

# ECONOMIC & MARKET UPDATE

## PORTFOLIO IMPLEMENTATION THEMES

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HEAD OF PORTFOLIO ANALYTICS

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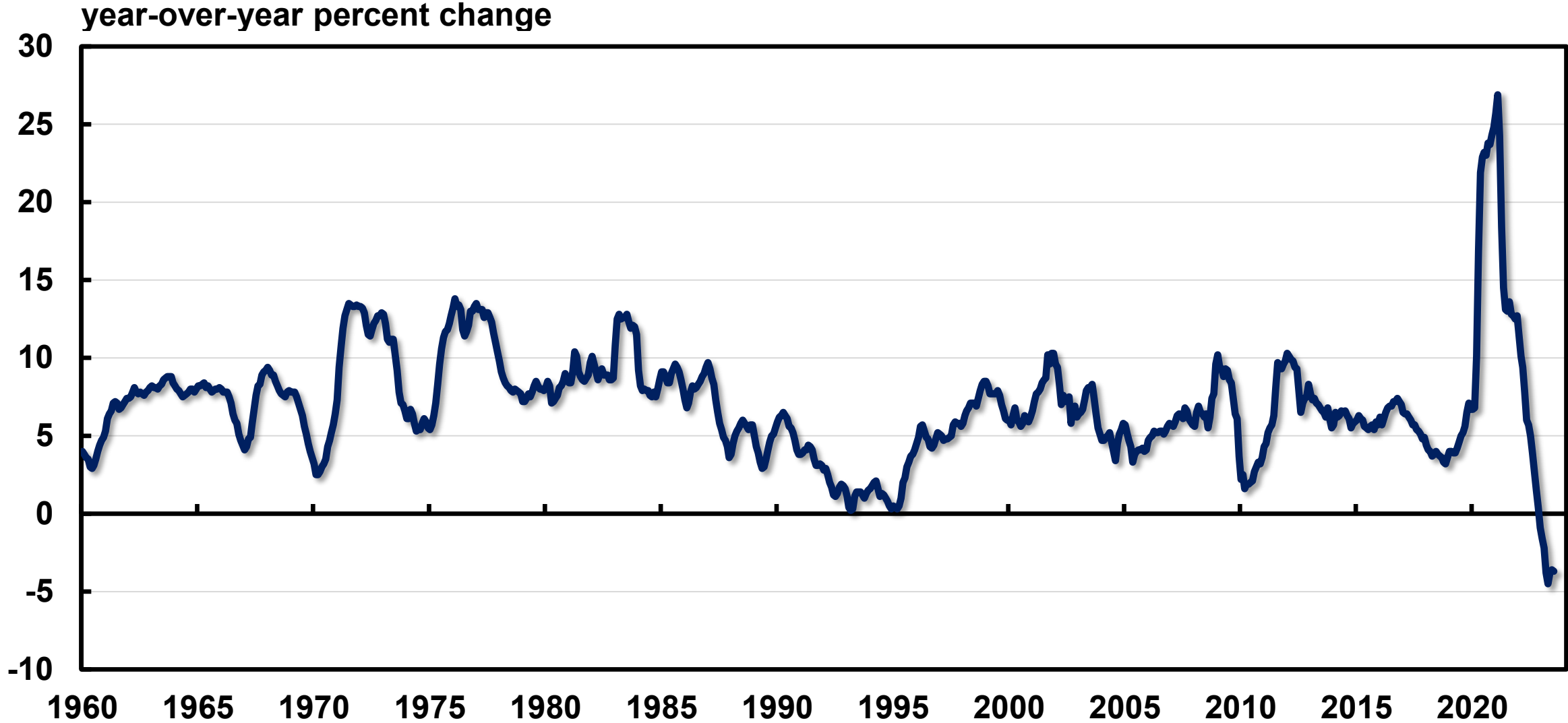


# ECONOMIC DATA

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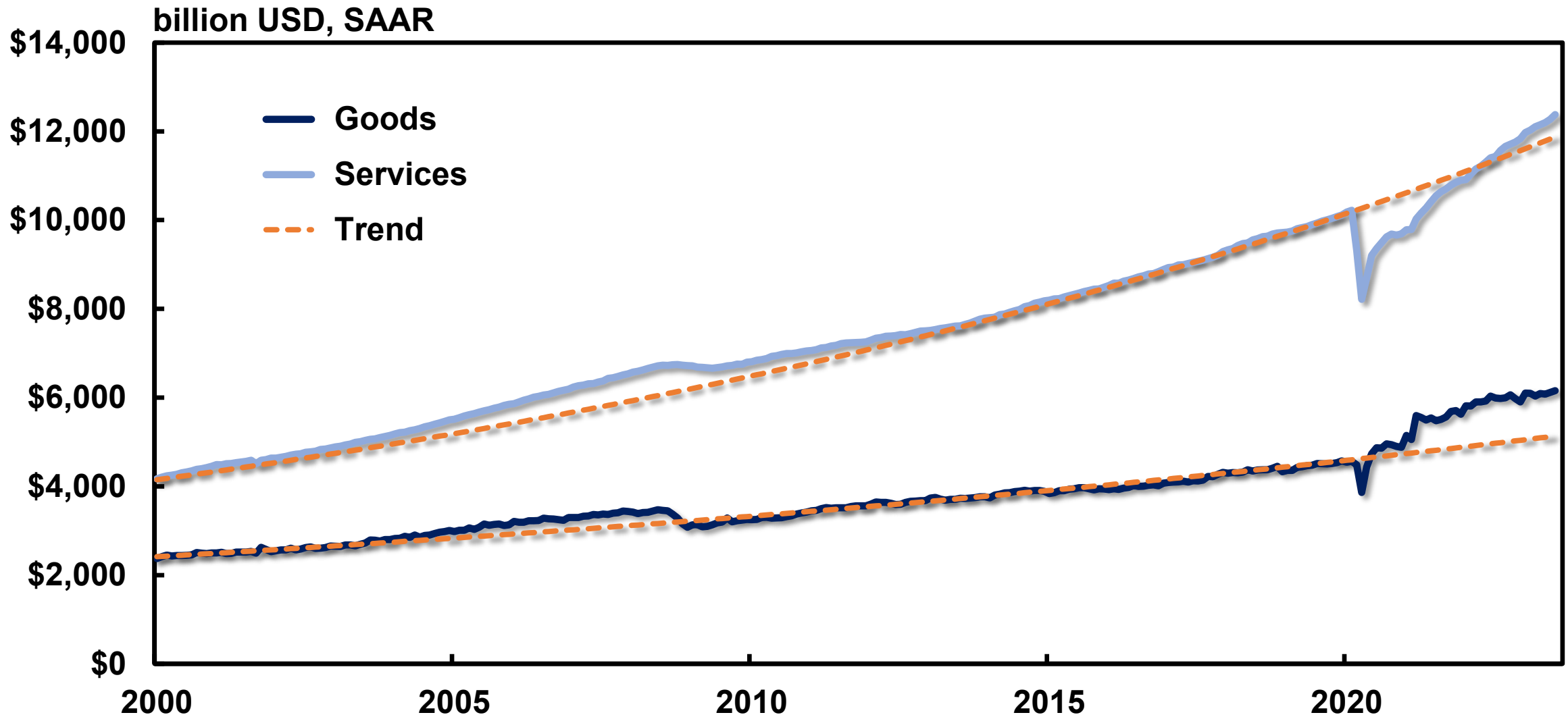
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# M2 - SOME INFLATION IS NOT TRANSITORY



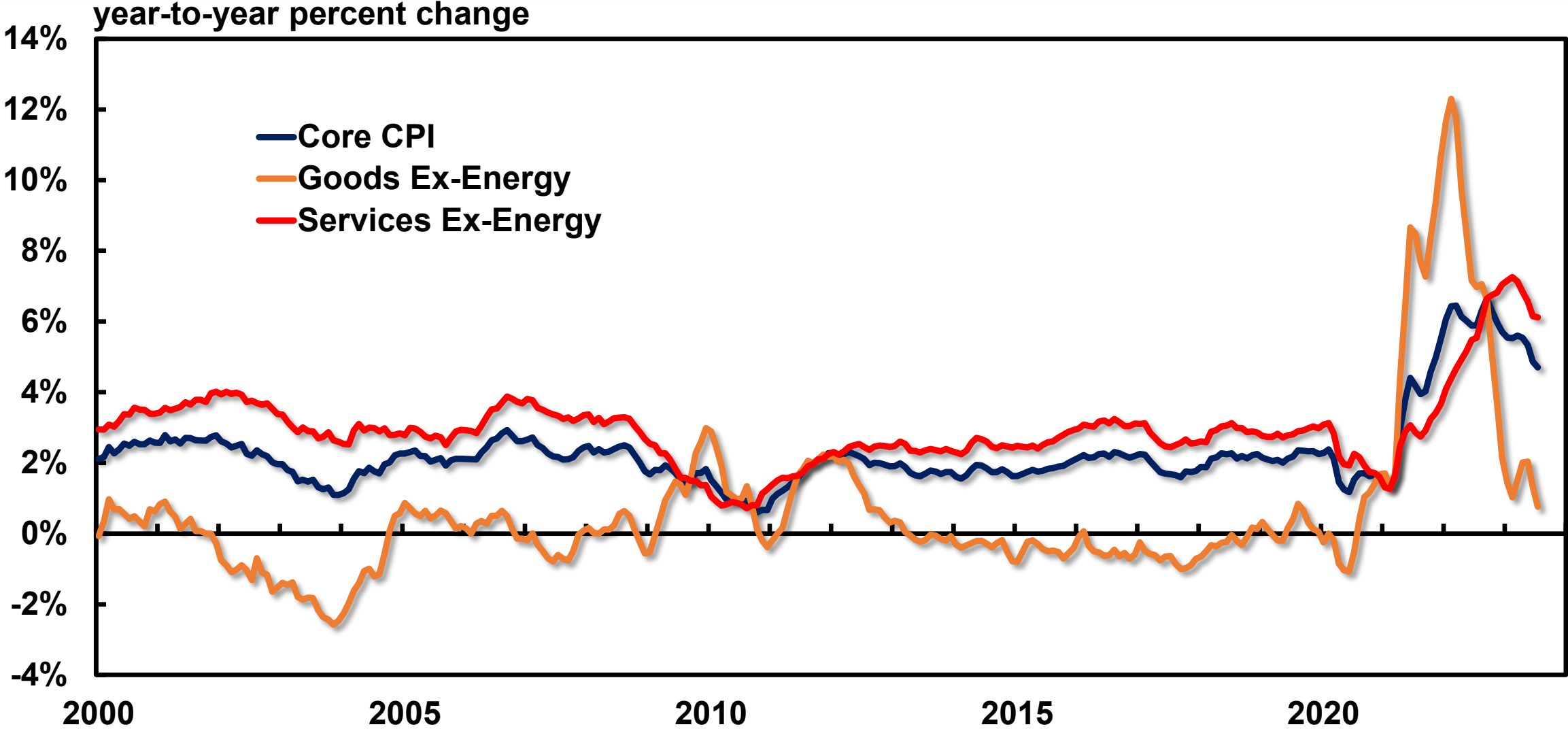
Source: Federal Reserve Board, Federal Reserve Bank of St. Louis. Data Jan 1960 – Jul 2023

# PERSONAL CONSUMPTION: GOODS VS SERVICES



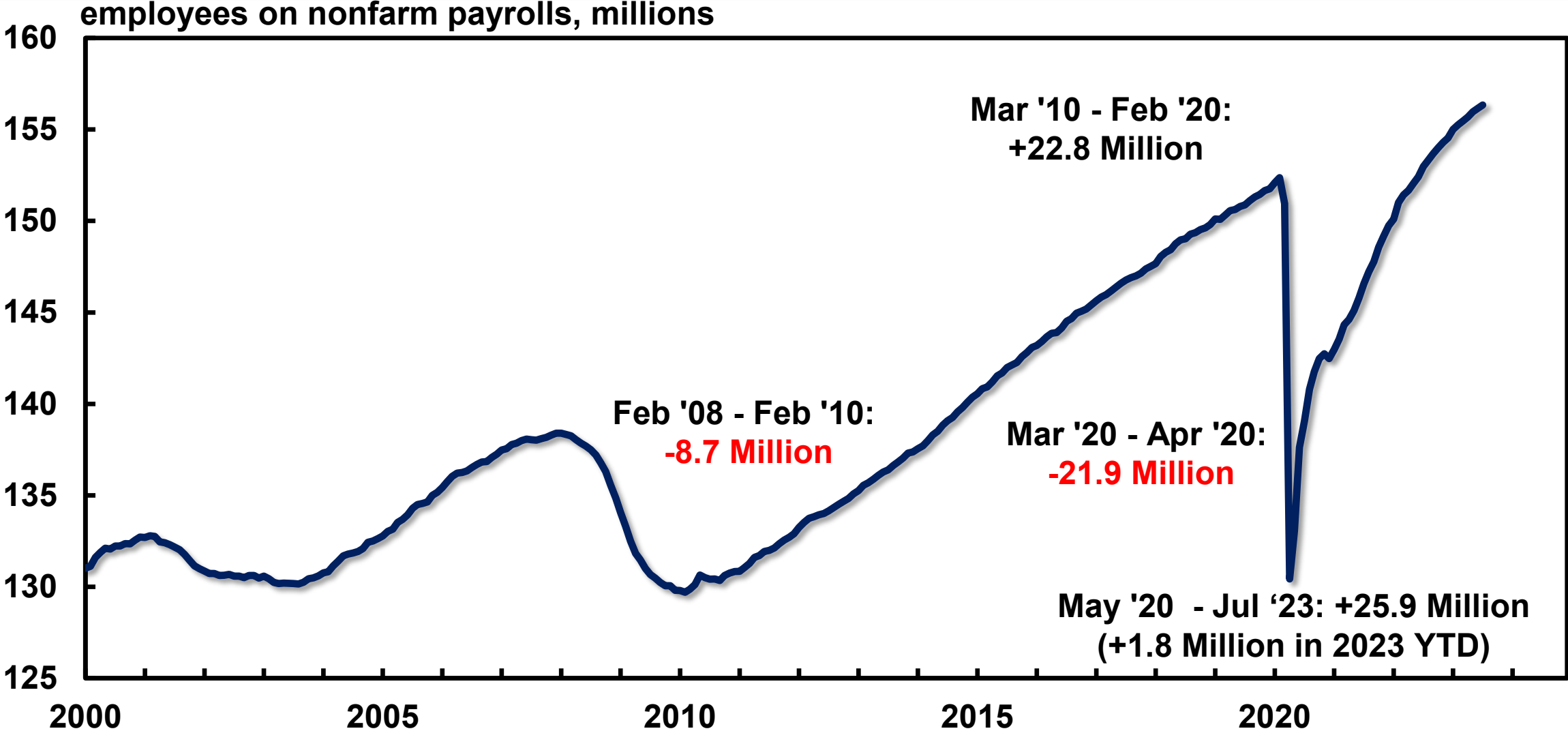
Source: Bureau of Economic Analysis. Monthly data Jan 2000 – Jul 2023.

