FIRST TRUST ADVISORS L.P.

FIXED INCOME

2021: THE YEAR OF RECOVERY AND ACCELERATION

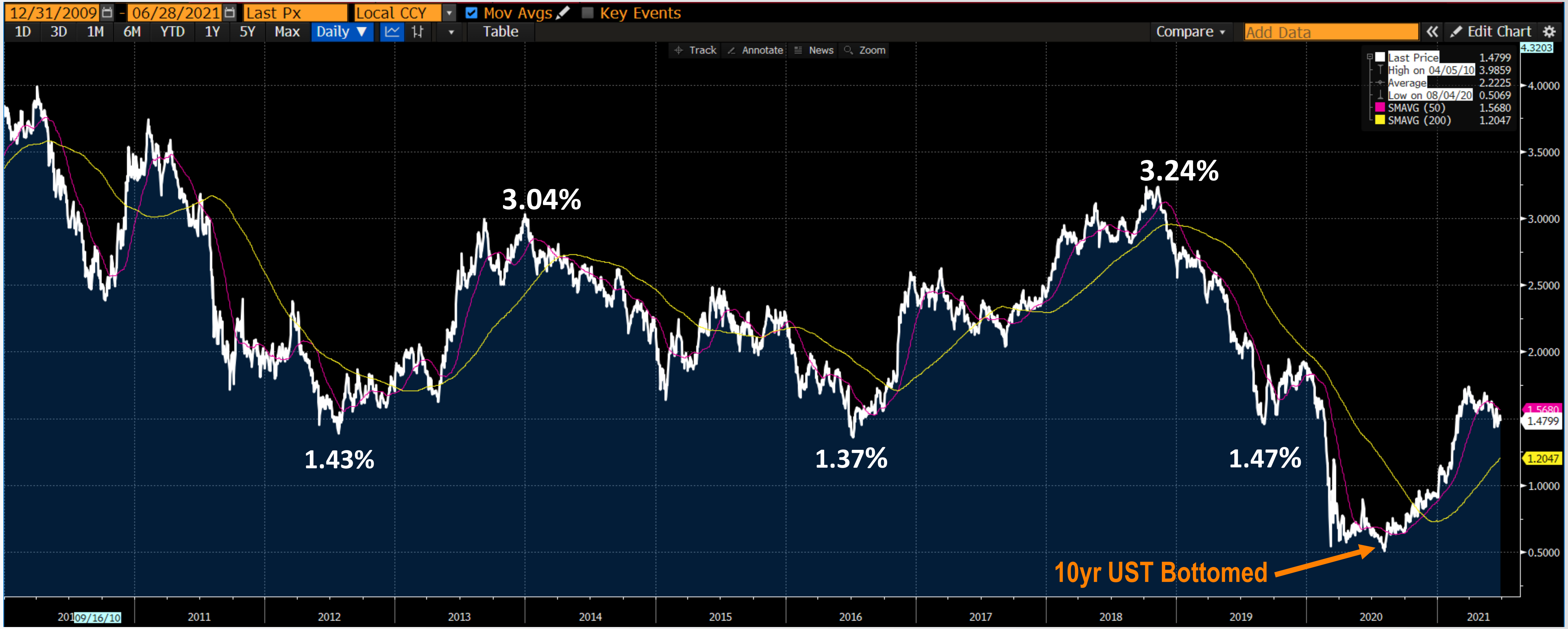
WILLIAM HOUSEY, CFA

Senior Portfolio Manager

Managing Director of Fixed Income

First Trust

10 YEAR U.S. TREASURY YIELD: 2009 – PRESENT



Source: Bloomberg. The chart is for illustrative purposes only. **Past performance is no guarantee of future results.**

