

First Trust

CAAA

First Trust AAA CMBS ETF

The **First Trust AAA CMBS ETF** (the "fund") is an actively managed exchange-traded fund (ETF) that seeks to maximize long-term total return by investing at least 80% of its net assets (plus any borrowings for investment purposes) in commercial mortgage-backed securities ("CMBS") with a "AAA" rating (or equivalent) at the time of purchase, as determined by at least one nationally recognized statistical rating organization ("NRSRO") or, if unrated, as determined by the Advisor to be of comparable credit quality at the time of purchase. The fund generally expects to invest at least 90% of its net assets in CMBS with a "AAA" rating (or equivalent) at the time of purchase as determined by at least one NRSRO or, if unrated, as determined by the Advisor to be of comparable credit quality at the time of purchase.

TRIPLE THREAT: CONSIDER HIGH QUALITY COMMERCIAL MORTGAGE-BACKED SECURITIES

We believe CMBS offer a source of high quality, secured income that may help provide diversification through a differentiated risk profile to a broader fixed income allocation without sacrificing credit quality. CMBS are bonds collateralized by mortgages on commercial and multi-family properties, which typically represent an interest in a pool of commercial mortgage loans in the form of fixed and floating rate securities. An investment in the fund may offer the following advantages:

- Dedicated exposure to the CMBS market, which has over $1.8 trillion outstanding debt[1]
- Attractive current income potential
- Active duration and credit management by an experienced team using quantitative and qualitative methods to assess risks and opportunities

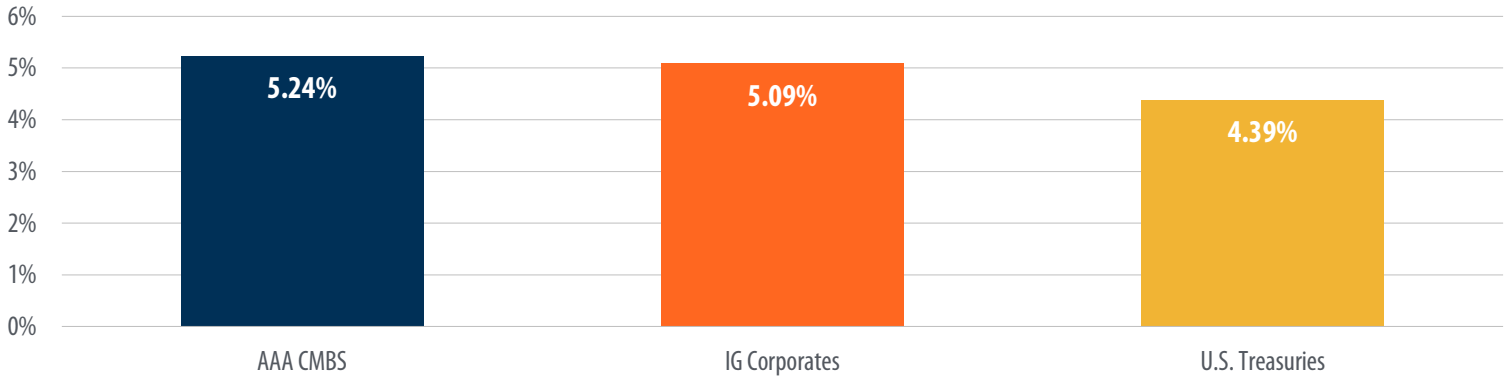
[1]Source: JPM Research. Data as of 6/30/2026.

FUND DETAILS

Fund Ticker	CAAA
CUSIP	33738D762
Intraday NAV	CAAAIV
Fund Inception Date	2/27/24
Investment Advisor	First Trust Advisors L.P.
Primary Listing	NYSE Arca
Weighted Average Duration	+/- 2 years of the benchmark

CMBS VS. INVESTMENT GRADE CORPORATE AND U.S. TREASURY BONDS

Over the last 15 years, Non-Agency AAA CMBS have offered a higher yield than similar duration Investment Grade "IG" Corporate and U.S. Treasury Bonds, as illustrated below.



Benchmark: Bloomberg Non-Agency Investment Grade CMBS: U.S. Aggregate Eligible Aaa Index. **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.

Source: Bloomberg. Data as of 7/31/2026. For illustrative purposes only and not indicative of any actual investment. **Past performance is not a guarantee of future results.** 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. **AAA CMBS** represented by the Bloomberg Non-Agency Investment Grade CMBS: U.S. Aggregate Eligible Aaa Index. **IG Corporates** represented by the Bloomberg US Corporate 3-5 Years Index. **U.S. Treasuries** represented by the Bloomberg US Treasury: 3-5 Year Index. The asset categories shown here 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. 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. Please see Risks and Considerations on the last page for additional information about risks, asset classes and index definitions.

A Closer Look at CMBS

CMBS encompass the sub sectors of conduit CMBS, single asset single borrower (SASB) CMBS, commercial real estate collateralized loan obligations (CRE CLOs), and other forms of economic interests in commercial mortgage debt or loans, as defined below:

CONDUIT

Conduit CMBS are bonds backed by a diversified set of commercial mortgage loans typically made on office, retail, lodging and industrial properties across different geographic locations.

SASB

SASB bonds are secured by a single property, usually characterized as a "trophy" of high quality and stature; or can be a single borrower that may have a portfolio of properties typically in the same vertical (e.g. hotels).

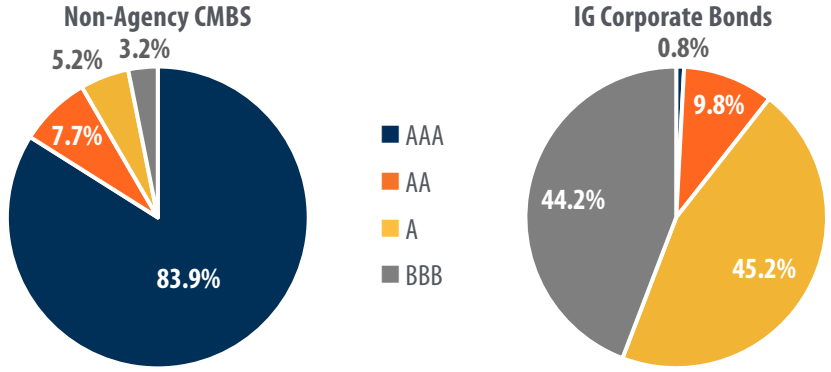
CRE CLO

CRE CLOs are floating rate loans that are collateralized by commercial properties and are often managed by a sponsor that can add/remove loans at specified periods of time.

THE IMPORTANCE OF CREDIT QUALITY

The CMBS deal structure offers the potential to mitigate losses through diversification and subordination, also known as credit tranching. Subordination creates a hierarchy of payment and loss attribution in which "subordinated" securities are offered to potentially help insulate "senior" level securities from losses. Additionally, subordination and secured lender positions may provide a material increase in credit quality as compared to more investment-grade corporate bond heavy portfolios: over 80% of the Bloomberg Non-Agency CMBS Index was AAA rated due, in part, to subordination and secured lender positions, as compared to the Bloomberg US Corporate Index, which had almost 45% in BBB-rated securities, as of 7/31/2026.

CREDIT RATING BREAKDOWN



Source: Bloomberg. Data as of 7/31/2026. **Non-Agency CMBS** represented by Bloomberg Non-Agency CMBS Total Return Index Value Unhedged USD. **IG Corporate Bonds** represented by Bloomberg US Corporate Total Return Value Unhedged USD Index. **Credit rating** is an assessment provided by a nationally recognized statistical rating organizations (NRSRO), of the creditworthiness of an issuer with respect to debt obligations. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Investment grade is defined as those issuers that have a long-term credit rating of BBB- or higher. The credit ratings shown relate to the creditworthiness of the issuers of the underlying securities and are subject to change. Please see index definitions on the last page. For illustrative purposes only and not indicative of any actual investment.