# WHAT'S DRIVING INFLATION NOW?



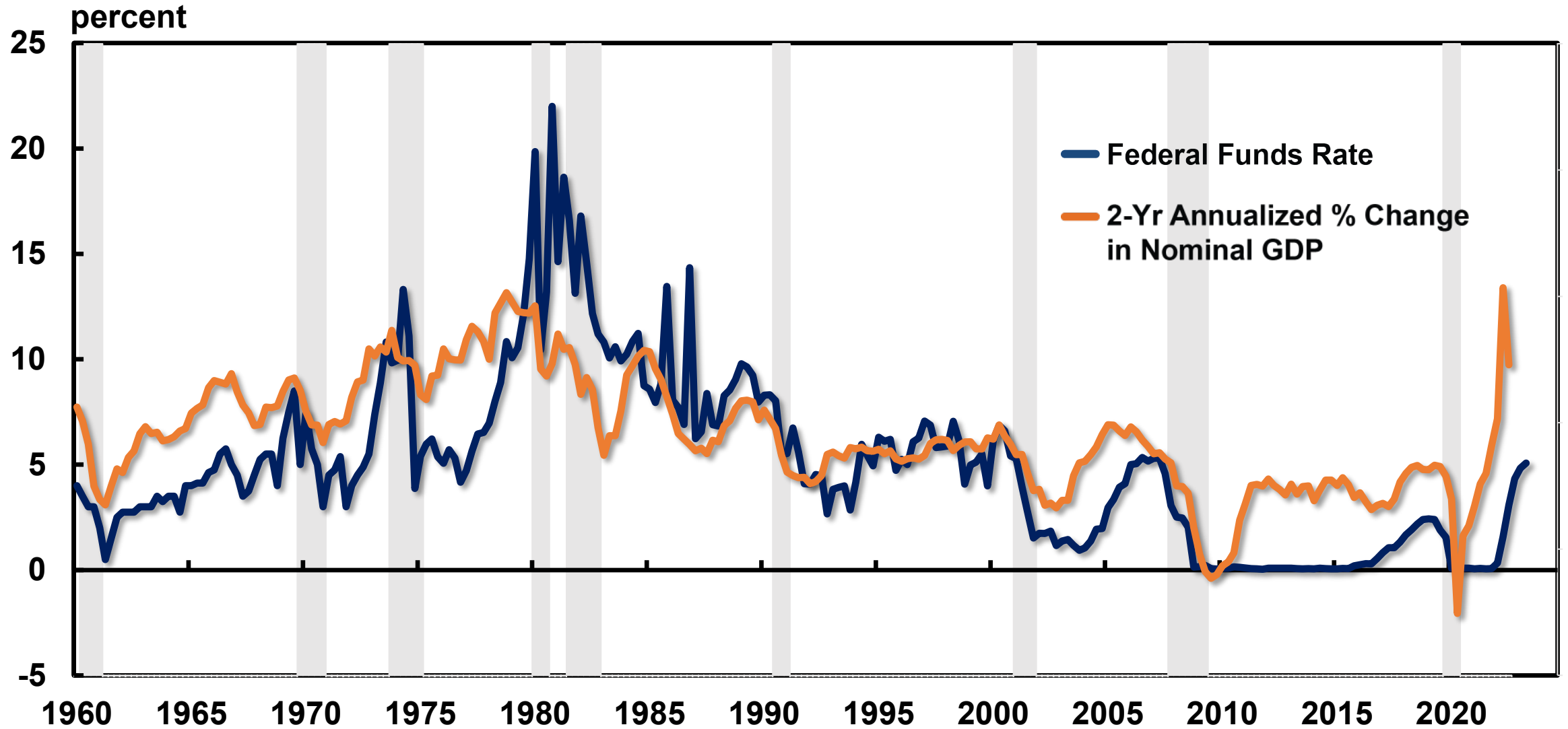
Source: Bureau of Labor Statistics. Data Jan 2000 – Jul 2023

# GETTING THE JOBS BACK



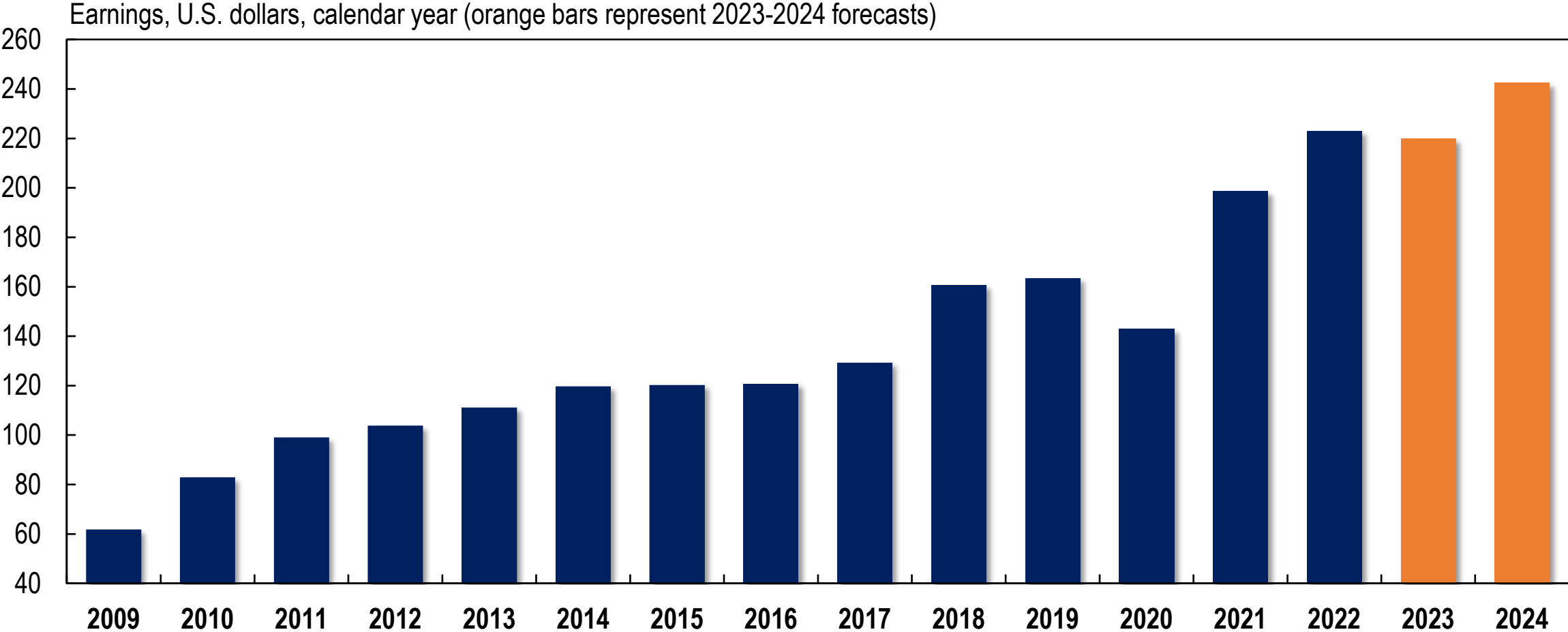
Source: Bureau of Labor Statistics. Monthly data Jan 2000 – Jul 2023

# FEDERAL FUNDS RATE MODEL



Source: Federal Reserve Board, BLS. Data through Q2 2023.

# S&P 500 INDEX: EARNINGS FORECASTS

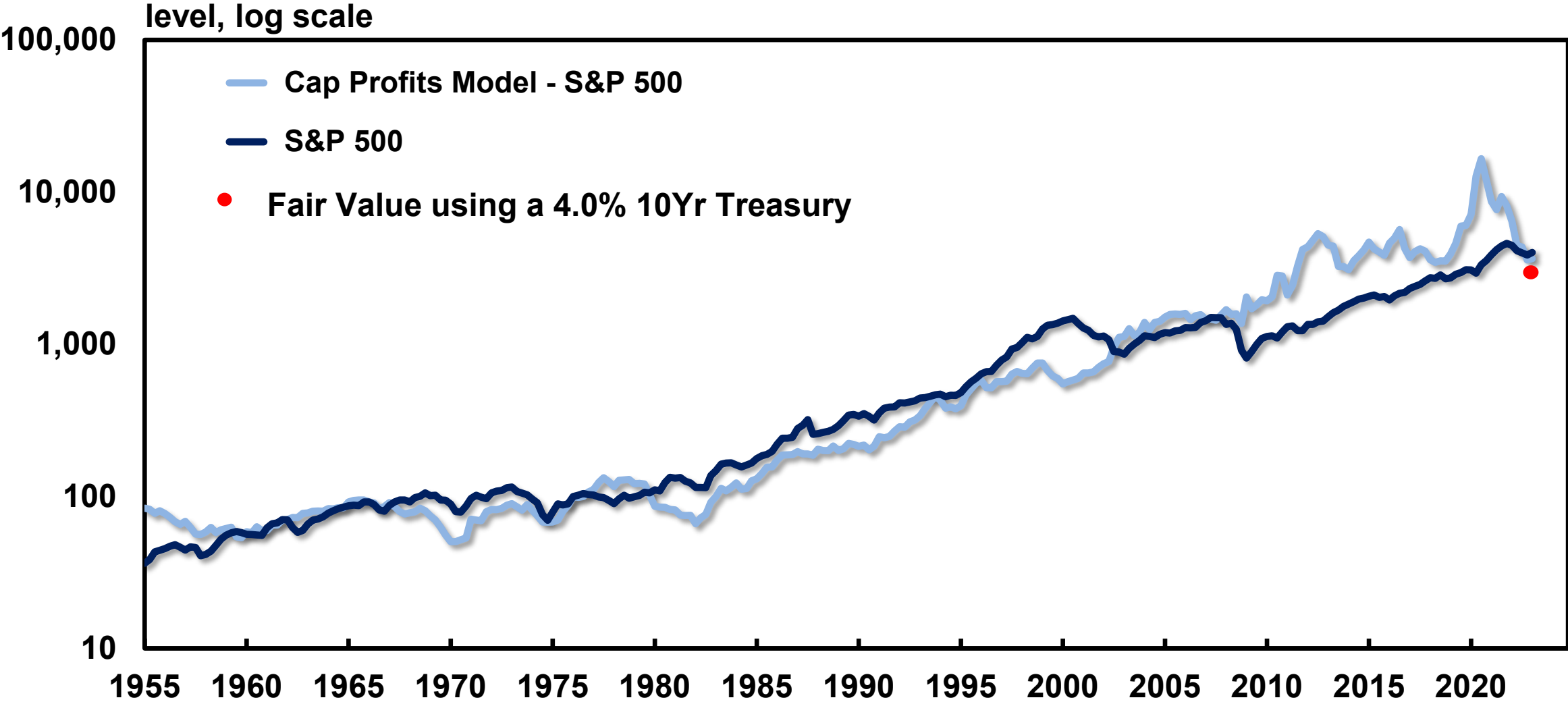


Source: Bloomberg as of 8/4/2023. This chart is for illustrative purposes only and not indicative of any actual investment. **Past performance is no guarantee of future results.** The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. There is no assurance the projected forecasts will be achieved.

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# CAPITALIZED PROFITS MODEL: S&P 500



Source: Bloomberg, Federal Reserve, BEA, Haver Analytics, FT Advisors. Quarterly data Q1 1955 – Q1 2023. The S&P 500 Index is a capitalization-weighted index used to measure large-cap U.S. stock market performance. This chart is for illustrative purposes only and not indicative of any actual investment. Past performance is no guarantee of future results. You can not invest directly in an index.