10 YEAR U.S. TREASURY YIELD 1980 - PRESENT

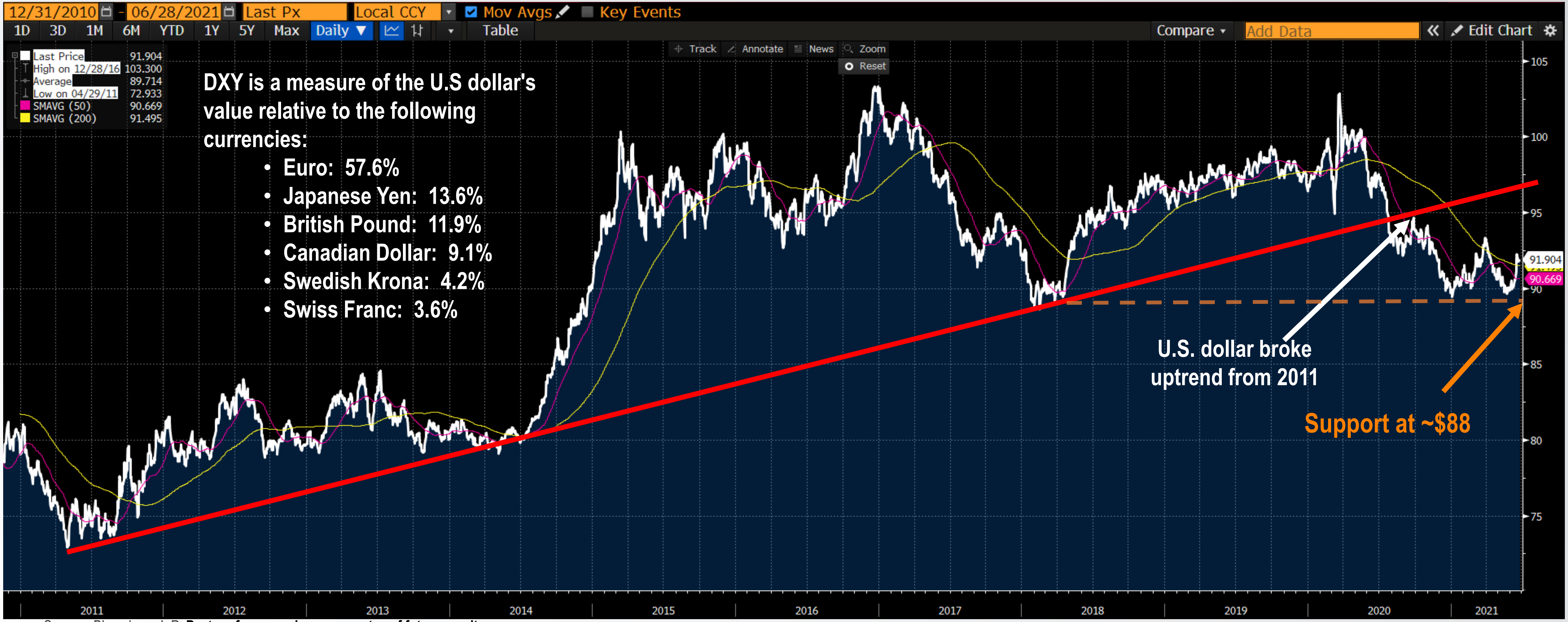
Source: Bloomberg. The chart is for illustrative purposes only. **Past performance is no guarantee of future results.**
Data through 06/28/2021.

INFLATION: BREAKEVENS

Source: Bloomberg, L.P.

The breakeven rate, a market-based gauge for expected annual inflation.

US DOLLAR (DXY INDEX): 12/31/2010 – PRESENT

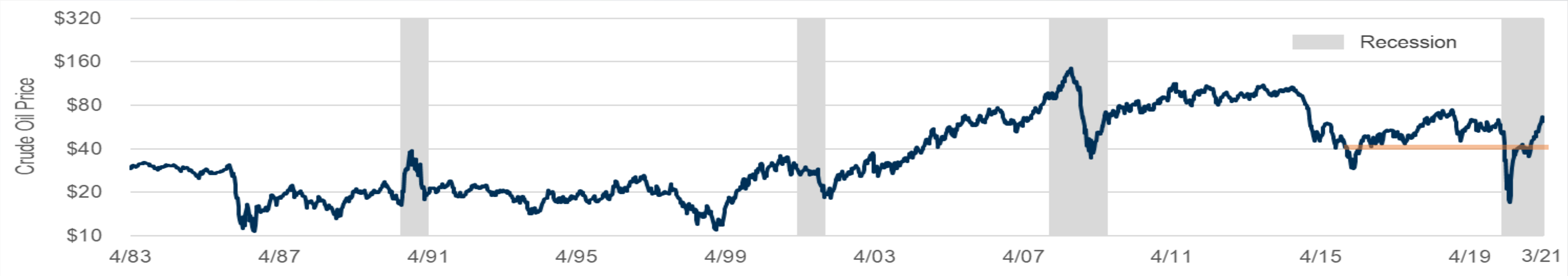


Source: Bloomberg, L.P. **Past performance is no guarantee of future results.**

COMMODITIES

WEEKLY BLOOMBERG COMMODITY (BCOM) INDEX (DECEMBER 31, 1990 – MARCH 26, 2021)

WEEKLY CRUDE OIL PRICE (APRIL 1, 1983 – MARCH 26, 2021)



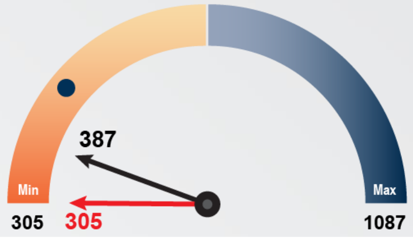
Source: Bloomberg. **Past performance is no guarantee of future results.** The 2 Year U.S. Treasury return is represented by the ICE BofA Current 2-Year U.S. Treasury Index and is a one-security index comprised of the most recently issued 2-year U.S. Treasury note. The 5 Year U.S. Treasury return is represented by the ICE BofA Current 5-Year U.S. Treasury Index and is a one-security index comprised of the most recently issued 5-year U.S. Treasury note. The Indices are rebalanced monthly.

FIXED INCOME DASHBOARD

10 YEAR MINIMUM AND MAXIMUM SPREADS

As of 12/31/2020:
As of 6/25/2021:
Mean as of 6/25/2021:

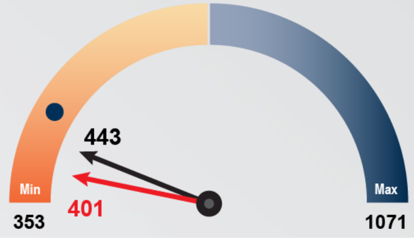
HIGH-YIELD BONDS



OAS – ICE BofA U.S. High Yield Constrained Index

Current OAS	305	High OAS	1,087	3/23/2020
Mean OAS	483	Low OAS	305	6/25/2021
Std Dev	128			

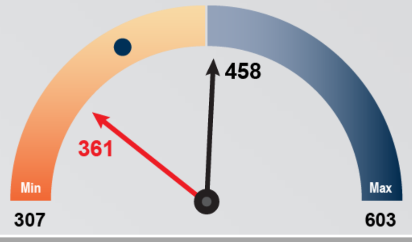
SENIOR LOANS



STM – S&P/LSTA Leveraged Loan Index

Current STM	401	High STM	1,071	3/23/2020
Mean STM	481	Low STM	353	4/20/2018
Std Dev	87			

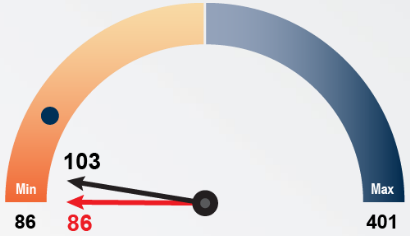
PREFERREDS



CYS – Preferreds Blended Benchmark*

Current CYS	361	High CYS	603	3/23/2020
Mean CYS	406	Low CYS	307	2/27/2019
Std Dev	55			

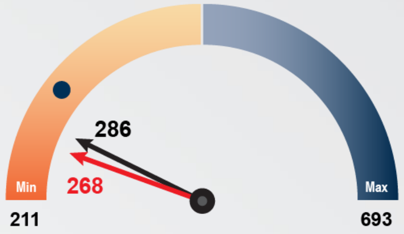
INVESTMENT GRADE CORPORATES



OAS – ICE BofA U.S. Corporate Index

Current OAS	86	High OAS	401	3/23/2020
Mean OAS	144	Low OAS	86	6/25/2021
Std Dev	39			

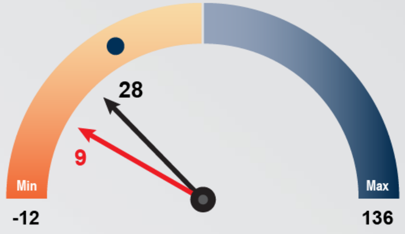
EMERGING MARKETS



OAS – ICE BofA U.S. Emerging Markets External Sovereign Index

Current OAS	268	High OAS	693	3/23/2020
Mean OAS	314	Low OAS	211	2/2/2018
Std Dev	57			

MORTGAGE BACKED SECURITIES



OAS – ICE BofA U.S. Mortgage Backed Securities Index

Current OAS	9	High OAS	136	3/19/2020
Mean OAS	37	Low OAS	-12	4/30/2021
Std Dev	21			

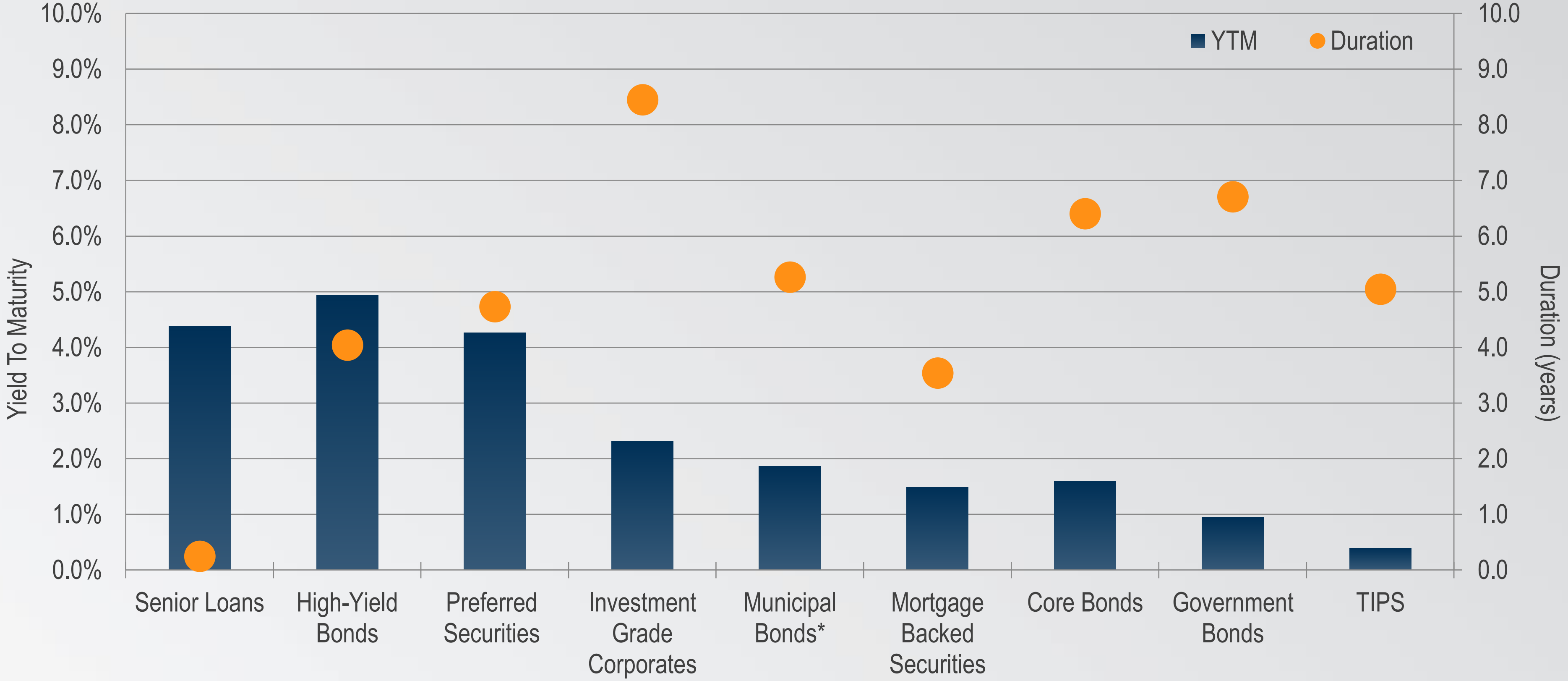
Source: ICE BofA and Standard & Poor's Leveraged Loan Commentary and Data. **Past performance is no guarantee of future results.** Option Adjusted Spread (OAS) is the current spread over a Treasury security of similar tenor. Senior Loan STM is Spread-To-Maturity. Current yield is equivalent to the Index's annual income (face value multiplied by par weighted coupon) divided by the current price (full market value). Preferreds Current Yield Spread (CYS) is the current yield of the preferreds blended benchmark minus the current yield of the 10-Year Treasury Index (GA10), going back to 12/31/2013.

*The blended benchmark consists of 30% ICE BofA Core Plus Fixed Rate Preferred Securities Index (P0P4) / 30% ICE BofA US Investment Grade Institutional Capital Securities Index (CIPS) / 30% ICE BofA USD Contingent Capital Index (CDLR) / 10% ICE BofA US High Yield Institutional Capital Securities Index (HIPS).

WHERE IS THE OPPORTUNITY? WHERE IS THE GREATEST RISK?

In a persistently low interest-rate environment, we believe investors have few options to generate a high level of income without assuming significant interest rate risk.

