First Trust

FTBI

First Trust Balanced Income ETF

The **First Trust Balanced Income ETF (FTBI)** 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 index called the Bloomberg Moderate Allocation Income Focus Index (the "index"). The ETFs comprising the index selection universe are advised by First Trust Advisors L.P. ("First Trust"), the fund's investment advisor.

Diversification and Income Potential in a Multi-Asset Balancing Act

Generating income while navigating unpredictable market swings can be a challenge. Investing in a mix of asset classes may offer the potential for a lower-risk total return compared to investing in a single asset class and may also reduce interest rate sensitivity relative to traditional fixed income securities.

FTBI Investment Focus

- Fund-of-funds approach blended with a disciplined index construction process
- Exposure to First Trust's ETFs and their experienced portfolio management teams
- One ticker solution with access to income generating ETFs across multiple asset classes

FTBI provides exposure to a portfolio with fixed allocations to a selection of income-generating First Trust ETFs across the below asset classes with the following potential benefits:

Target Income and Buywrite Income Equity ETFs

- Offer the potential for enhanced yield by investing in options
- Seek higher levels of portfolio income and protection against short-term volatility
- Seek to generate additional cash flow in the form of option premiums
- Generate additional source of income (and dividend potential if paid by an underlying stock portfolio)

Actively Managed Investment Grade Fixed Income ETFs

- May provide attractive, steady income potential and a favorable risk/return profile
- Investment-grade companies have strong credit metrics, lower debt, and lower interest expense relative to earnings, typically generating robust cash flow, which may reduce default risk
- May offer attractive yield potential and may also help manage downside risk through a potential recession, as the asset class has often outperformed equities and other fixed income asset classes during such times.

Target Income Commodities ETFs

- May enhance diversification, potentially reduce risk, and offer the potential for attractive returns
- May act as a hedge against rising inflation

Diversification does not guarantee a profit or protect against loss.

Fund Details

Fund Ticker	FTBI
CUSIP	33738R571
Fund Inception Date	5/28/25
Investment Advisor	First Trust Advisors L.P.
Primary Listing	NYSE Arca

Index Allocation*

FTHI	19.16%
TDVI	10.20%
FTQI	9.24%
RDVI	6.76%
KNG	6.72%
SDVD	6.45%
FIXD	7.13%
FTCB	7.11%
FSIG	4.46%
FIIG	4.44%
LGOV	4.18%
LMBS	4.16%
MGOV	4.15%
IGLD	5.83%

*As of 5/20/25. **FTQI** - First Trust Nasdaq BuyWrite Income ETF **FTHI** - First Trust BuyWrite Income ETF **KNG** - FT Vest S&P 500® Dividend Aristocrats Target Income ETF® **RDVI** - FT Vest Rising Dividend Achievers Target Income ETF **SDVD** - FT Vest SMID Rising Dividend Achievers Target Income ETF **FIXD** - First Trust Smith Opportunistic Fixed Income ETF **FTCB** - First Trust Core Investment Grade ETF **LMBS** - First Trust Low Duration Opportunities ETF **MGOV** - First Trust Intermediate Government Opportunities ETF **LGOV** - First Trust Long Duration Opportunities ETF **FSIG** - First Trust Limited Duration Investment Grade Corporate ETF **FIIG** - First Trust Intermediate Duration Investment Grade Corporate ETF **IGLD** - FT Vest Gold Strategy Target Income ETF®

Asset Allocation Overview

According to the index provider, under normal market conditions, FTBI will allocate 60% of its assets to investments in Equity Linked ETFs (the "Equity Allocation"), 35% of its assets to investments in Fixed Income ETFs (the "Fixed Income Allocation") and 5% of its assets to investments in Commodity Linked Income ETFs (the "Commodity Allocation").

Equity Allocation (60%)

The equity allocation includes First Trust ETFs that seek to generate income through the use of either a "buywrite" investing strategy or a "target income" investing strategy and are categorized as the following, based upon the index provider's style classification of the underlying equity securities to which the underlying ETFs invest or have exposure:

- **Core** - companies that have characteristics of both growth and value companies and have higher levels of correlation to the broader market
- **Growth** - companies that are experiencing significant growth and have the potential for continued expansion
- **Value** - companies that are perceived to be undervalued relative to their share price

The index allocates the Equity Allocation equally among the underlying ETFs comprising the three styles. The underlying ETFs within each style are then equally weighted.

Fixed Income Allocation (35%)

The fixed income allocation includes First Trust ETFs that invest in investment grade fixed income securities and are categorized and weighted as the following based upon the index provider's classification of the type of securities comprising each underlying ETF's portfolio:

- **Core (14%)** – Provide coverage in multiple sectors including government, securitized and corporate bond sector
- **Investment grade (8.75%)** - Primarily focused on the corporate bond sector
- **Government (12.25%)** - Primarily focused on securities issued by the U.S. government, its agencies or instrumentalities, including securitized bonds issued by such entities

The index provider further sub-classifies the underlying ETF within the core, investment grade and government style groups by short, medium, or long duration and the weight is then equally allocated among each underlying ETF comprising each duration group.