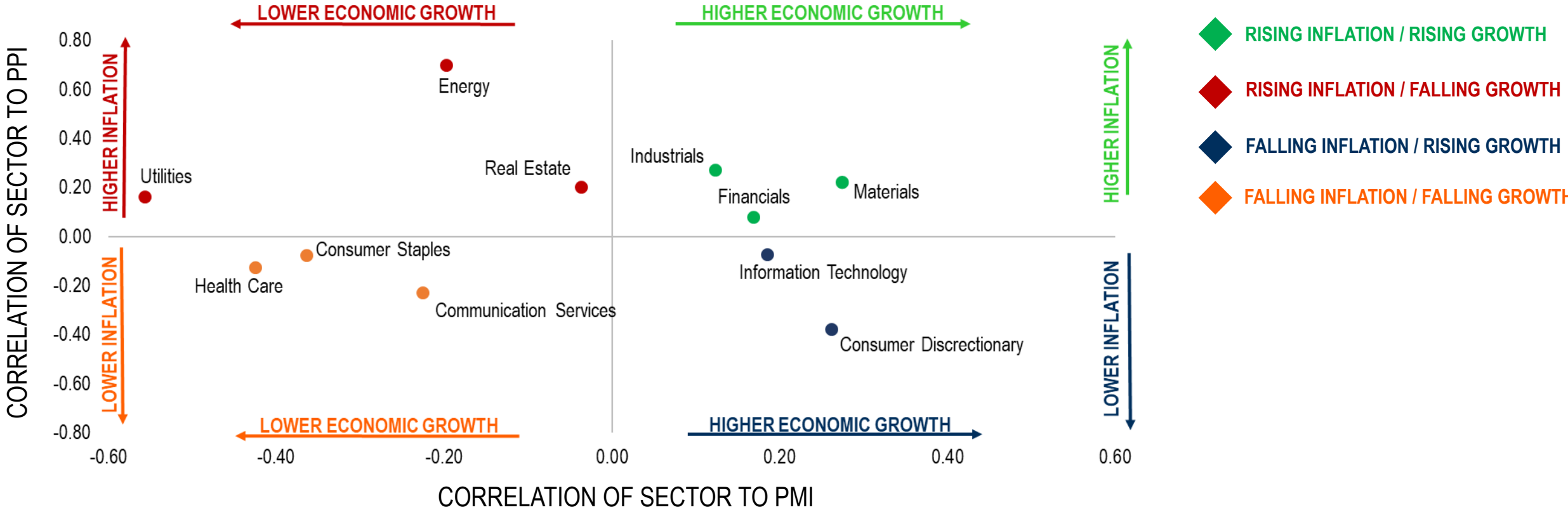
# MARKET DATA

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# SECTOR CORRELATION TO INFLATION & ECONOMIC ACTIVITY

HISTORICAL CORRELATION TO ECONOMIC GROWTH & INFLATION BY GICS SECTOR

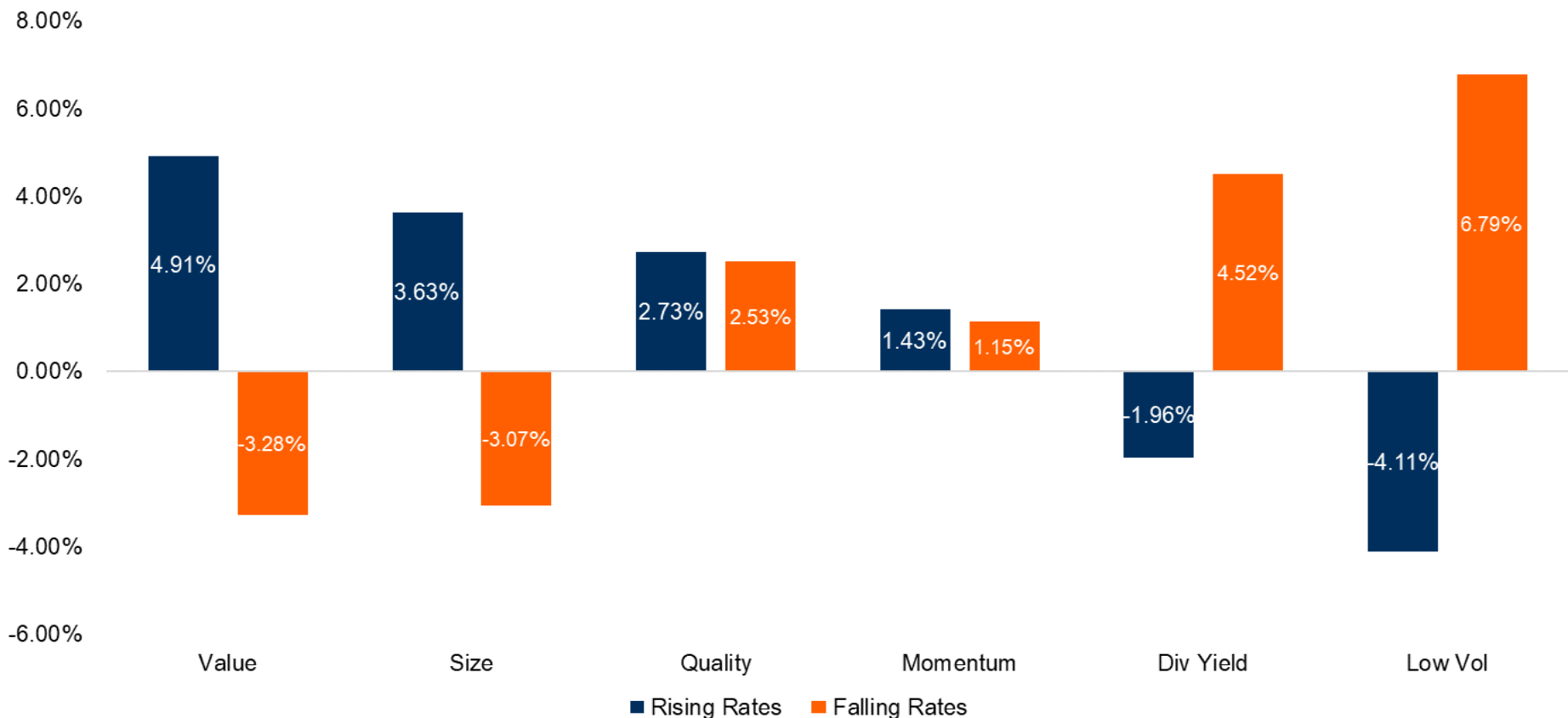


Source: Bloomberg. Data range 12/31/1990 to 7/31/23, most recent data available. **Past performance is no guarantee of future results.** For illustrative purposes only and not indicative of any investment. The x axis is the correlation of the year-over-year return of the S&P 500 Sector Index minus the S&P 500 Index vs. the year-over-year change in ISM Manufacturing PMI Index. The y axis is the correlation of the year-over-year return of the S&P 500 Sector Index minus the S&P 500 Index vs. the Producer Prices Index. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The ISM Manufacturing Index is a survey of supply management professionals issued by the Institute for Supply Management. The US Producer Prices Index measures the change in the price of goods as they leave their place of production and is calculated by the Bureau of Labor Statistics. Indexes are unmanaged and an investor cannot invest directly in an index.

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# FACTOR EXCESS RETURNS WHEN RATES ARE RISING AND FALLING

FACTOR EXCESS RETURNS BY RATE ENVIRONMENT

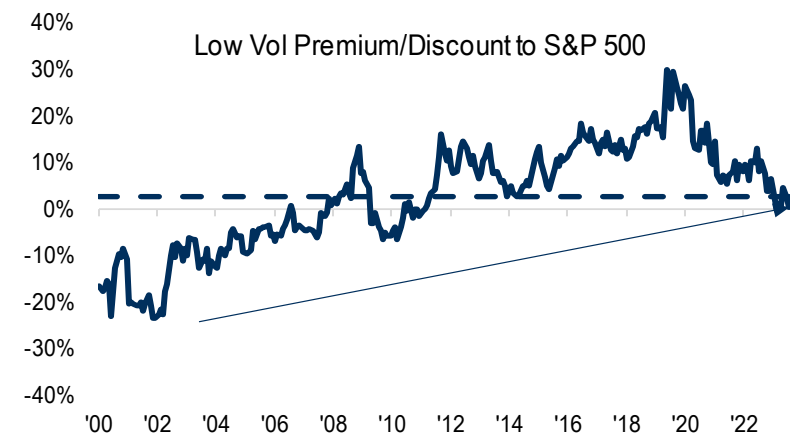
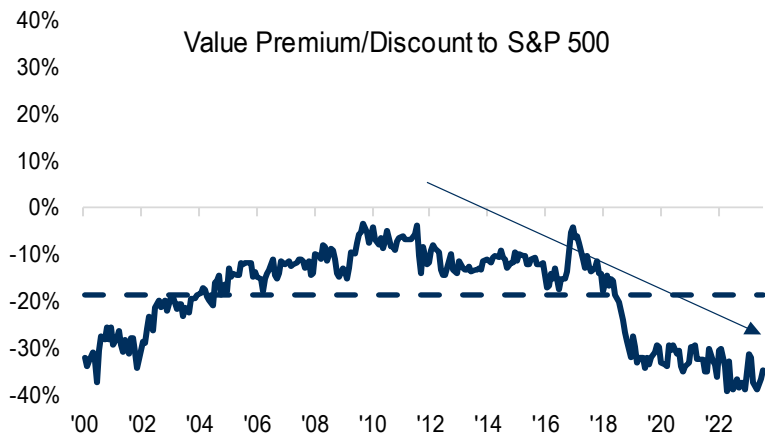
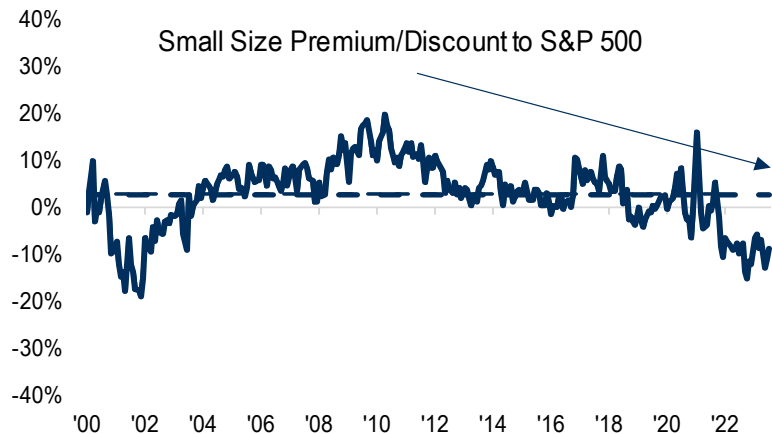
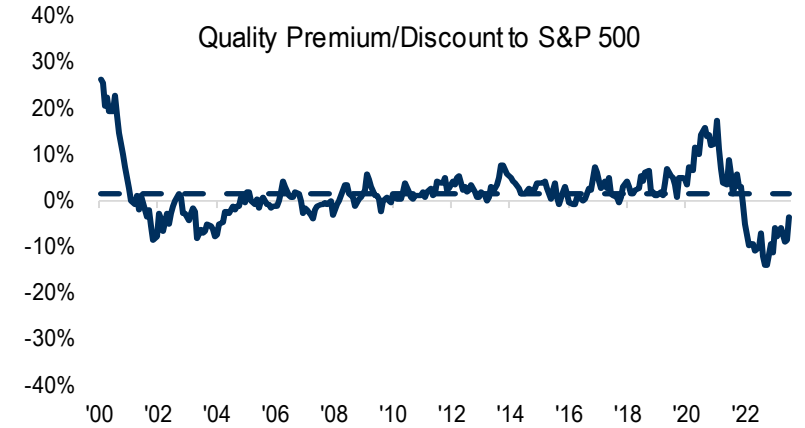
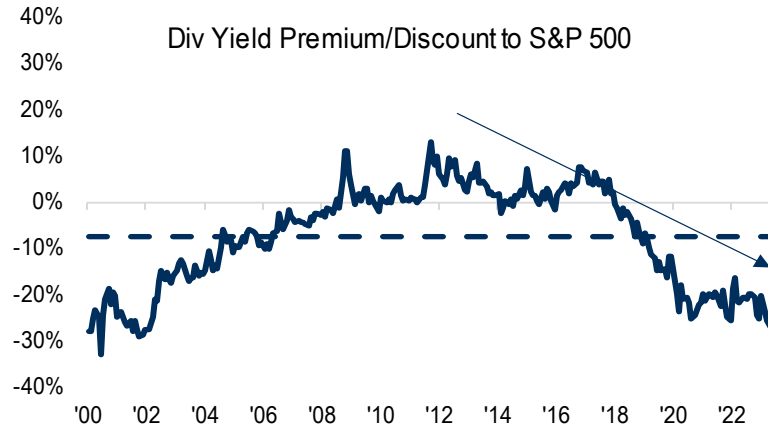
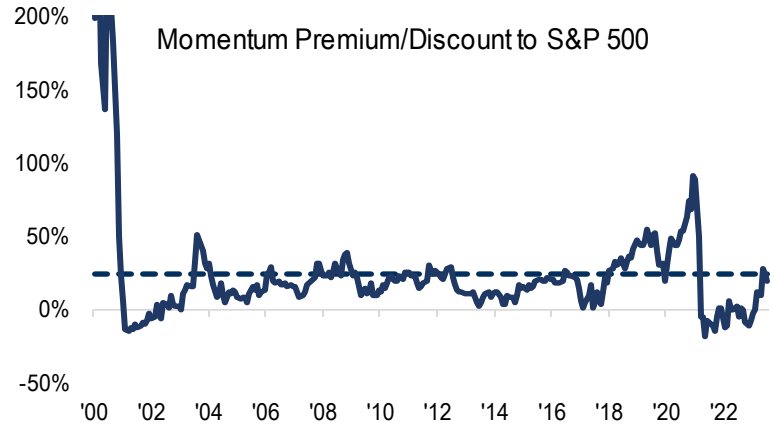


**Value:** Lowest price-to-book  
**Momentum:** Highest 12-month price change  
**Quality:** Highest return-on-equity  
**Size:** Lowest market capitalization  
**Low Volatility:** Lowest 1-year price variability  
**Dividend Yield:** Highest dividend yield

Source: Capital IQ, Bloomberg. Returns are annualized based on the monthly factor return vs. the S&P 500 Index from 1/31/1997 – 8/31/23. Rising and falling rates are represented by the monthly change in the 10-year U.S. Treasury. **Past performance is no guarantee of future results.** The **S&P 500 Index** is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Indexes are unmanaged and investors cannot invest directly in an index. Universe: largest 1,000 U.S. firms with \$1 million in average daily volume over the last 3 months and 12 months of trading history. Top 30% of stocks by factor are selected. Stocks are then equally weighted. These examples are for illustrative purposes and do not represent any actual investment.

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# FACTOR MEDIAN P/E PREMIUM/DISCOUNT TO S&P 500

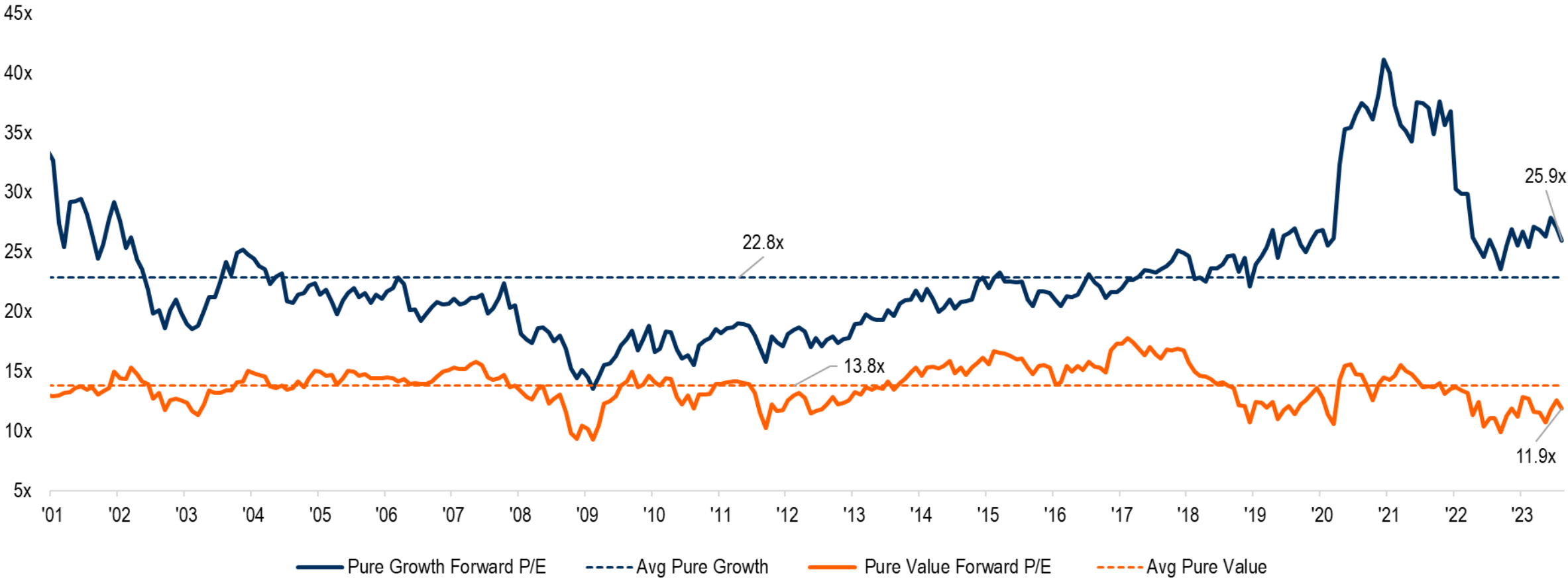


Source: Bloomberg & Capital IQ. Monthly data is calculated from 1/31/00 to 8/31/23. For illustrative purposes and does not represent any actual investment. The median monthly forward price-to-earnings (P/E) ratio is used for each factor. Forward Price to Earnings of a stock is the price divided by the estimated EPS for the next 4 quarters. Each factor is comprised of the top 30% of stocks from a universe of the largest 1,000 U.S. stocks with at least \$1 million dollars in average daily volume over the last 3 months and 12 months of trading history. Value: Lowest price-to-book. Momentum: Highest 12-month price change. Quality: Highest return-on-equity. Size: Lowest market capitalization. Low Volatility: Lowest 1-year price variability. Dividend Yield: Highest dividend yield. The S&P 500 Index is an index of 500 companies used to measure large-cap U.S. stock market performance. Indices are unmanaged and investors cannot invest directly in an index. An index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. **Past performance is no guarantee of future results.**

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# PURE GROWTH VERSUS PURE VALUE – FORWARD MULTIPLES

PURE GROWTH VS. PURE VALUE FORWARD P/E RATIOS

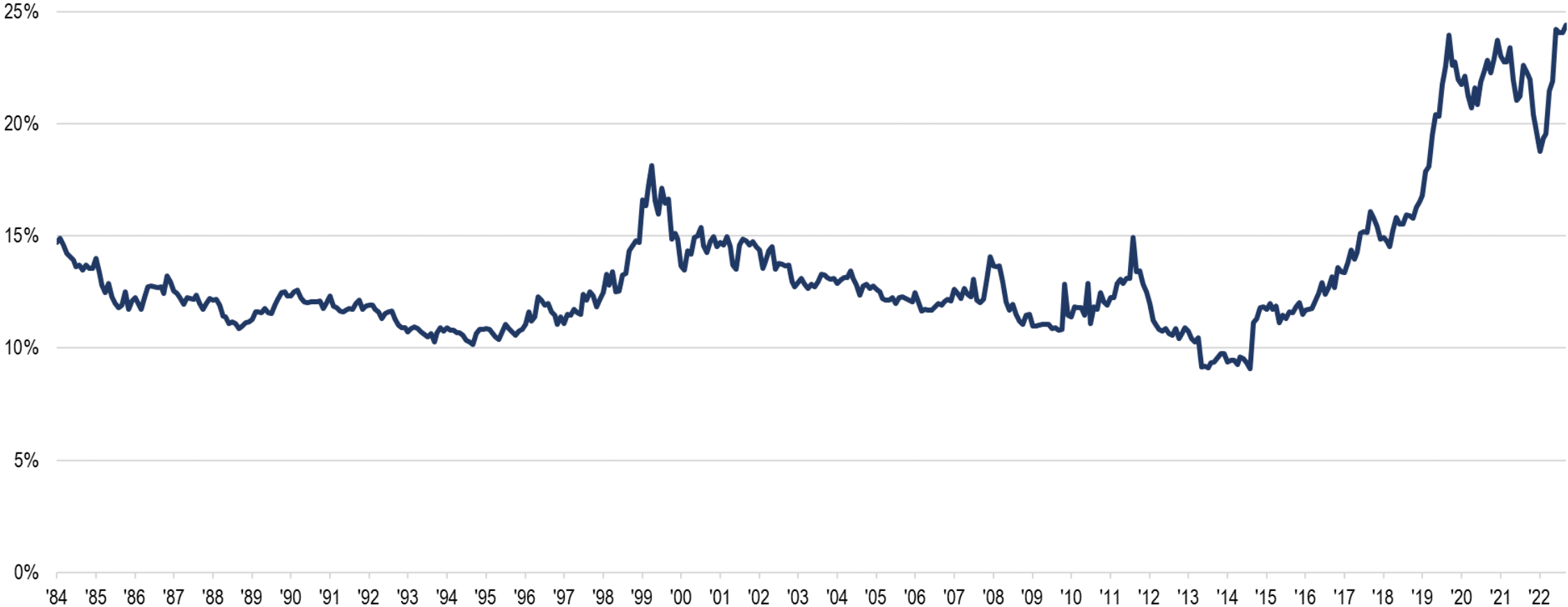


Source: Capital IQ. Monthly data is calculated from 12/29/2000-8/31/23. Universe: largest 1,000 U.S. firms with \$1 million in average daily volume over the last 3 months and 12 months of trading history. The median monthly forward price-to-earnings ratio is used for the pure growth and pure value baskets. Only firms with positive earnings are used. Pure growth names are the 30% of names with the highest price-to-books versus the pure value basket of the 30% of names with the lowest price-to-books. For illustrative purposes only and not indicative of any investment.

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# S&P 500 INDEX WEIGHT OF THE LARGEST 5 NAMES

## TOP 5 WEIGHTED S&P 500 NAMES

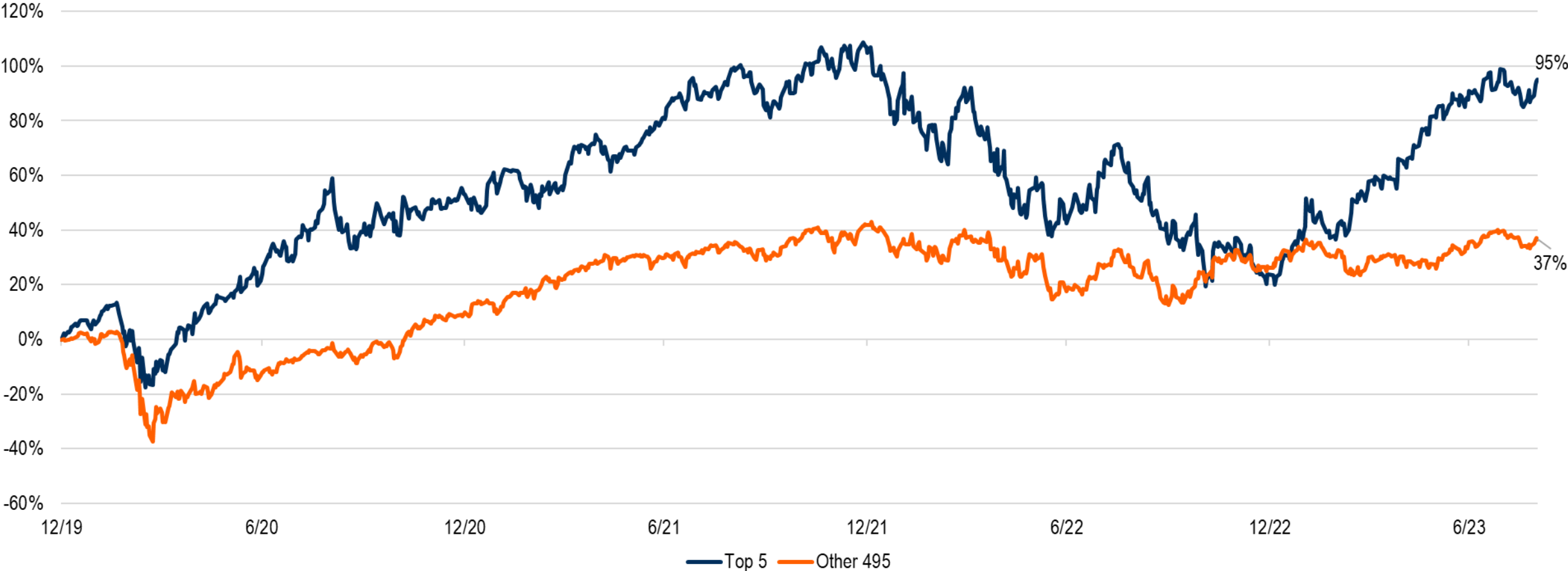


Source: CapitalQ. Data from 12/31/1984 – 8/31/2023. References to specific companies or securities should not be construed as a recommendation to buy or sell any such security, nor should they be assumed profitable. The **S&P 500 Index** is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index.

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# S&P 500 INDEX RETURN COMPARISON

## RETURNS OF TOP 5 WEIGHTED STOCKS IN S&P 500 VS. OTHER 495 STOCKS



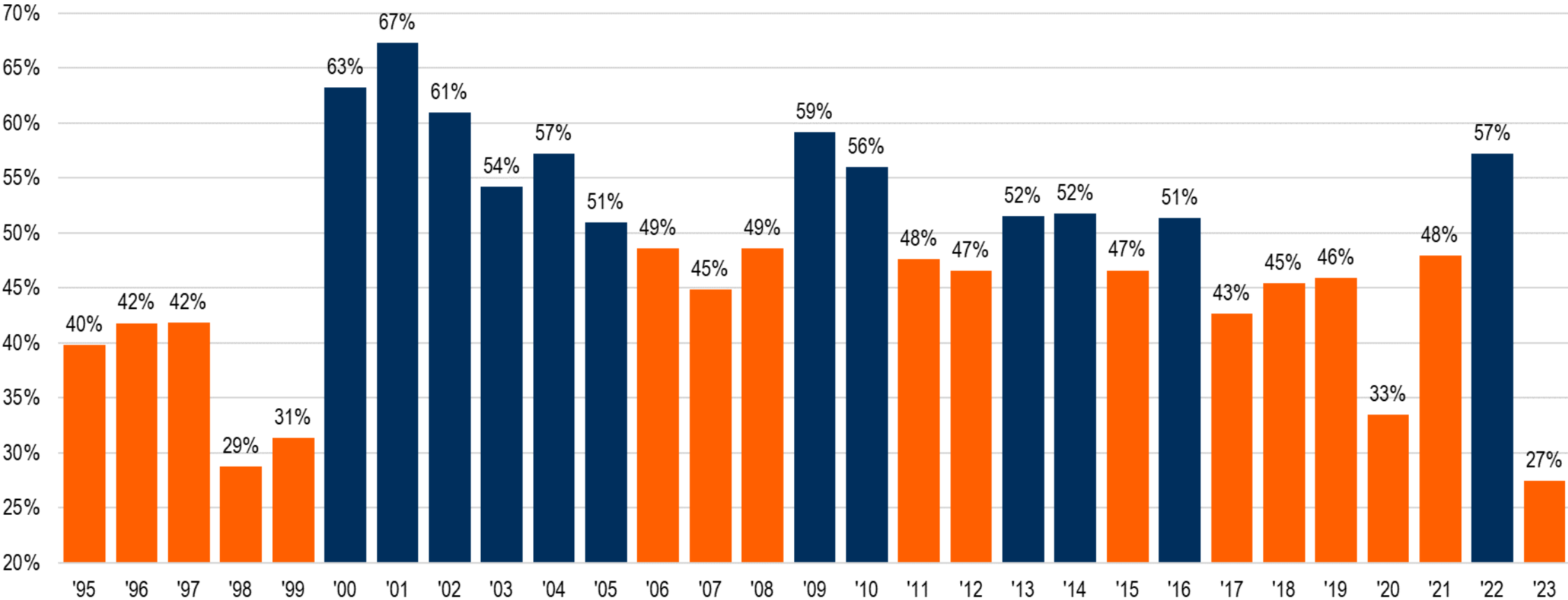
Source: FactSet. Data from 12/31/19 to 8/31/23. **Past performance is no guarantee of future results.** Returns are equally-weighted. This example is for illustrative purposes and does not represent any actual investment. Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. The **S&P 500 Index** is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index.

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# S&P 500 MARKET BREADTH

## PERCENTAGE OF S&P MEMBERS OUTPERFORMING THE INDEX



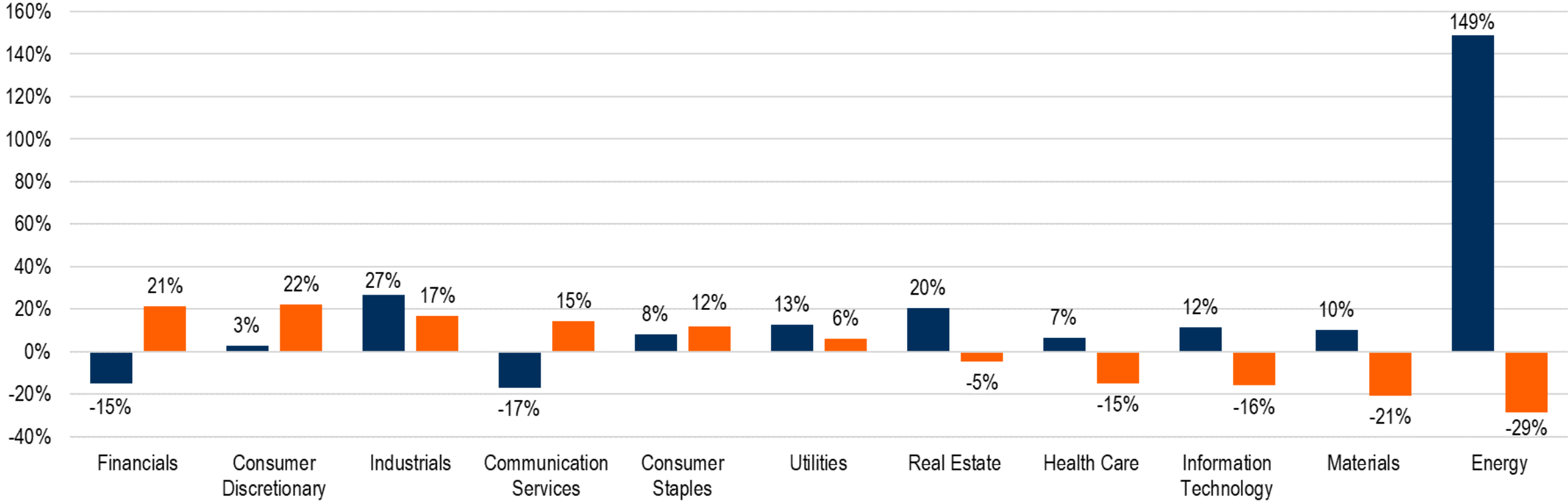
Source: Capital IQ. As of 8/31/23. **Past performance is no guarantee of future results.** This example is for illustrative purposes and does not represent any actual investment. The **S&P 500 Index** is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index.

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# S&P 500 INDEX: EXPECTED EARNINGS GROWTH RATES

## S&P 500 INDUSTRY EARNINGS EXPECTED GROWTH RATES

■ FY22 EPS Growth ■ FY23 EPS Growth



Source: Bloomberg. As of 8/31/23. Earnings growth rates are based on aggregate sell-side estimates. For illustrative purposes only and not indicative of any investment. FY is fiscal year. The **S&P 500 Index** is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. **Earnings per share (EPS)** is calculated as a company's profit divided by the outstanding shares of its common stock. The resulting number serves as an indicator of a company's profitability. **EPS growth** illustrates the growth of earnings per share over time. There is no assurance any forecasts will be achieved.

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# IMPLEMENTATION

## Q4 2023 THEMES & STRATEGIES

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# PORTFOLIO ANALYSIS RESOURCES

## Enabling Financial Professionals with Comprehensive Portfolio Analysis

### Who We Are

The Portfolio Analytics Team, established in 2009, aims to help financial professionals analyze model portfolios and research themes. The PA Team is one of the fastest growing and most heavily utilized resources at First Trust. The team, inclusive of CFA® charterholders, can assist in navigating the expansive world of ETFs and Funds; positioning strategies to seek to enhance risk/reward characteristics and potentially capture desired investment outcomes.

### What We Offer

**Due Diligence** - Operate as an intermediary between First Trust's Portfolio Managers, third party subadvisors and operations to facilitate detailed strategy reviews for onboarding and ongoing product due diligence.

**Research Alignment** - Work with broker/dealers and distill home-office research to identify top opportunities that align with their capital market assumptions and communicate these to the field.

**Comprehensive Portfolio Analytics** - Assist financial professionals in evaluating existing model portfolios, with the intention of enhancing risk/reward characteristics to potentially achieve investment goals. Portfolio analysis offers detailed equity and fixed income holdings data, as well as historical MPT statistics relative to a custom benchmark that mirrors a portfolio's asset allocation.

**Detailed Product Analysis** - Analysis of performance statistics, compare/contrast underlying exposures and methodologies. Assessment of product risk attributes, size and style characteristics, relative sector over/underweights as well as a fundamental analysis on factors.

The collage features several First Trust research documents. At the top right, an excerpt titled 'ECONOMY & EQUITY MARKETS' discusses global economic activity and market conditions. Below it, another excerpt titled 'SMALL CAPS' discusses tax rates and investment opportunities. To the right of these are lists of First Trust funds such as FXR, AIRR, RDVY, FDN, QTEC, FXO, FTXO, QABA, FXN, FTXN, and FTCS. In the center, a 'Correlation Matrix' table shows the relationships between various funds. At the bottom, there are two charts: 'Model Comparison: Performance Profile' showing a line graph of performance over time, and 'Model Comparison: Equity Holdings' showing a bar chart of sector weights.

