

» Fund Objective

This actively managed exchange-traded fund seeks to provide investors with long-term total return.

» Fund Facts

Fund Ticker	FTLS
CUSIP	33739P103
Intraday NAV	FTLSIV
Fund Inception Date	9/8/14
Primary Listing	NYSE Arca

» Fees and Expenses

Management Fees	0.95%
Leverage Costs†	0.22%
Total Annual Expenses	1.17%

» Fund Description

- » The First Trust Long/Short Equity ETF seeks to pursue its investment objective by investing in both a long and short portfolio consisting of at least 80% in U.S. exchange-listed equity securities of U.S. and foreign companies such as common stocks and ETFs. The fund may invest up to 20% of its net assets (plus the amount of any borrowing for investment purposes) in U.S. exchange-listed equity index futures contracts. These futures contracts will be used to gain long or short exposure to broad based equity indexes.
- The overall portfolio, under normal market conditions, will be 80 to 100% invested in long positions and 0% to 50% invested in short positions.
- » Through the investment process, the Advisor follows a systematic portfolio construction process designed to balance the drivers of risk and return that exist between the long and short positions.
- The investment process uses Sabrient/Gradient's Earnings Quality Rank (EQR) model ranking, which serves as a building block for potential holdings, both long and short. Additional proprietary research will be used to tactically manage both the overall percentage and composition of the long and short exposures in the portfolio.
 - The Advisor will then seek to manage risk and control exposures between the long and short portfolio.
 - The Advisor will apply quantitative and fundamental analysis to position the size and expected level of risk of the short portfolio.
 - The long and short portfolios are integrated and optimized to seek to balance the risk and return between the long and short positions relative to the general equity market.⁹

» Fund Advisor

- » The portfolio is managed by the First Trust Advisors L.P. Investment Committee.
- » Day-to-day management decisions for the fund's portfolio are made by two investment committee members:
- John Gambla, CFA, Senior Portfolio Manager
 - Rob A. Guttschow, CFA, Senior Portfolio Manager

» Performance Summary (%)

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund Performance*							
Net Asset Value (NAV)	4.57	5.19	5.19	—	—	—	7.56
After Tax Held	4.49	4.97	4.97	—	—	—	7.20
After Tax Sold	2.59	2.94	2.94	—	—	—	5.61
Market Price	4.66	4.88	4.88	—	—	—	7.69
Index Performance**							
S&P 500 Index	7.04	1.38	1.38	—	—	—	3.74

Performance data quoted represents past performance. Past performance is not a guarantee of future results and current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and shares when sold or redeemed, may be worth more or less than their original cost. You can obtain performance information which is current through the most recent month-end by visiting www.ftportfolios.com.

†Leverage costs include expenses associated with short sales transactions.

***After Tax Held** returns represent return after taxes on distributions. Assumes shares have not been sold. **After Tax Sold** returns represent the return after taxes on distributions and the sale of fund shares. Returns do not represent the returns you would receive if you traded shares at other times. **Market Price** returns are based on the midpoint of the bid/ask spread. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

****The S&P 500 Index is the fund's benchmark.** 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.

⁹“Long” and “short” are investment terms used to describe ownership of securities. To buy securities is to “go long.” The opposite of going long is “selling short.” Short selling is an advanced trading strategy that involves selling a borrowed security. Short sellers make a profit if the price of the security goes down and they are able to buy the security at a lower amount than the price at which they sold the security short.

» Portfolio Information – Long Exposure

Number Of Holdings	105
Maximum Market Cap.	\$586.86 Billion
Median Market Cap.	\$15.32 Billion
Minimum Market Cap.	\$231 Million
Price/Earnings	16.89
Price/Book	2.54
Price/Cash Flow	12.45
Price/Sales	1.45

» Top Holdings (%) – Long Exposure

Apple, Inc.	3.57
JPMorgan Chase & Co.	2.77
Novartis AG	2.58
Vodafone Group Plc	2.52
Unilever NV	2.41
Alphabet Inc. (Class C)	2.23
Republic Services, Inc.	2.18
U.S. Bancorp	2.17
The Procter & Gamble Company	2.11
Intel Corporation	2.09

» Top Sector (%) – Long Exposure

Information Technology	19.32
Financials	13.28
Consumer Staples	13.04
Consumer Discretionary	12.78
Industrials	12.57
Health Care	11.94
Energy	8.06
Materials	4.19
Telecommunication Services	2.93

» Portfolio Information – Short Exposure

Number Of Holdings	94
Maximum Market Cap.	\$293.99 Billion
Median Market Cap.	\$10.25 Billion
Minimum Market Cap.	\$775 Million
Price/Earnings	20.18
Price/Book	2.41
Price/Cash Flow	13.06
Price/Sales	1.45

» Top Holdings (%) – Short Exposure

S&P 500 Depositary Receipts (SPDR)	-0.79
Campbell Soup Company	-0.56
AvalonBay Communities, Inc.	-0.55
Eli Lilly and Company	-0.54
Cardinal Health, Inc.	-0.53
ConAgra Foods, Inc.	-0.53
Equinix, Inc.	-0.53
General Electric Company	-0.53
General Mills, Inc.	-0.52
Fifth Third Bancorp	-0.51

» Top Sector (%) – Short Exposure

Financials	-4.83
Health Care	-3.88
Industrials	-3.87
Consumer Staples	-3.55
Consumer Discretionary	-2.80
Information Technology	-2.21
Energy	-1.94
Materials	-1.33
Other	-0.79
Telecommunication Services	-0.48

» Fund Exposure (%)

Long Exposure	98.11
Short Exposure	-25.68
Net Exposure	72.43

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.

ETF Characteristics

The fund lists and principally trades its shares on the NYSE Arca, Inc.

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. However, unlike mutual funds, shares may only be redeemed directly from the fund by authorized participants, in very large creation/redemption units.

Risk Considerations

The fund's shares will change in value, and you could lose money by investing in the fund. One of the principal risks of investing in the fund is market risk. Market risk is the risk that a particular security owned by the fund, fund shares or securities in general may fall in value. The fund is subject to management risk because it is an actively managed portfolio. In managing the fund's investment portfolio, the advisor will apply investment techniques and risk analyses that may not have the desired result. There can be no assurance that the fund's investment objective will be achieved.

The fund may invest in small capitalization and mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies. Equity securities prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the stock market.

An investment in a fund containing securities of non-U.S. issuers is subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers. The fund may invest in depositary receipts which may be less liquid than the underlying shares in their primary trading market.

Alternative investments may employ complex strategies, have unique investment and risk characteristics and may not be suitable for all investors.

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

The fund may effect a portion of creations and redemptions for cash rather than in-kind securities. As a result, the fund may be less tax-efficient.

The fund currently has fewer assets than larger funds, and like other relatively new funds, large inflows and outflows may impact the fund's market exposure for limited periods of time.

The fund may invest in the shares of other ETFs, and therefore, the fund's investment performance and risks may be related to the investment performance and risks of the underlying ETFs. In general, as a shareholder in other ETFs, the fund bears its ratable share of the underlying ETF's expenses, and would be subject to duplicative expenses to the extent the fund invests in other ETFs.

The use of futures and other derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives. These risks are heightened when the fund's portfolio managers use derivatives to enhance the fund's return or as a substitute for a position or security, rather than solely to hedge (or offset) the risk of a position or security held by the fund.

The fund is classified as "non-diversified" and may invest a relatively high percentage of its assets in a limited number of issuers. As a result, the 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.

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.

Definitions

The **S&P 500 Index** is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance.