**EQUITY EXPOSURE**

Under normal market conditions, XIDE will invest substantially all of its assets in Flexible Exchange® Options ("FLEX Options") that reference the price performance of SPY and short-term (one year or less) U.S. Treasury securities. FLEX Options are customized equity or index option contracts that trade on an exchange, but provide investors with the ability to customize key contract terms like exercise prices, styles and expiration dates.

**BUFFER**

XIDE seeks to provide a buffer on the first 10% loss of SPY over each Target Outcome Period. If SPY decreases in price by more than 10%, XIDE will experience subsequent losses on a one-to-one basis (e.g., if SPY loses 20%, XIDE will lose 10%) over the Target Outcome Period.

**DISTRIBUTION RATE**

The distribution rate is a result of XIDE’s principal investment strategy, which, in part, involves selling at-the-money call FLEX Options. As the seller of the options, XIDE receives premiums which it intends to use to purchase a portfolio of short-term U.S. Treasury securities. XIDE will distribute the principal and any interest received from the U.S. Treasuries on a monthly basis beginning in the second month of the Target Outcome Period in order to seek to meet the distribution rate.

**INVESTMENT PROCESS**

<table>
<thead>
<tr>
<th>Target Outcome Period</th>
<th>10% Downside Buffer + 7.56% Distribution^</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Exposure</strong></td>
<td>Purchase ITM options on SPY</td>
</tr>
<tr>
<td></td>
<td>To replicate the price returns of SPY</td>
</tr>
<tr>
<td><strong>Buffer</strong></td>
<td>Simultaneously purchase and sell put options</td>
</tr>
<tr>
<td></td>
<td>To provide a level of downside protection</td>
</tr>
<tr>
<td><strong>Distributions</strong></td>
<td>Sell ATM options to purchase U.S. Treasuries</td>
</tr>
<tr>
<td></td>
<td>To provide monthly distributions</td>
</tr>
<tr>
<td><strong>Rebalance Annually</strong></td>
<td></td>
</tr>
</tbody>
</table>

**HYPOTHETICAL TOTAL RETURN SCENARIO**

The hypothetical examples show possible outcomes across different scenarios. The examples assumes ETF shares are purchased on the first day of the Target Outcome Period and held until the end of the period.

For tax purposes, distributions may consist of ordinary income, capital gains or return of capital. A return of capital will reduce an investor’s principal investment.

**Investors that hold shares for the entire Target Outcome Period will not participate in any positive price returns of SPY above SPY’s price on the first day of the Target Outcome Period, however, investors will be subject to losses of SPY below the 10% buffer level. There is no guarantee that the fund’s targeted distribution rate will be achieved. The outcome values may only be realized for an investor who holds shares for the outcome period shown.**

*Very Negative Scenario*

If SPY is down 30%, XIDE would be down just 20% because the first 10% of loss is protected by the buffer. 7.56% distribution received.

*Moderately Negative Scenario*

If SPY is down 10%, XIDE would be flat because the first 10% of loss is protected by the buffer. 7.56% distribution received.

*Moderately Positive Scenario*

If SPY is up 5%, XIDE would be flat because the fund does not participate in any positive price returns of SPY. 7.56% distribution received.

*Very Positive Scenario*

If SPY is up 25%, XIDE would be flat because the fund does not participate in any positive price returns of SPY. 7.56% distribution received.

**XIDE** is an actively managed exchange-traded fund (“ETF”) that seeks to provide a consistent level of income that, when annualized, is approximately 7.56% (before fees and expenses), while providing a buffer against the first 10% of the SPDR® S&P 500® ETF Trust (“SPY”) losses (“Outcomes”) over the one-year Target Outcome Period.**
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 in a bank and is not insured or guaranteed. There can be no assurance that a fund’s objective(s) will be achieved. Investment performance of a fund may be volatile and may fluctuate over short or extended periods of time, and such declines may occur during favorable economic periods. A fund may be subject to different risks and volatility than in-kind investments in comparable instruments. 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. There are no assurances that a fund’s investment objective(s) will be achieved.

In the event an investor purchased fund shares after the first day of a Target Outcome Period and the fund has already distributed a significant amount of income, the investor may lose money if the fund has not regained such losses as of the Target Expiration Date. Prior to the Target Expiration Date, the value of the fund may fluctuate and decrease over the Target Outcome Period, and the fund may not be able to meet the targeted income level.

Depending on market conditions, the fund’s income level may rise or fall as a result of changes in the fund’s net asset value (“NAV”) and may be subject to the risk that a counterparty will not fund, without deposit, the full amount of the targeted income for the Target Outcome Period, and the fund may not be able to meet the targeted income level.

A fund may be subject to correlation risk and a FLEX Option’s value may be negatively affected by a movement in the value of a particular security or index. FLEX Options are subject to correlation risk and a FLEX Option’s value may be negatively affected by a movement in the value of a particular security or index. The value of a FLEX Option is affected by the movement in the value of the underlying security or index. The value of a FLEX Option is also affected by the volatility of the underlying security or index and the time remaining until the expiration date of the FLEX Option. The value of a FLEX Option will fluctuate based upon market quotations or other recognized pricing methods. The value of a FLEX Option may be volatile and may fluctuate substantially during a short period of time. If a fund is linked to a particular security or index, the fund could be negatively affected by a movement in the value of the security or index.

FLEX Options are subject to correlation risk and a FLEX Option’s value may be negatively affected by a movement in the value of a particular security or index. The value of a FLEX Option is affected by the movement in the value of the underlying security or index. The value of a FLEX Option is also affected by the volatility of the underlying security or index and the time remaining until the expiration date of the FLEX Option. The value of a FLEX Option will fluctuate based upon market quotations or other recognized pricing methods. The value of a FLEX Option may be volatile and may fluctuate substantially during a short period of time. If a fund is linked to a particular security or index, the fund could be negatively affected by a movement in the value of the security or index.

The price of FLEX Options may be volatile and the fund may not be able to effect closing transactions at times deemed desirable in the future. There is no assurance that a fund will be able to effect closing transactions at any time, or at an acceptable price.

The fund’s income level may rise or fall as a result of changes in the fund’s net asset value (“NAV”) and may be subject to the risk that a counterparty will not fund, without deposit, the full amount of the targeted income for the Target Outcome Period, and the fund may not be able to meet the targeted income level.

The fund’s income level may rise or fall as a result of changes in the fund’s net asset value (“NAV”) and may be subject to the risk that a counterparty will not fund, without deposit, the full amount of the targeted income for the Target Outcome Period, and the fund may not be able to meet the targeted income level.

DEFINITIONS

An option is a contractual obligation between a buyer and a seller. There are two types of options known as "calls" and "puts." The buyer of a call option has the right, but not the obligation, to purchase an agreed upon quantity of an underlying asset from the writer (seller) of the option at a predetermined price (the strike price) within a certain period of time (until the option’s expiration), creating a long position. A buyer of a put option has the right, but not the obligation, to sell to the writer (seller) of the put option the same quantity of the underlying asset at the strike price at the option’s expiration. For this right, the buyer pays a fee to the seller, called a premium.

A call option is at-the-money (ATM) if the market price of the underlying security is equal to the strike price. In-the-money options (ITM) are options where the underlying stock price is higher/lower for a call/put relative to the strike price. Out-of-the-money options (OTM) are options where the underlying stock price is lower/higher for a call/put relative to the strike price.