# PORTFOLIO 2023 THEMES

- **Moving Up and Out**
  - Increase Credit Quality
    - Rotate out of Loans & High Yield to IG Corporate Credit & Agency MBS
  - Feathering out portfolio duration
    - Ultrashort/Cash to Short-Intermediate Maturity
- **Equity Alternatives**
  - Volatility Management
  - Individual Stock Dispersion
  - Cashing in on Volatility
- **Continue the migration away from Market Cap**
  - Quality-Value
  - Equal Weight vs. Market Weight

# PORTFOLIO 2023 THEMES

- **Moving Up and Out**
  - FIXD, First Trust TCW Opportunistic Fixed Income ETF
  - UCON, First Trust TCW Unconstrained Plus Bond ETF
- **Equity Alternatives**
  - KNG, FT Cboe Vest S&P 500<sup>®</sup> Dividend Aristocrats Target Income ETF<sup>®</sup>
  - FTLS, First Trust Long/Short Equity ETF
- **Continue the migration away from Market Cap**
  - RDVY, First Trust Rising Dividend Achievers ETF
  - QQEW, First Trust NASDAQ-100 Equal Weighted Index Fund

# FIRST TRUST TCW OPPORTUNISTIC FIXED INCOME ETF (FIXD)

## Portfolio Information

Weighted Average Effective Duration	7 Years
Weighted Average Maturity	7.28 Years
Weighted Average Price	\$88.90
Weighted Average Yield-to-Worst	5.52%
30-Day SEC Yield	4.68%

## Credit Quality\*

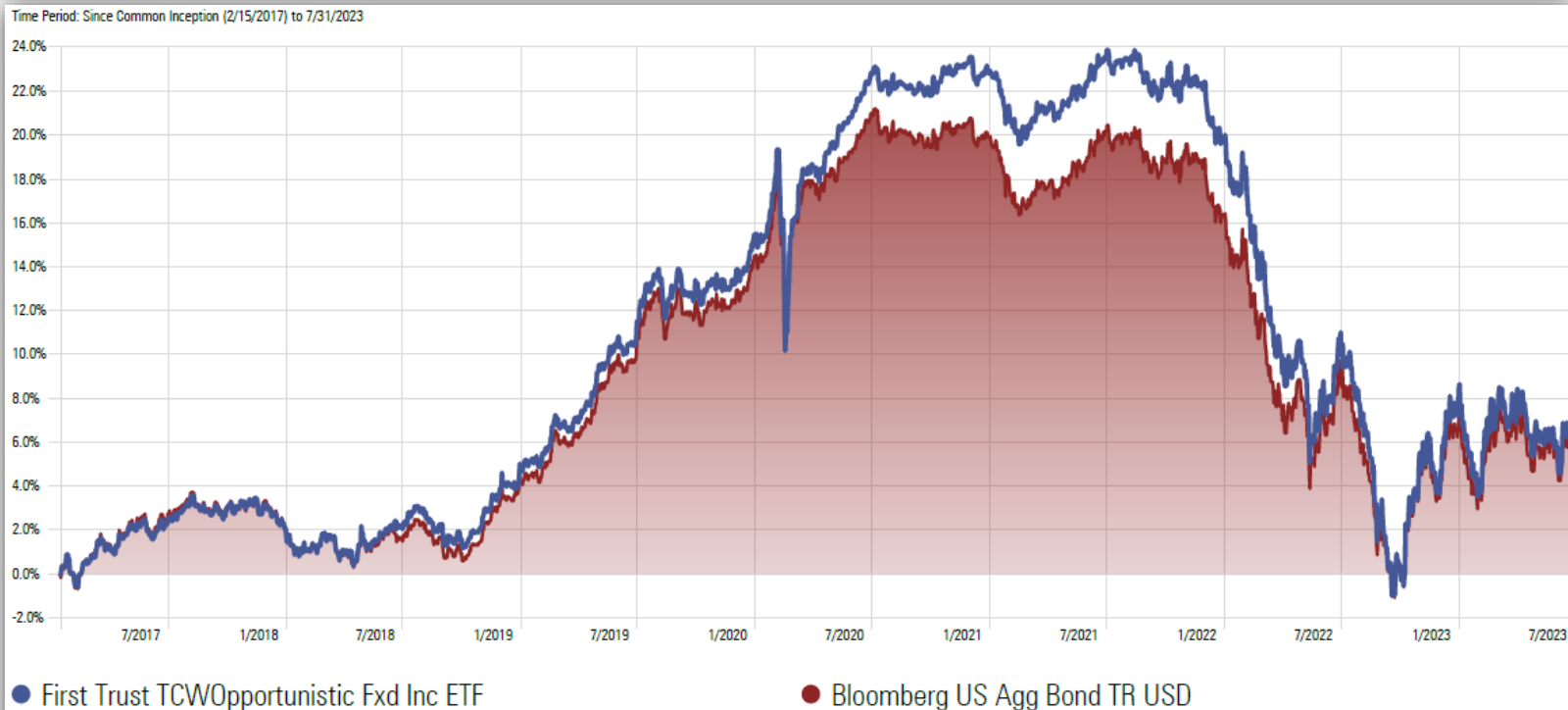
Govt/Agency (cash & equiv)					
AAA	50.05%	BBB+	4.96%	B-	1.35%
AA+	3.32%	BBB	7.20%	CCC+	0.25%
AA	0.37%	BBB-	5.81%	CCC	1.81%
AA-	1.89%	BB+	2.69%	CCC-	0.47%
AA-	1.51%	BB	1.57%	CC	2.65%
A+	0.86%	BB-	1.71%	C	0.07%
A	2.45%	B+	0.35%	D	0.98%
A-	6.59%	B	1.06%	NR	0.03%

\*Note: The credit quality information presented reflects the ratings assigned by one or more nationally recognized statistical rating organizations (NRSROs), including S&P Global Ratings, Moody's Investors Service, Inc., Fitch Ratings, or a comparably rated NRSRO. For situations in which a security is rated by more than one NRSRO and the ratings are not equivalent, the highest ratings are used. The credit ratings shown relate to the underlying securities in the Fund, and not to the Fund or its shares. Credit ratings are subject to change.

Source: Morningstar Direct 3.19. All data as of 7/31/2023

**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](http://www.ftportfolios.com).**

Performance information for each listed index is for illustrative purposes only and does not represent actual fund performance. Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown.



	Cumul Return	Annlzd Return	Excess Return	Alpha	Beta	Std Dev	Sharpe Ratio	Info Ratio	Tracking Error	R2
First Trust TCW Opportunistic Fxd Inc ETF	5.30	0.81	0.07	0.16	1.09	5.38	-0.13	0.08	0.80	98.37
Bloomberg US Agg Bond TR USD	4.84	0.74	0.00	0.00	1.00	4.93	-0.16		0.00	100.00

# FIRST TRUST TCW UNCONSTRAINED PLUS BOND (UCON)

## Portfolio Information

Weighted Average Effective Duration	2.97 Years
Weighted Average Maturity	5.18 Years
Weighted Average Price	\$87.20
Weighted Average Yield-to-Worst	6.69%
30-Day SEC Yield	5.71%

## Credit Quality\*

Govt/Agency (cash & equiv)	19.16%	BBB+	3.86%	B-	2.45%
AAA	6.82%	BBB	9.44%	CCC+	1.46%
AA+	1.08%	BBB-	7.48%	CCC	6.05%
AA	2.80%	BB+	3.38%	CCC-	2.97%
AA-	1.90%	BB	4.86%	CC	7.31%
A+	0.81%	BB-	2.80%	C	1.31%
A	2.69%	B+	1.50%	D	1.45%
A-	6.11%	B	2.29%	NR	0.02%

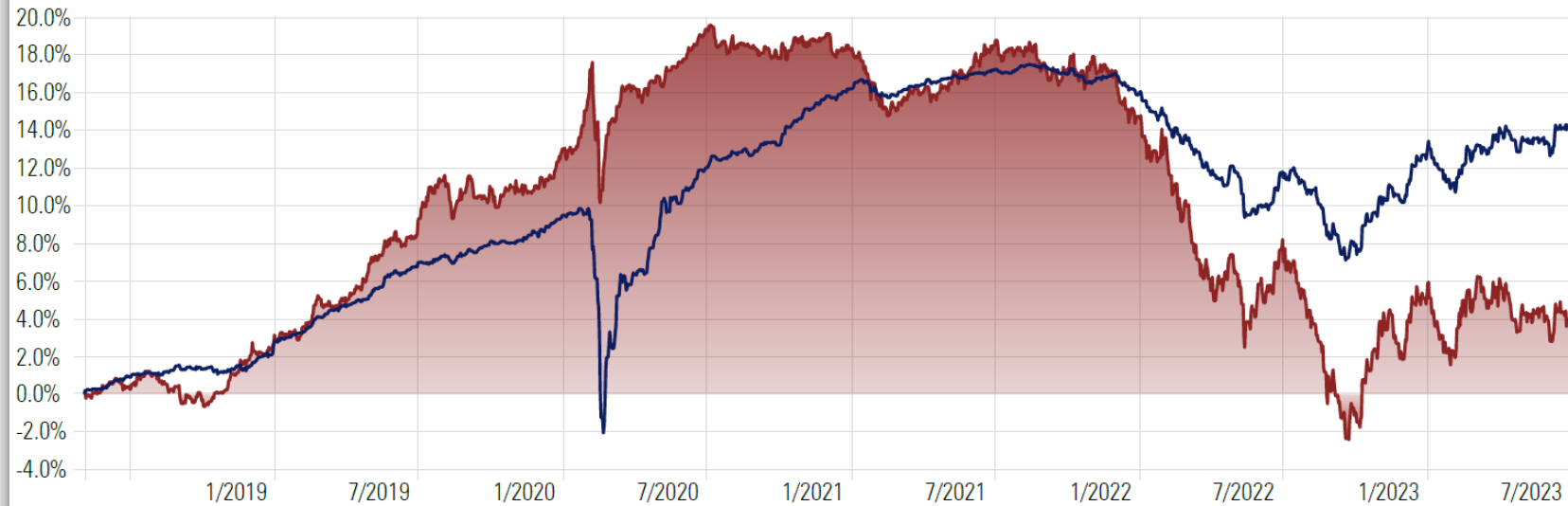
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Time Period: Since Common Inception (6/5/2018) to 7/31/2023



● First Trust TCW Unconstrained Plus Bd ETF

● BBgBarc US Agg Bond TR

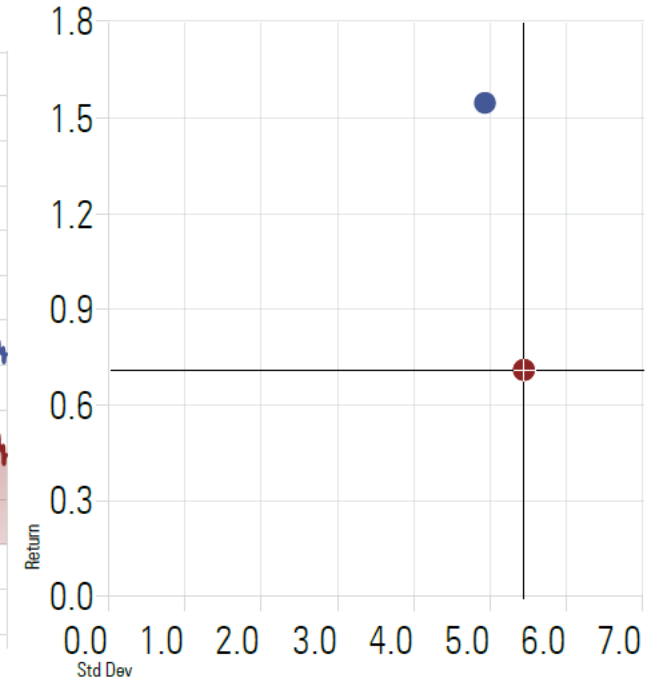
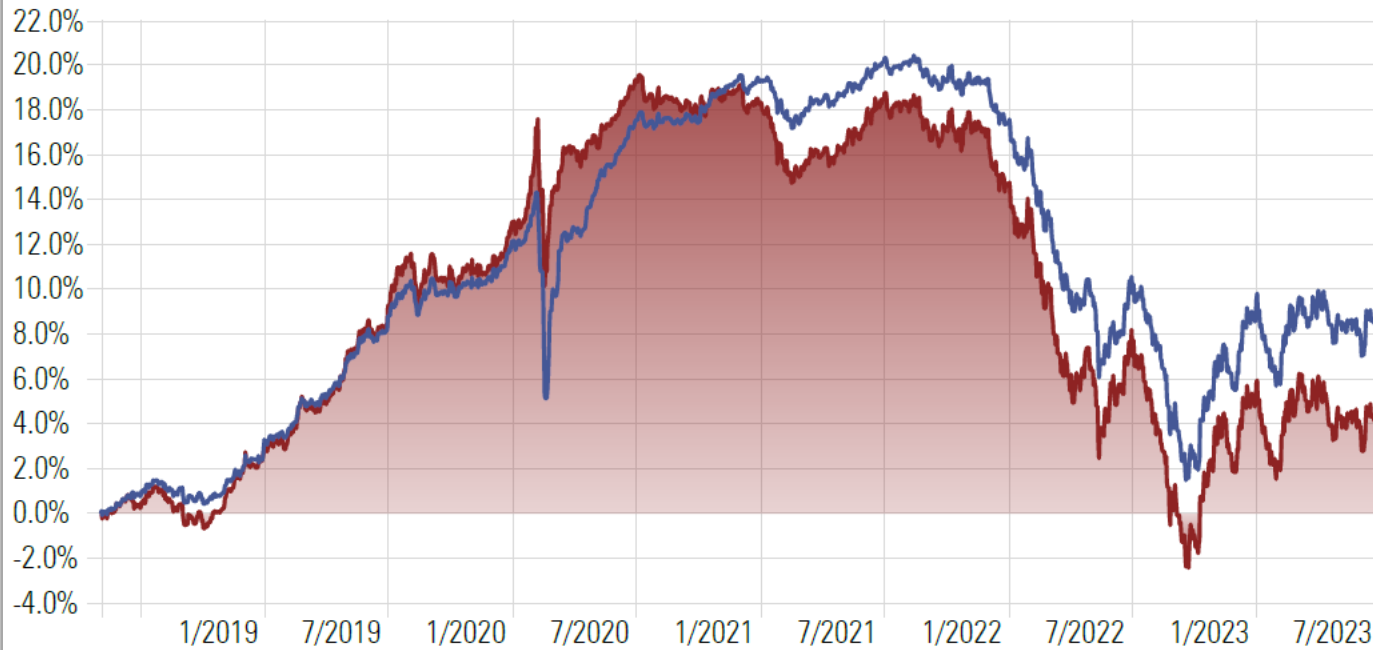
## Performance Statistics

	Cumulative Return	Annld Return	Excess Return	Alpha	Beta	Std Dev	Info Ratio	Tracking Error	R2
First Trust TCW Unconstrained Plus Bd ETF	13.95	2.60	1.89	1.39	0.52	4.30	0.46	4.11	43.90
BBgBarc US Agg Bond TR	3.66	0.71	0.00	0.00	1.00	5.44		0.00	100.00