Commodity Allocation (5%)

The commodity allocation includes First Trust ETFs that derive exposure to commodities through investments in FLexible EXchange Options ("FLEX Options") that reference an exchange-traded product that invests directly in gold. The Commodity Linked ETF seeks to provide a specific level of income that is tied to the annual yield of one-month U.S. Treasury securities (before fees and expenses).

There is no guarantee that such Underlying ETFs will successfully provide their distribution targets.

Definitions

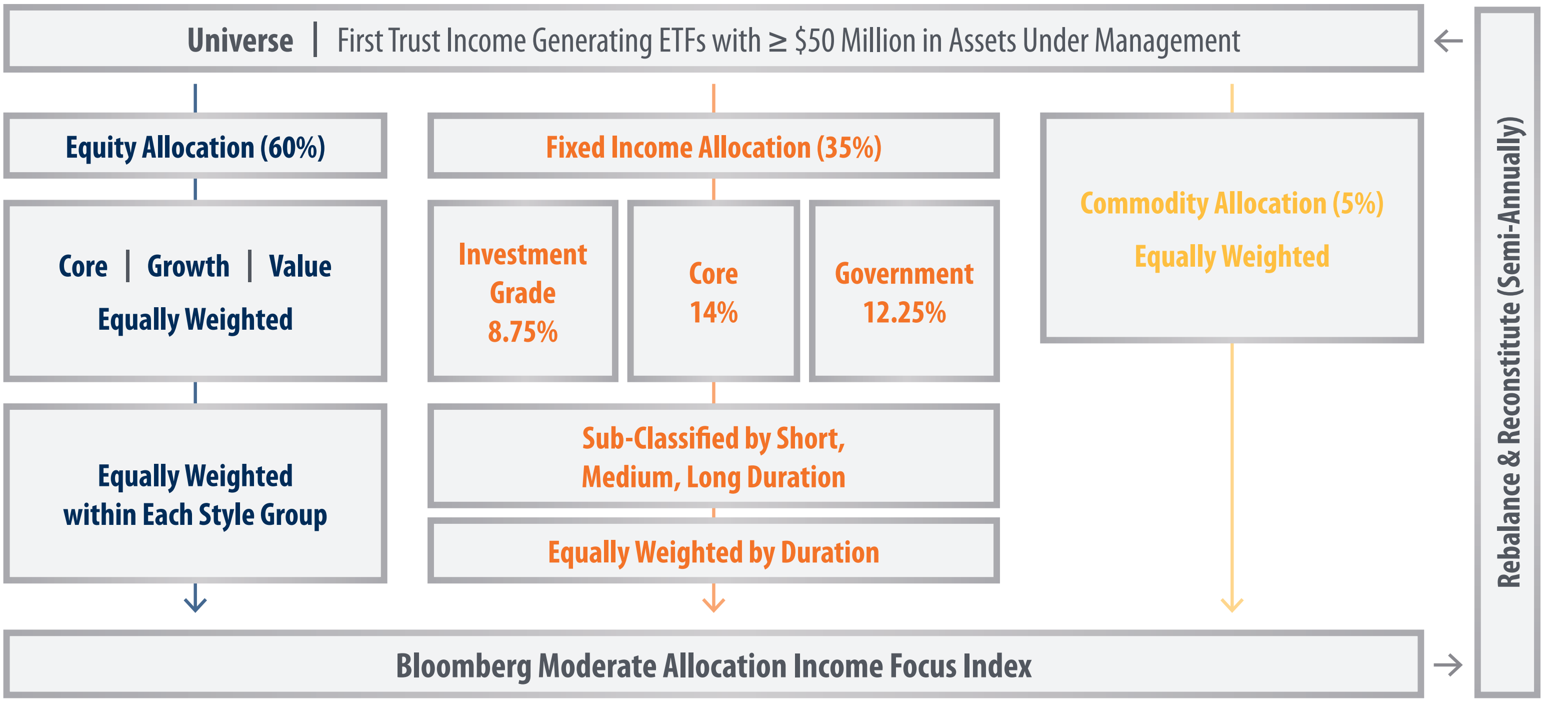
Duration is a measure of the weighted average life of a bond, which takes into account the maturity of each payment of a bond including coupons and the final maturity payment. The value of longer duration bonds are more sensitive to interest rate changes than shorter duration bonds.

An **option** is a contractual obligation between a buyer and a seller. 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 window of time (until the option's expiration).

A **premium** is the income received by an investor who sells the option contract to another party.

Please see important risk considerations on the following pages.

Index Construction Process



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.

Certain of these risk factors describe risks of investments in an Underlying ETF.

