at a price that reflects the fund's NAV, an inability to undertake transactions in the market at a price that reflects the fund's NAV, an inability to effect transactions in the market at a price that reflects the fund's NAV and an inability to effect transactions in the market at a price that reflects the fund's NAV and an inability to effect transactions in the market at a price that reflects the fund's NAV.