THE CAPITAL DEAL STRUCTURE

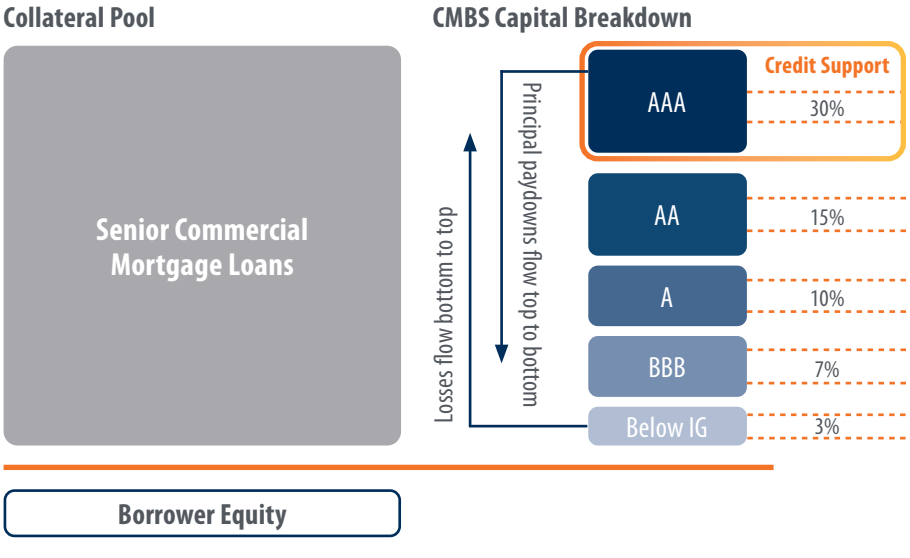
The position of a security in the capital structure is important in terms of claims on interest payments and ultimately principal. The top rung of the capital structure is typically the safest place to invest, while the bottom rung of the capital structure is typically the riskiest. CAAA focuses on the AAA portion of the capital deal structure.

Subordination

Subordination creates a hierarchy of payment and loss attribution. "Subordinated" securities (those lower down the capital structure) are offered to potentially insulate "Senior" level securities (those higher up the capital structure) from losses. At a 50% recovery value, an AAA rated "Senior" CMBS tranche with 30% credit support could potentially withstand losses up to 60% across the entirety of the deal before realizing principal impairment.

Diversification

Conduit CMBS provide exposure across a variety of property types, geographies and underwriting metrics to provide investors the potential for loss mitigation through diversification as well as the underlying subordination. Diversification does not guarantee a profit nor protect against loss.



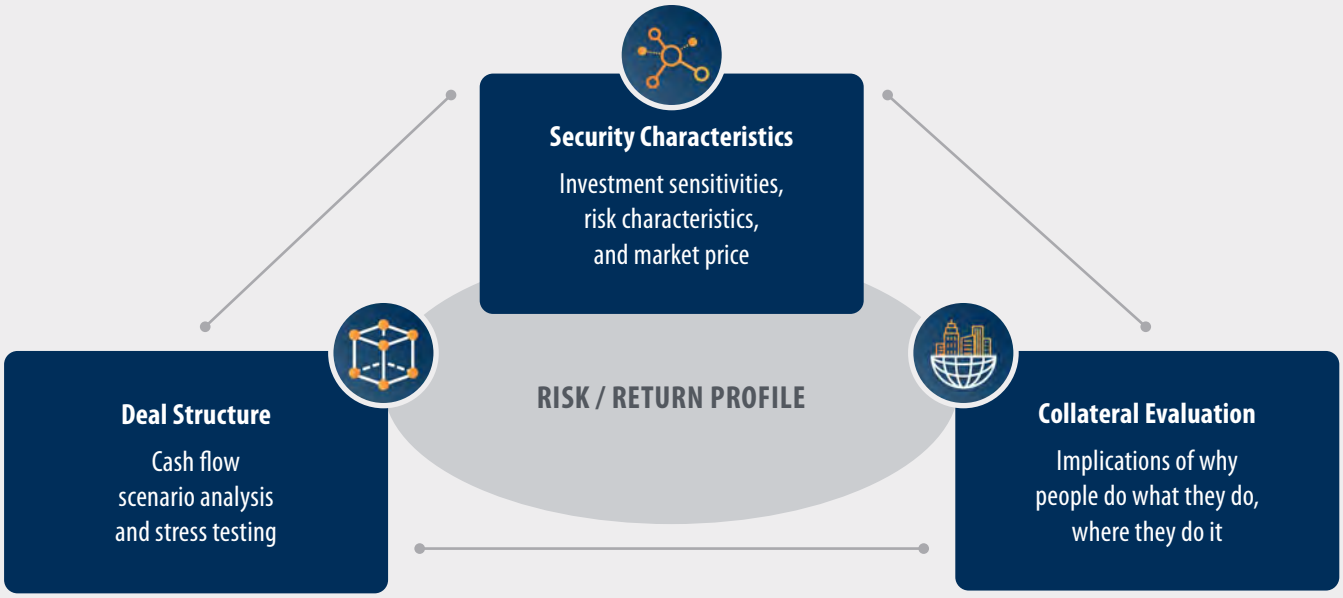
For illustrative purposes only and not indicative of any actual investment.



Security Selection

The First Trust Government & Securitized Products Group (the "team") selects and manages government and securitized components of select actively managed portfolios. The team was first formed in 2005 and joined First Trust in 2013. Together, the team has over 100 years of investment experience managing retail and institutional real estate and mortgage-related assets and portfolios. They believe government and securitized assets may offer the potential to generate high quality, attractive income.

CAAA SECURITY SELECTION PROCESS



POTENTIAL BENEFITS OF AN ACTIVELY MANAGED ETF

When managing CAAA, the portfolio management team uses top-down research focused on the global economy and macro trends that are core to fixed income and commercial real estate markets. The portfolio managers believe thorough and continuous monitoring of overall commercial real estate fundamentals, quantitative portfolio modeling and the ability to rebalance the fund to stay within their strategic risk target is critical to achieving higher risk-adjusted returns. Quantitative portfolio modeling is used to evaluate expected relative fund performance and optimally create an efficient strategy based on variables including but not limited to:

Interest rates	**CMBS spreads**	**Defaults and severities**	**Government and regulatory policy**	**Commercial real estate fundamentals**	**Security structural transformation**	**Yield volatility**

CAAA PORTFOLIO MANAGEMENT TEAM

James Snyder
Senior Portfolio Manager

Jeremiah Charles
Senior Portfolio Manager

Owen Aronson
Portfolio Manager

CMBS Spreads are the difference in yield between commercial mortgage-backed securities and differing debt instruments (e.g., U.S. Treasury bonds).

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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.

An investment in CMBX involves greater risks than if a fund had invested in commercial mortgage-backed securities directly. These risks include general market, liquidity, interest rate, counterparty, credit and leverage risks.

Commercial mortgage-backed securities are more susceptible to adverse economic, political or regulatory events that affect the value of commercial real estate.

A fund may be subject to the risk that a counterparty will not fulfill its obligations which may result in significant financial loss to a fund.

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.

An investment in credit default swaps involves greater risks than if a fund had invested in the reference obligation directly. These risks include general market, liquidity, counterparty, credit and leverage risks.

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. 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.

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.

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 certain features of the derivatives.

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.

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.

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 risk of a position in a futures contract may be very large compared to the relatively low level of margin a fund is required to deposit and a relatively small price movement in a futures contract may result in immediate and substantial loss relative to the size of margin deposit.

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.

The yield on an interest-only security is extremely sensitive to the rate of principal payments on the underlying mortgage assets and a rapid payment rate may have an adverse effect on a fund's yield to maturity from these securities. Conversely, principal-only securities tend to decline in value if prepayments are slower than anticipated.

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.

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.

There are no government or agency guarantees of payments in securities offered by non- government issuers, therefore they are subject to the credit risk of the issuer. Non-agency securities often trade "over-the-counter" and there may be a limited market for them making them difficult to value.

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.

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 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.

A fund may be unable to sell a restricted security on short notice or only sell them at a price below current value.

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.

Swap agreements may involve greater risks than direct investment in securities and could result in losses if the underlying reference asset does not perform as anticipated. In addition, many swaps trade over-the-counter and may be considered illiquid.

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.

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.

A fund may invest in securities that exhibit more volatility than the market as a whole.

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

Bloomberg Non-Agency CMBS Total Return Index Value Unhedged USD contains commercial mortgage-backed securities issued by private issuers, not government agencies. This index is in U.S. dollars and is not hedged against the movement of the dollar against other currencies.

Bloomberg Non-Agency Investment Grade CMBS: U.S. Aggregate Eligible Aaa Index is a subset of the Bloomberg Non-Agency Commercial Mortgage-Backed Securities Total Return Unhedged USD Index. Its constituents are high quality and highly liquid bonds.

Bloomberg U.S. Corporate 3-5 Years Index measures the investment grade, fixed-rate, taxable corporate debt with 3-5 year maturities. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

Bloomberg U.S. Treasury: 3-5 Year Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury with 3-5 years to maturity.

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