Asset-backed securities are a type of debt security and are generally not backed by the full faith and credit of the U.S. government and are subject to the risk of default on the underlying asset or loan, particularly during periods of economic downturn.

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.

Investments in bank loans are subject to the same risks as other debt securities, but the risks may be heightened because of limited public information available and because loan borrowers may be leveraged and tend to be more adversely affected by changes in market or economic conditions. The secondary market for bank loans may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

A fund's use of call options involves risks different from those associated with ordinary portfolio securities transactions and depends on the ability of a fund's portfolio managers to forecast market movements correctly. As the seller (writer) of a call option, a fund will tend to lose money if the value of the reference index or security rises above the strike price. When writing a call option, a fund will have no control over the exercise of the option by the option holder and the American style options sold by a fund may be exercised at any time before the option expiration date (as opposed to the European style options which may be exercised only on the expiration date). There may be times a fund needs to sell securities in order to settle the options, which may constitute a return of capital and make a fund less tax-efficient than other ETFs. Options may also involve the use of leverage, which could result in greater price volatility than other markets.

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.

Commodity prices can have significant volatility, and exposure to commodities can cause the value of a fund's shares to decline or fluctuate in a rapid and unpredictable manner.

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.

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.

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.

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.

A fund normally pays its income as distributions and therefore, a fund may be required to reduce its distributions if it has insufficient income. Additionally at times, a fund may need to sell securities when it would not otherwise do so and could cause distributions from that sale to constitute return of capital. Because of this, a fund may not be an appropriate investment for investors who do not want their principal investment in a fund to decrease over time or who do not wish to receive return of capital in a given period.

Companies that issue dividend-paying securities are not required to continue to pay dividends on such securities. Therefore, there is a possibility that such companies could reduce or eliminate the payment of dividends in the future.

Equity securities may decline significantly in price over short or extended periods of time, and such declines may occur in the equity market as a whole, or they may occur in only a particular country, company, industry or sector of the market.

Continued on the following page.

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 the investment performance and risks 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.

Trading FLEX Options involves risks different from, or possibly greater than, the risks associated with investing directly in securities. A fund may experience substantial downside from specific FLEX Option positions and certain FLEX Option positions may expire worthless. There can be no guarantee that a liquid secondary trading market will exist for the FLEX Options and FLEX options may be less liquid than exchange-traded options.

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.

A fund invests in an Underlying ETF holding FLEX Options on a Gold ETP, which primarily invests in physical gold bullion. Gold prices can be volatile, influenced by economic, political, and monetary factors, including currency fluctuations and central bank actions. Investing in gold involves costs such as storage, insurance, and auditing. Metal prices fluctuate widely, making the Underlying ETF's share price more volatile. There is also a risk of loss, damage, or theft of gold held by custodians, as well as restricted access due to natural disasters or human actions. The Gold ETP does not insure its gold, posing potential loss risks.

Stocks with growth characteristics tend to be more volatile than certain other stocks and their prices may fluctuate more dramatically than the overall stock market.

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

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.

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.

A fund may own a significant portion of the First Trust ETFs included in a fund. Any such ETF may be removed from the Index if it does not comply with the Index's eligibility requirements. A fund may be forced to sell shares of certain First Trust ETFs at inopportune times or for prices other than at current market values or may elect not to sell such shares on the day that they are removed from the Index, due to market conditions or otherwise. Due to these factors, the variation between a fund's annual return and the return of the Index may increase significantly.

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.

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.

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.

Mortgage-related securities are more susceptible to adverse economic, political or regulatory events that affect the value of real estate.

The values of municipal securities may be adversely affected by local political and economic conditions and developments. Income from municipal securities could be declared taxable because of, among other things, unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or state tax authorities, or noncompliant conduct of an issuer.

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

An index fund's return may not match the return of the index for a number of reasons including operating expenses, costs of buying and selling securities to reflect changes in the index, and the fact that a fund's portfolio holdings may not exactly replicate the index.

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.

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.

A fund that invests in securities included in or representative of an index will hold those securities regardless of investment merit and the fund generally will not take defensive positions in declining markets.

A fund's investment in equity securities and written call options are not correlated, meaning the performance is independent of one another. Market events may impact one position held by a fund more than the other position and the returns from a fund's investments in equity securities and written call options may not move in the same direction as one another.

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.

Securities of small- and mid-capitalization companies may experience greater price volatility and be less liquid than larger, more established companies.

Investments in sovereign bonds involve special risks because the governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due. In times of economic uncertainty, the prices of these securities may be more volatile than those of corporate debt or other government debt obligations.

If a fund does not qualify as a RIC for any taxable year and certain relief provisions were not available, a fund's taxable income would be subject to tax at the fund level and to a further tax at the shareholder level when such income is distributed. Further, there may be other tax implications to a fund based on the type of investments in a 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.

Value characteristics of a stock may not be fully recognized for a long time or a stock judged to be undervalued may actually be appropriately priced at a low level.

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.