# 60/40 CORE – SATELLITE FIXED INCOME ALLOCATION

Time Period: Since Common Inception (6/5/2018) to 7/31/2023



● **FIXDIUCON 60I40 Core-Satellite Fixed Income**

● **BBgBarc US Agg Bond TR**

## Performance Statistics

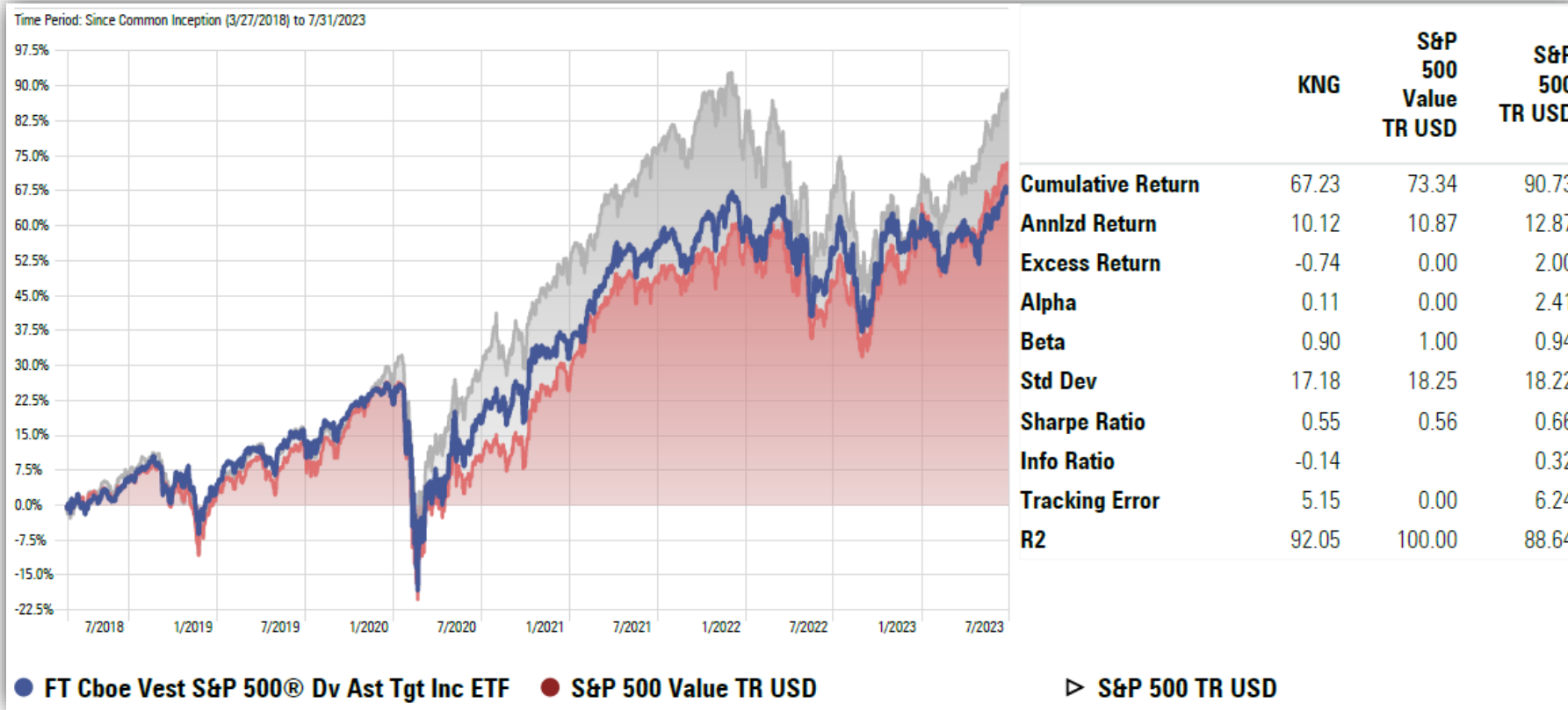
	Cumulative Return	Annlzd Return	Excess Return	Alpha	Beta	Std Dev	Info Ratio	Tracking Error	R2
FIXDIUCON 60I40 Core-Satellite Fixed Income	8.10	1.54	0.83	0.68	0.86	4.94	0.49	1.72	90.07
BBgBarc US Agg Bond TR	3.66	0.71	0.00	0.00	1.00	5.44		0.00	100.00

Source: Morningstar Direct 3.19. All data as of 7/31/2023

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# FT CBOE VEST S&P 500<sup>®</sup> DIVIDEND ARISTOCRATS TARGET INCOME ETF<sup>®</sup> (KNG)



The Index Strives to Generate:

- **Growth Potential** from capital appreciation based on the price returns of an equal-weighted portfolio of the Aristocrat Stocks.
- **Income Potential** at an annualized level that is approximately 8.0% over the annual dividend yield of the S&P 500 Index.

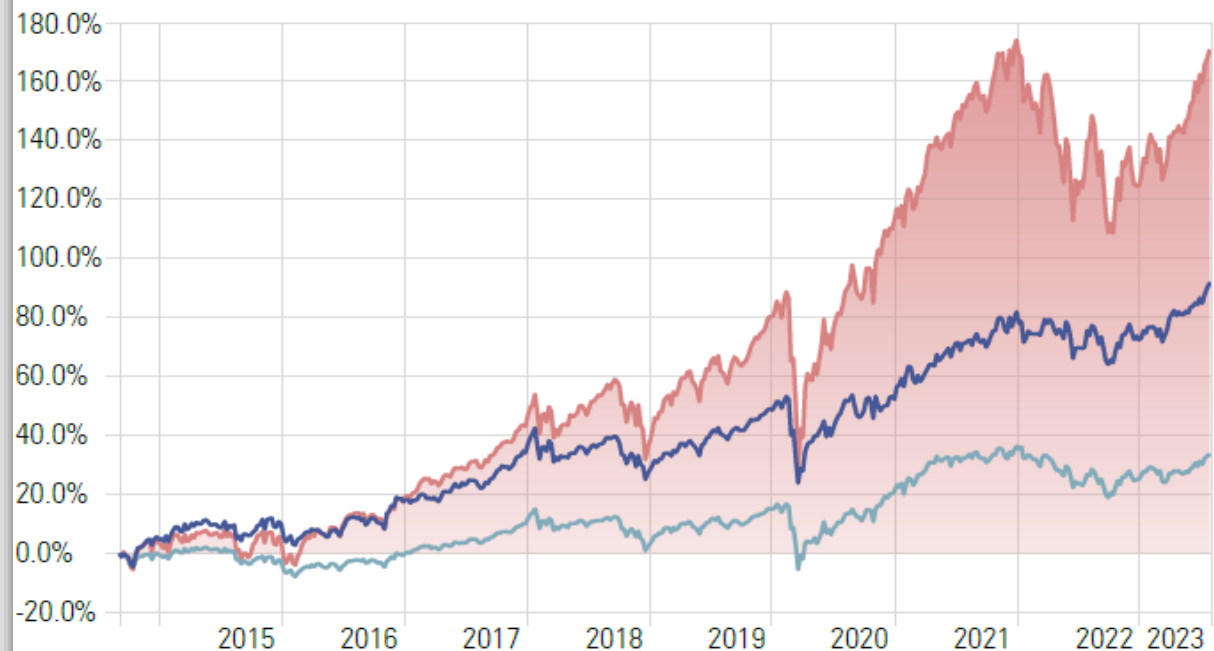
Source: Morningstar Direct 3.19. All data as of 7/31/2023

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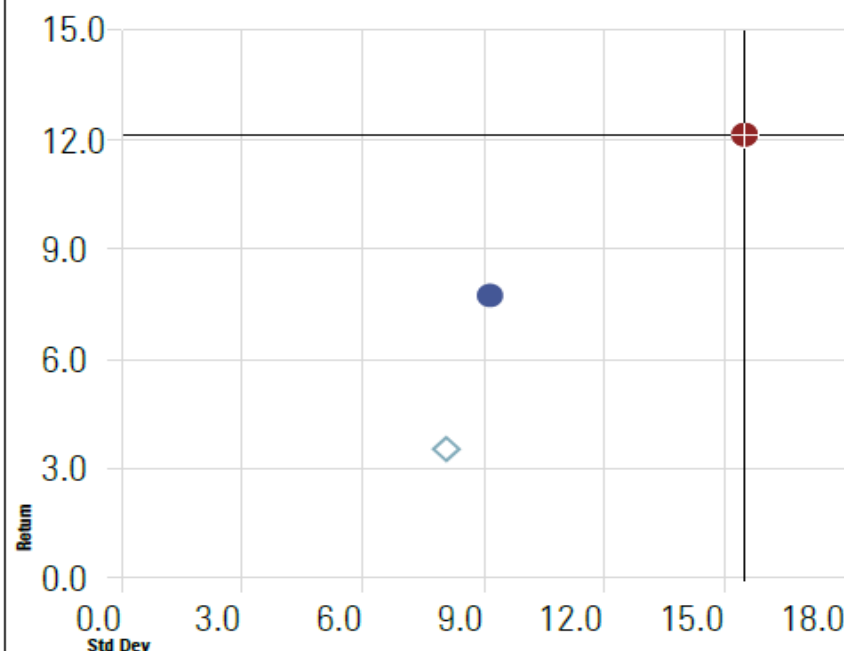
# FIRST TRUST LONG/SHORT EQUITY ETF (FTLS)

Time Period: Since Common Inception (9/9/2014) to 7/31/2023



● First Trust Long/Short Equity ETF ● S&P 500 TR USD

Time Period: Since Common Inception (10/1/2014) to 7/31/2023



◇ US Fund Long-Short Equity

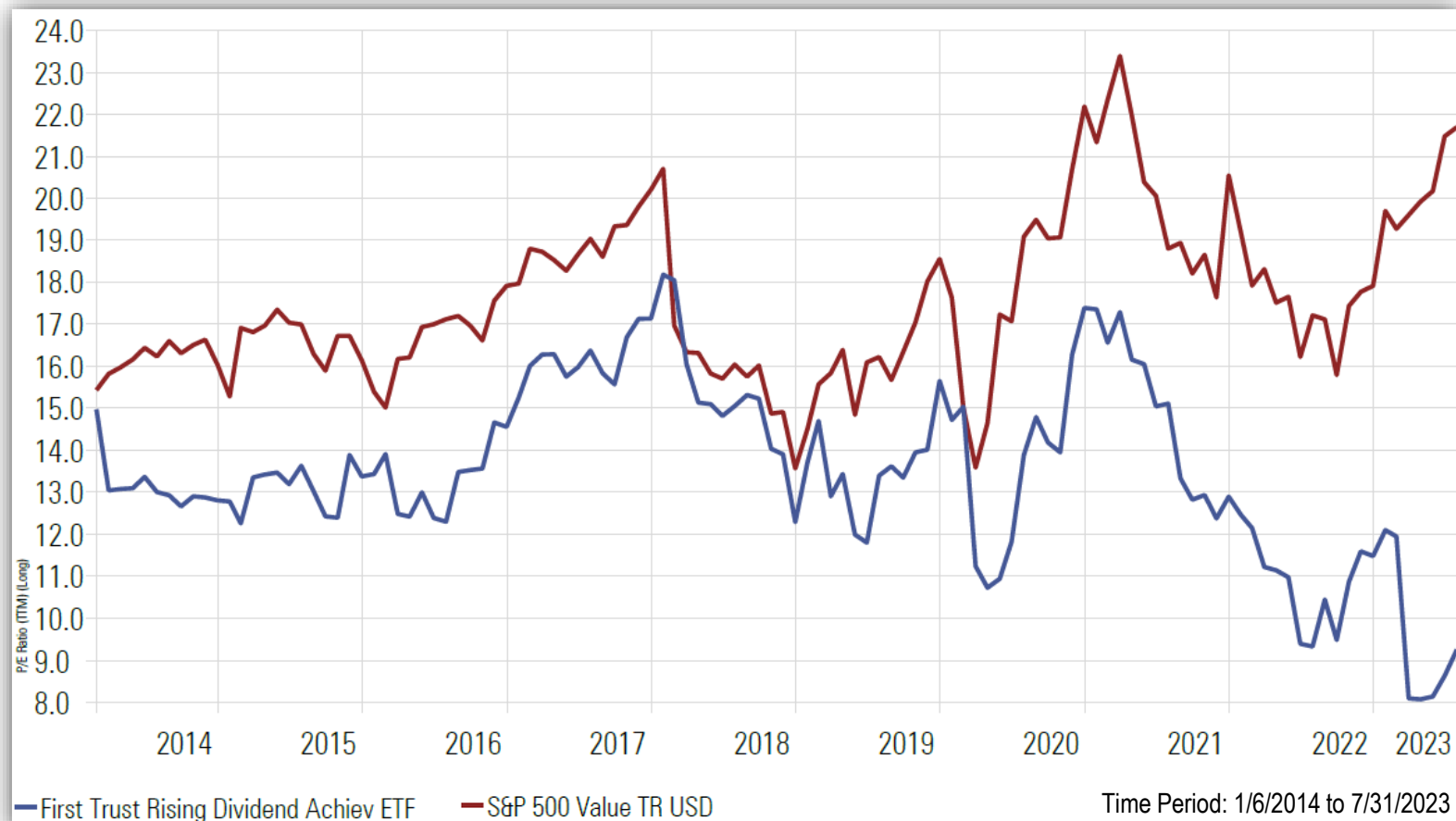
	Cumulative Return	Annlzd Return	Excess Return	Alpha	Beta	Std Dev	Sharpe Ratio	Info Ratio	Tracking Error	R2
First Trust Long/Short Equity ETF	93.43	7.76	-4.36	0.48	0.54	9.19	0.72	-0.54	8.08	82.88
S&P 500 TR USD	174.67	12.12	0.00	0.00	1.00	15.50	0.74		0.00	100.00
US Fund Long-Short Equity	36.05	3.55	-8.57	-3.22	0.51	8.09	0.32	-1.08	7.93	93.60

Source: Morningstar Direct 3.19. All data as of 7/31/2023

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# FIRST TRUST RISING DIVIDEND ACHIEVERS ETF (RDVY)



## Top Holdings - S&P 500 Value TR USD

Portfolio Date: 7/31/2023

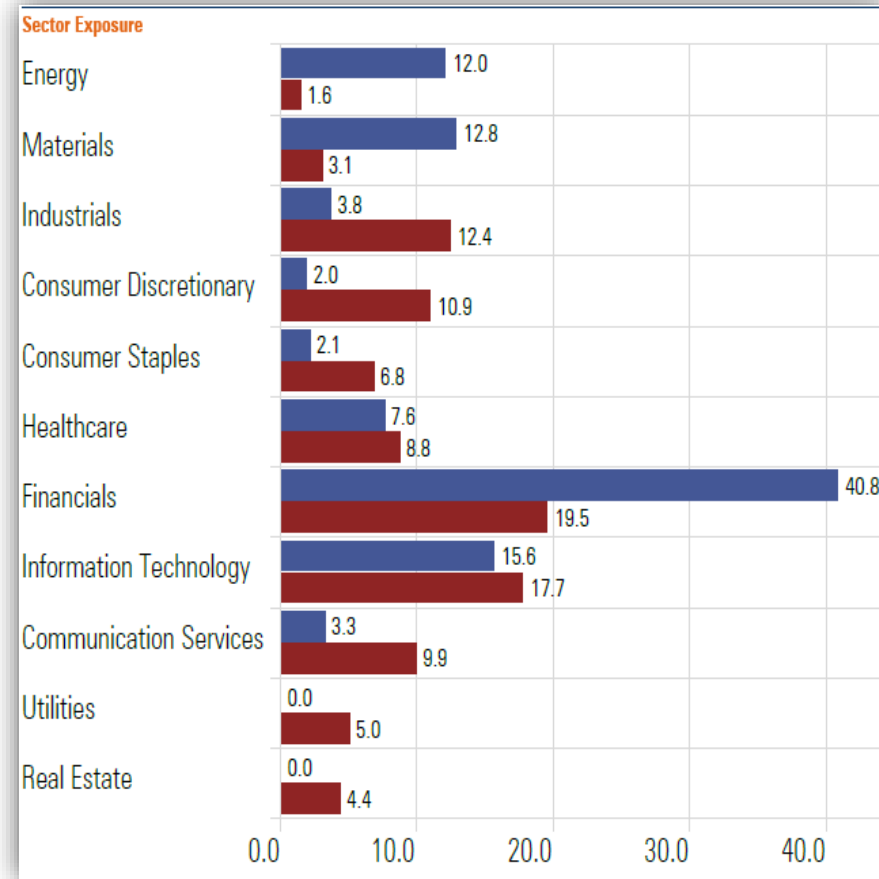
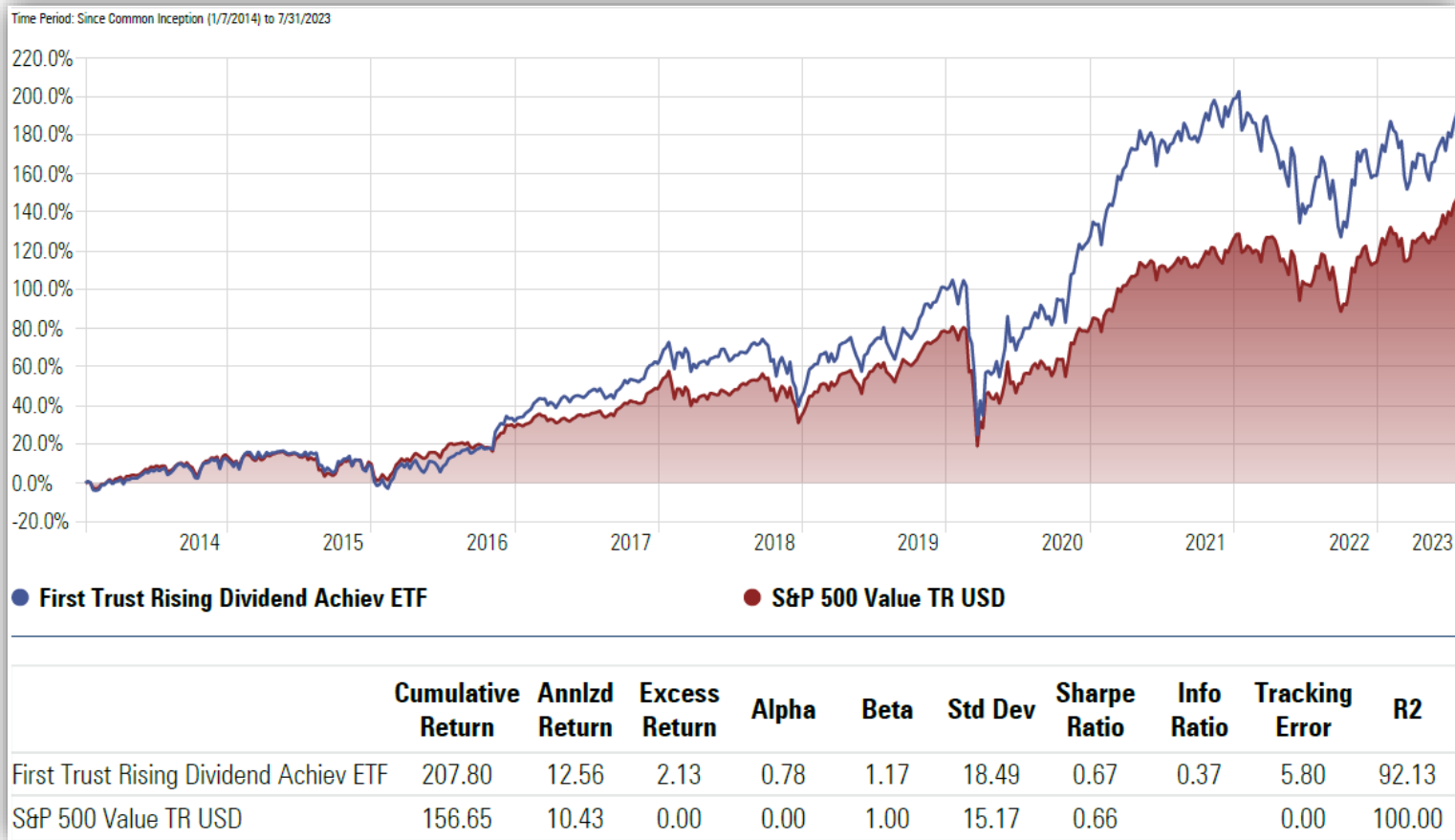
	Sub-Industry	Ticker	Weighting %
Microsoft Corp	Systems Software	MSFT	5.97
Meta Platforms Inc Class A	Interactive Media & Services	META	4.01
Amazon.com Inc	Broadline Retail	AMZN	3.67
Berkshire Hathaway Inc Class B	Multi-Sector Holdings	BRK.B	3.57
JPMorgan Chase & Co	Diversified Banks	JPM	2.63
Walmart Inc	Consumer Staples Merchandise Retail	WMT	1.28
Bank of America Corp	Diversified Banks	BAC	1.26
Salesforce Inc	Application Software	CRM	1.25
Cisco Systems Inc	Communications Equipment	CSCO	1.21
Netflix Inc	Movies & Entertainment	NFLX	1.11
Comcast Corp Class A	Cable & Satellite	CMCSA	1.07
Wells Fargo & Co	Diversified Banks	WFC	0.99
Procter & Gamble Co	Household Products	PG	0.94
Johnson & Johnson	Pharmaceuticals	JNJ	0.94
The Walt Disney Co	Movies & Entertainment	DIS	0.92
The Home Depot Inc	Home Improvement Retail	HD	0.90
Broadcom Inc	Semiconductors	AVGO	0.85
Intel Corp	Semiconductors	INTC	0.85
NextEra Energy Inc	Electric Utilities	NEE	0.84
Verizon Communications Inc	Integrated Telecommunication Services	VZ	0.82
			35.09

Source: Morningstar Direct 3.19. All data as of 7/31/2023

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# FIRST TRUST RISING DIVIDEND ACHIEVERS ETF (RDVY)

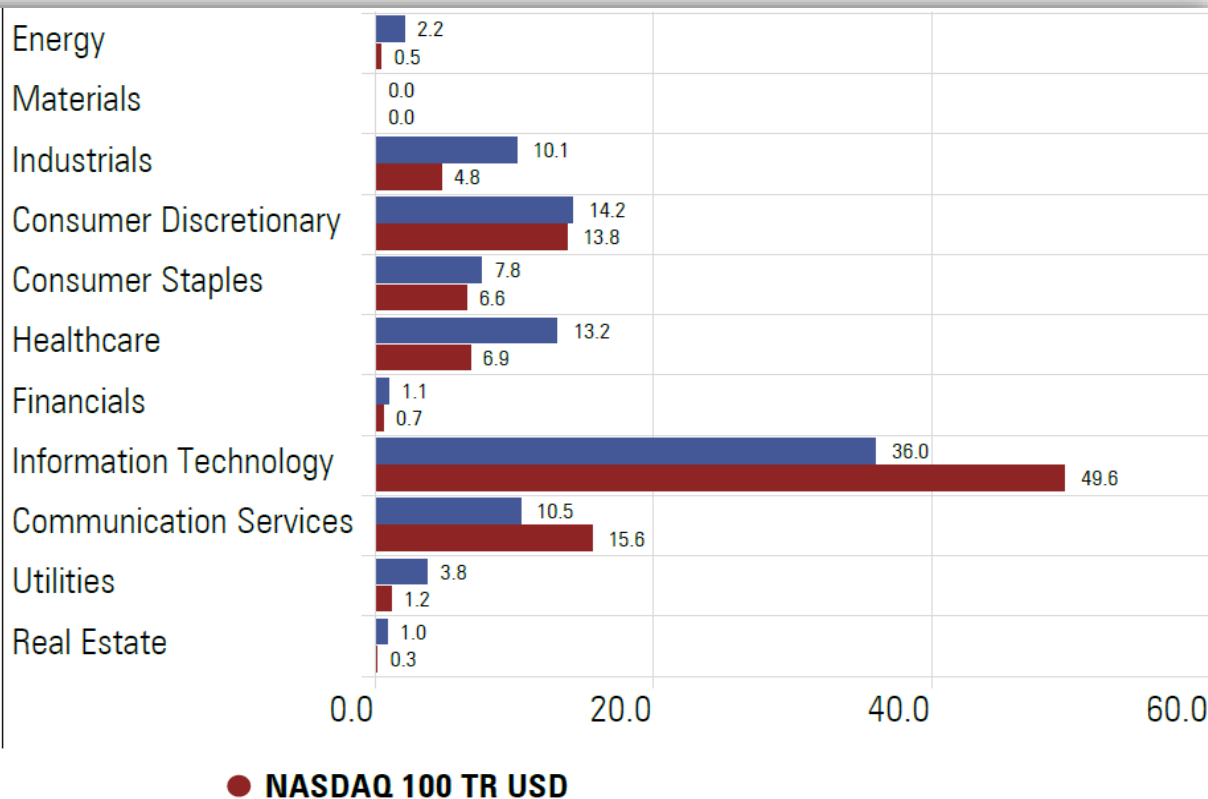
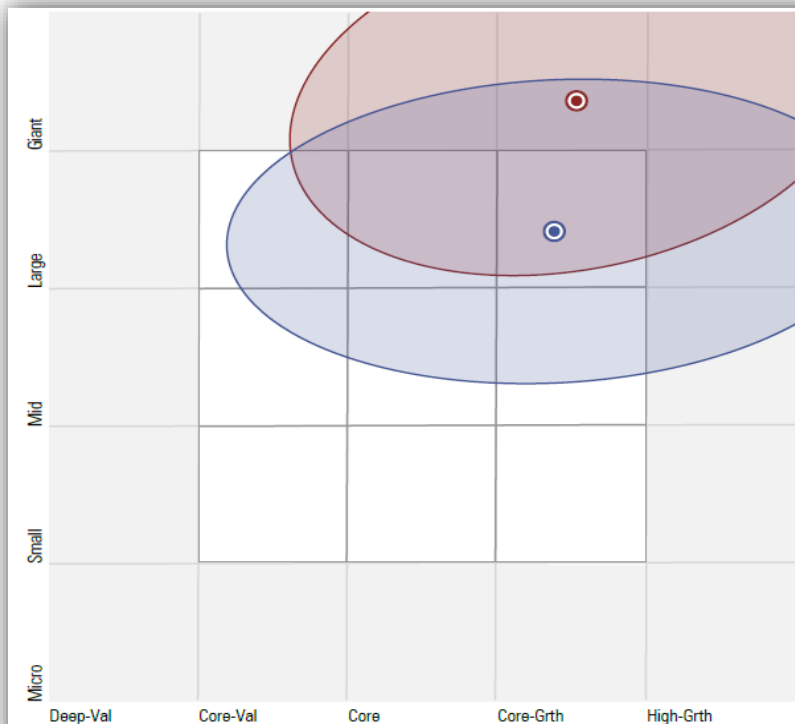


Source: Morningstar Direct 3.19. All data as of 7/31/2023

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# FIRST TRUST NASDAQ-100 EQUAL WEIGHTED INDEX FUND (QQEW)



● First Trust NASDAQ-100 Equal Wtd ETF

● NASDAQ 100 TR USD

	P/E	P/B	P/S	P/C	Profit Margin %	Hist Earn Growth	ROE %	ROA %
First Trust NASDAQ-100 Equal Wtd ETF	26.67	4.82	3.20	18.33	14.38	9.87	24.97	8.93
NASDAQ 100 TR USD	31.50	6.95	4.51	21.22	18.58	9.69	33.37	13.26

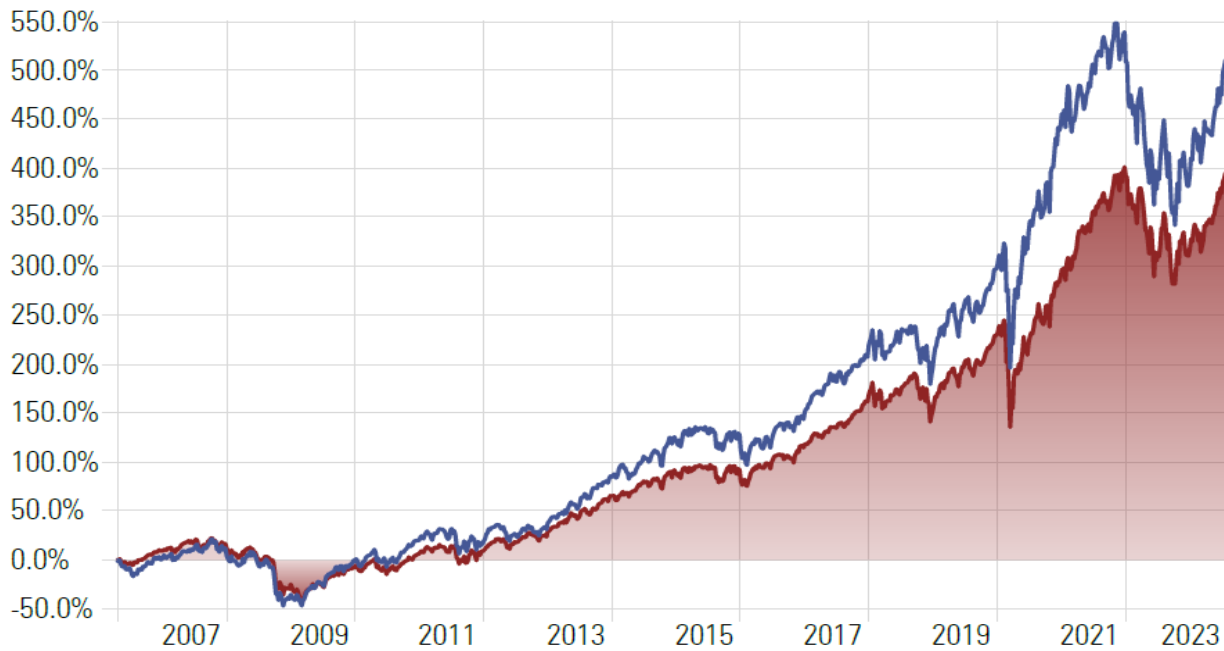
Source: Morningstar Direct 3.19. All data as of 7/31/2023

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# FIRST TRUST NASDAQ-100 EQUAL WEIGHTED INDEX FUND (QQEW)

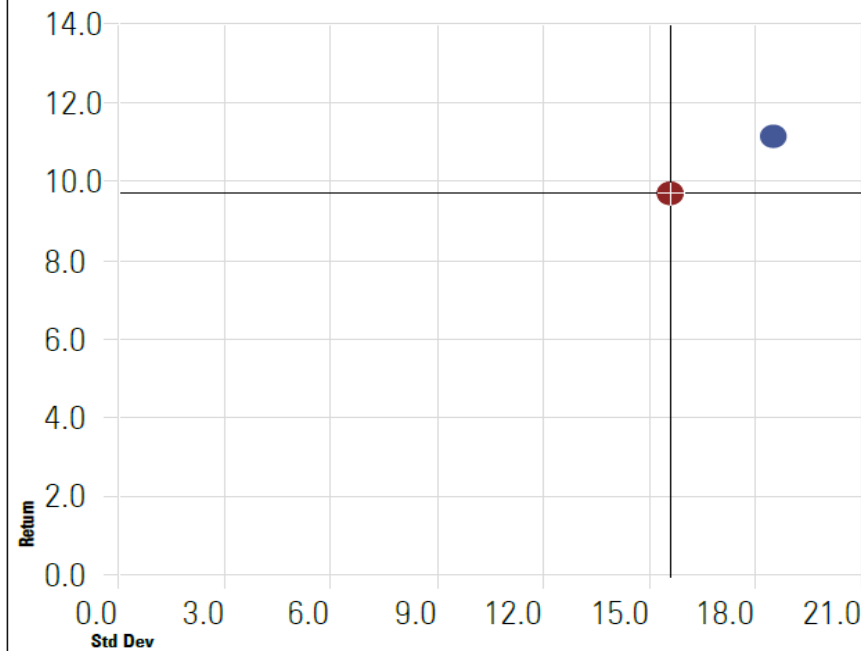
Time Period: Since Common Inception (4/20/2006) to 7/31/2023



● First Trust NASDAQ-100 Equal Wtd ETF

● S&P 500 TR USD

Time Period: Since Common Inception (5/1/2006) to 7/31/2023



Source: Morningstar Direct 3.19. All data as of 7/31/2023

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	Cumulative Return	Annlzd Return	Excess Return	Alpha	Beta	Std Dev	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio
First Trust NASDAQ-100 Equal Wtd ETF	520.68	11.16	1.45	0.77	1.11	18.50	0.60	112.26	110.61
S&P 500 TR USD	394.87	9.71	0.00	0.00	1.00	15.59	0.60	100.00	100.00

# FIXD PERFORMANCE SUMMARY (%) AS OF 6/30/23

Fund Performance*	3 Month	YTD	1 Year	3 Year	5 Year	Since Fund Inception
Net Asset Value (NAV)	-1.24	2.32	-1.67	-4.32	0.68	0.84
Market Price	-1.19	2.43	-0.94	-4.28	0.76	0.89
<b>Index Performance**</b>						
Bloomberg U.S. Aggregate Bond Index	-0.84	2.09	-0.94	-3.96	0.77	0.86

On January 3, 2023, the fair value methodology used to value the senior loan investments held by the fund was changed. Prior to that date, the senior loans were valued using the bid side price provided by a pricing service. After such date, the senior loans were valued using the midpoint between the bid and ask price provided by a pricing service. The change in the fund's fair value methodology on January 3, 2023, resulted in a one-time increase in the fund's net asset value of approximately \$0.005 per share on that date, which represented a positive impact on the fund's performance of 0.01%. Without the change to the pricing methodology, the performance of the fund on a NAV basis would have been 2.32%, -1.67%, -4.32%, 0.68%, and 0.84%, in the year-to-date, one-year, three-year, five-year and since fund inception periods ended June 30, 2023, respectively.

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Fund Inception: 2/14/2017. Expense Ratio: 0.65%. The Investment Advisor has implemented fee breakpoints, which reduce the fund's investment management fee at certain assets levels. Please see the fund's Statement of Additional Information for full details.

\*NAV returns are based on the fund's net asset value which represents the fund's net assets (assets less liabilities) divided by the fund's outstanding shares. Market Price returns are determined by using the midpoint of the national best bid offer price ("NBBO") as of the time that the fund's NAV is calculated. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative.

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# UCON STANDARDIZED FUND PERFORMANCE

Fund Performance* (%) as of 6/30/23	3 Month	YTD	1 Year	3 Year	5 Year	Since Fund Inception
Net Asset Value (NAV)	0.43	2.92	3.37	0.90	2.45	2.49
Market Price	0.34	2.24	2.99	0.86	2.38	2.42
<b>Index Performance**</b>						
Bloomberg US Aggregate Bond Index	-0.84	2.09	-0.94	-3.96	0.77	0.84
ICE BofA 3-Month US Treasury Bill Index	1.17	2.25	3.59	1.27	1.55	1.56
ICE BofA US Dollar 3-Month Deposit Offered Rate Average Index	1.26	2.43	4.05	1.54	1.82	1.83

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Fund Inception: 6/4/2018. Expense Ratio: 0.85%. The Investment Advisor has implemented fee breakpoints, which reduce the fund's investment management fee at certain assets levels. Please see the fund's Statement of Additional Information for full details.

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# KNG PERFORMANCE SUMMARY (%) AS OF 6/30/23

Fund Performance*	3 Month	YTD	1 Year	3 Year	5 Year	Since Fund Inception
Net Asset Value (NAV)	3.73	5.42	12.11	13.46	10.09	9.81
Market Price	3.69	5.44	12.07	13.47	10.09	9.81
<b>Index Performance (%)**</b>						
Cboe S&P 500 <sup>®</sup> Dividend Aristocrats Target Income Index Monthly Series	3.92	5.79	12.89	14.28	10.92	10.63
S&P 500 <sup>®</sup> Dividend Aristocrats Index	3.98	5.86	13.14	14.60	11.40	11.09
S&P 500 <sup>®</sup> Index	8.74	16.89	19.59	14.60	12.31	12.24

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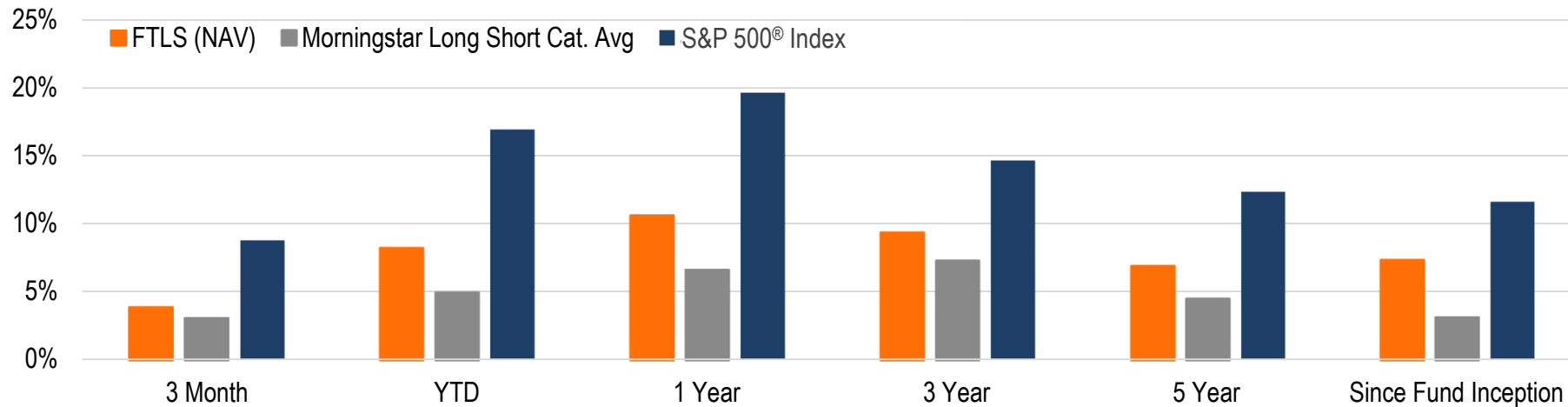
KNG Inception Date: 3/26/18. KNG Expense Ratio: 0.75%. The Investment Advisor has implemented fee breakpoints, which reduce the fund's investment management fee at certain assets levels. Please see the fund's Statement of Additional Information for full details.

On March 1, 2021, the Cboe Vest S&P 500<sup>®</sup> Dividend Aristocrats Target Income ETF (the "Target Fund") was reorganized into the FT Cboe Vest S&P 500<sup>®</sup> Dividend Aristocrats Target Income ETF (the "Acquiring Fund"). Pursuant to the reorganization, the assets of the Target Fund were transferred to, and the liabilities of the Target Fund were assumed by, the Acquiring Fund. The Target Fund was inceptioned on March 26, 2018. The Acquiring Fund was inceptioned on February 24, 2021.

\*NAV returns are based on the fund's net asset value which represents the fund's net assets (assets less liabilities) divided by the fund's outstanding shares. Market Price returns are determined by using the midpoint of the national best bid offer price ("NBBO") as of the time that the fund's NAV is calculated. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative.

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# FTLS PERFORMANCE AS OF 6/30/23



FTLS Performance*	3 Month	YTD	1 Year	3 Year	5 Year	Since Fund Inception
Net Asset Value (NAV)	3.90%	8.23%	10.58%	9.35%	6.90%	7.34%
Market Price	3.98%	8.39%	10.64%	9.39%	6.91%	7.36%
<b>Index Performance**</b>						
S&P 500® Index	8.74%	16.89%	19.59%	14.60%	12.31%	11.58%
<b>Peer Group Average***</b>						
Morningstar Long-Short Equity Category	3.13%	4.90%	6.46%	6.64%	3.72%	3.13%

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\*Inception Date: 9/8/14. Total Annual Expenses: 1.41% (Management Fees: 0.95%; Other Fees: 0.46%). Other Expenses consist of margin interest expense and dividend expense on investments sold short. \*NAV returns are based on the fund's net asset value which represents the fund's net assets (assets less liabilities) divided by the fund's outstanding shares. Market Price returns are determined by using the midpoint of the national best bid offer price ("NBBO") as of the time that the fund's NAV is calculated. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative. \*\*Performance information for each listed index is for illustrative purposes only and does not represent actual fund performance. 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. \*\*\*The Morningstar Long-Short Equity Category is not a benchmark index of the fund. Rather, the Morningstar Categories break portfolios into peer groups based on their holdings. The Morningstar Long-Short Equity Category includes long-short portfolios that hold sizable stakes in both long and short positions in equities and related derivatives. Some funds that fall into this category will shift their exposure to long and short positions depending on their macro outlook or the opportunities they uncover through bottom-up research. Some funds may simply hedge long stock positions through exchange-traded funds or derivatives. At least 75% of the assets are in equity securities or derivatives. As of 6/30/23, the Morningstar Long-Short Equity Category had 90 funds/3 month, 87 funds/YTD, 87 funds/1 Year, 77 funds/3 Year, 71 funds/5 Year and 40 funds/Since Fund Inception, calculated using oldest share class only.

# RDVY PERFORMANCE SUMMARY (%) AS OF 6/30/23

Fund Performance*	3 Month	YTD	1 Year	5 Year	Since Fund Inception
Net Asset Value (NAV)	5.69	8.60	18.14	11.50	11.53
Market Price	5.73	8.58	18.09	11.51	11.53
<b>Index Performance**</b>					
Nasdaq US Rising Dividend Achievers™ Index	5.85	8.93	18.75	12.10	12.12
Dow Jones U.S. Select Dividend Index	-2.54	-4.32	0.47	7.21	9.30

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Fund Inception Date is 1/6/2014. Expense Ratio is 0.50%. The Investment Advisor has implemented fee breakpoints, which reduce the fund's investment management fee at certain assets levels. Please see the fund's Statement of Additional Information for full details.

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# QQEW STANDARDIZED FUND PERFORMANCE AS OF 6/30/23

Fund Performance* (%)	3 Month	YTD	1 Year	5 Year	10 Year	Since Fund Inception
Net Asset Value (NAV)	6.25	20.94	23.14	12.62	14.20	10.79
Market Price	6.27	20.90	23.06	12.58	14.21	10.79
<b>Index Performance**</b>						
Nasdaq-100 Equal Weighted™ Index	6.37	21.20	23.62	13.26	14.87	11.46
Nasdaq-100 Index®	15.39	39.35	33.13	17.66	19.22	14.53
S&P 500® Index	8.74	16.89	19.59	12.31	12.86	9.55

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Fund Inception: 4/19/2006. Gross Expense Ratio: 0.58%. Net Expense Ratio: 0.58%. Expenses are capped contractually at 0.60% per year, at least through April 30, 2024. The Investment Advisor has implemented fee breakpoints, which reduce the fund's investment management fee at certain assets levels. Please see the fund's Statement of Additional Information for full details.

\*NAV returns are based on the fund's net asset value which represents the fund's net assets (assets less liabilities) divided by the fund's outstanding shares. Market Price returns are determined by using the midpoint of the national best bid offer price ("NBBO") as of the time that the fund's NAV is calculated. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative.

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# ETF RISK CONSIDERATIONS

***You should consider a 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](http://www.ftportfolios.com) to obtain a prospectus or summary prospectus which contains this and other information about a fund. The prospectus or summary prospectus should be read carefully before investing.***

**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.**

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.

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.

Collateralized loan obligations ("CLOs") carry additional risks, including the possibility that distributions from collateral securities will not be adequate to make interest or other payments, the quality of the collateral may decline in value or default, the possibility that the investments in CLOs are subordinate to other classes or tranches, and the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

Consumer staples companies provide products that are typically considered non-discretionary items based on consumer purchasing habits and their success is affected by a variety of factors, including government regulations, which may affect the permissibility of using various product components and production methods, new laws, regulations or litigation, marketing campaigns, competitive pricing, materials costs and consumer confidence.

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.

Covenant-lite loans contain fewer maintenance covenants than traditional loans and may not include terms that allow the lender to monitor the financial performance of the borrower and declare a default if certain criteria are breached. This may hinder a fund's ability to mitigate problems and increase a fund's exposure to losses on such investments.

The writer of a covered call option foregoes any profit from increases in the market value of the underlying security covering the call option above the sum of the premium and the strike price of the call, but retains the risk of loss if the underlying security declines in value. The Fund will have no control over the exercise of the option by the option holder and may lose the benefit from any capital appreciation on the underlying security.

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.

Changes in currency exchange rates and the relative value of non-US currencies may affect the value of a fund's investments and the value of a fund's shares.

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. 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 that it intends to reverse previously implemented quantitative easing. Recent and potential future bank failures could result in disruption to the broader banking industry or markets generally and reduce confidence in financial institutions and the economy as a whole, which may also heighten 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 making them less liquid and more difficult to value.

Depository 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.

Distressed securities are speculative and often illiquid or trade in low volumes and thus may be more difficult to value and pose a substantial risk of default.

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.

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

# ETF RISK CONSIDERATIONS

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.

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.

Financial services companies are subject to the adverse effects of economic recession, currency exchange rates, government regulation, decreases in the availability of capital, volatile interest rates, portfolio concentration in geographic markets, industries or products, and competition from new entrants in their fields of business.

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.

High yield securities, or "junk" bonds, are less liquid and are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, are considered to be highly speculative.

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.

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.

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.

Industrials and producer durables companies are subject to certain risks, including the general state of the economy, intense competition, consolidation, domestic and international politics, excess capacity and consumer demand and spending trends. They may also be significantly affected by overall capital spending levels, economic cycles, technical obsolescence, delays in modernization, labor relations, and government regulations.

As inflation increases, the present value of a fund's assets and distributions may 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 there is a period of subsequent declining inflation rates, a fund may receive at maturity less than it invested and incur a loss.

Information technology companies are subject to certain risks, including rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards and regulation and frequent new product introductions.

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.

Large capitalization companies may grow at a slower rate than the overall market.

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.

The London Interbank Offered Rate ("LIBOR") has ceased to be made available as a reference rate. Any potential effects of the transition away from LIBOR on the fund or on certain instruments in which the fund invests is difficult to predict and could result in losses to the fund. The unavailability or replacement of LIBOR may affect the value, liquidity or return on certain fund investments and may result in costs incurred in connection with closing out positions and entering into new trades.

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.

Master limited partnerships ("MLPs") are subject to certain risks, including price and supply fluctuations caused by international politics, energy conservation, taxes, price controls, and other regulatory policies of various governments. In addition, there is the risk that MLPs could be taxed as corporations, resulting in decreased returns from such MLPs.

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.

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.

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.

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.

# ETF RISK CONSIDERATIONS

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.

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.

High portfolio turnover may result in higher levels of transaction costs and may generate greater tax liabilities for shareholders.

Preferred securities combine some of the characteristics of both common stocks and bonds. Preferred stocks are typically subordinated to other debt instruments in terms of priority to corporate income, and therefore will be subject to greater credit risk than those debt instruments.

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.

Real Estate Investment Trusts ("REITs") are subject to the risks of investing in real estate, including, but not limited to, changes in the real estate market, vacancy rates and competition, volatile interest rates and economic recession. Increases in interest rates typically lower the present value of a REIT's future earnings stream and may make financing property purchases and improvements more costly. The value of a fund will generally decline when investors in REIT stocks anticipate or experience rising interest rates.

If a fund's counterparty defaults on its obligations and a fund is delayed or prevented from recovering collateral, or if the value of the collateral is insufficient, a fund may realize a loss.

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

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.

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.

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.

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.

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

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.

In China, direct ownership of companies in certain sectors by foreign individuals and entities is prohibited. In order to allow for foreign investment in these businesses, many Chinese companies have created variable interest entities ("VIEs") structures to enable indirect foreign ownership. VIEs are not formally recognized under Chinese law. Intervention by the Chinese government with respect to VIEs could significantly affect the Chinese company's performance and the enforceability of the VIE's contractual arrangements that establish the links between the Chinese company and the shell company in which the Fund invests. VIEs are also subject to the investment risks associated with the underlying Chinese issuer or operating company. Chinese companies are not subject to the same degree of regulatory requirements or accounting standards and oversight as companies in more developed countries. As a result, information about the Chinese securities and VIEs in which the Fund invests may be less reliable and incomplete.

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

The purchase of securities on a when-issued, TBA ("to be announced"), delayed delivery or forward commitment basis may give rise to investment leverage and increase a fund's volatility and exposure to default.

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.

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