FIXED INCOME OPPORTUNITY SET – DURATION/YTM



Source: Barclays, S&P LCD, and Bloomberg. Data as of 3/31/2021.
*YTM represents the Tax-Equivalent Yield (TEY) for the highest tax bracket of 37%. **Past performance is no guarantee of future results**. U.S. Senior Loans are represented by the S&P/LSTA Leveraged Loan Index; U.S. High-Yield Bonds are represented by the ICE BofA U.S. High Yield Constrained Index; Preferreds are represented by the ICE BofA Fixed Rate Preferred Securities Index; Investment Grade Corporates are represented by the Bloomberg Barclays U.S. Corporate Investment Grade Index; Municipal Bonds are represented by the Bloomberg Barclays Municipal Bond Index; Mortgage Backed Securities are represented by the ICE BofA U.S. Mortgage Backed Securities Index; Core Bonds are represented by the Bloomberg Barclays U.S. Aggregate Bond Index; Government Bonds are represented by the Bloomberg Barclays U.S. Government Index; TIPS are represented by the Bloomberg Barclays U.S. Treasury TIPS 1-5 Year Index.

DURATION COMPENSATION

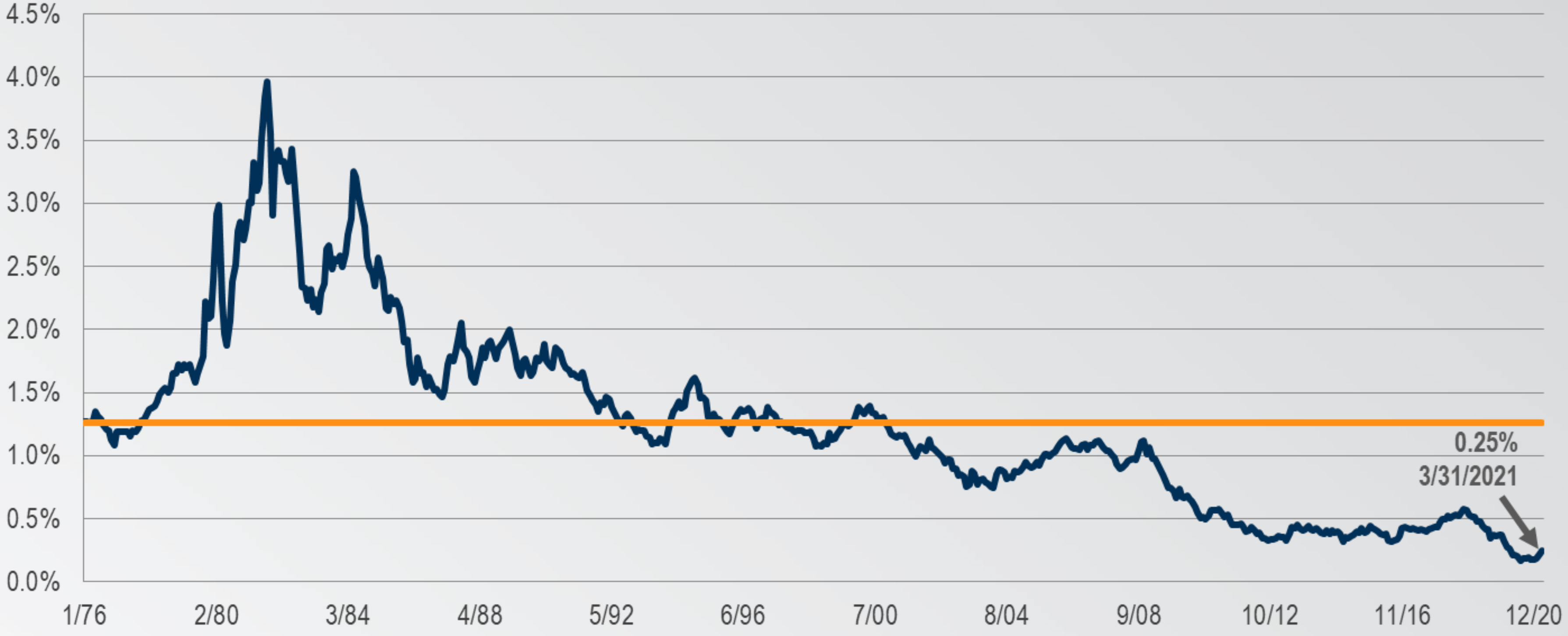
The chart shows the ratio of the Bloomberg Barclays U.S. Aggregate Bond Index yield-to-worst over duration. Over the past several decades, investors have increasingly been compensated with less yield per unit of interest rate risk, as measured by duration.

The long-term average is 1.26% through March 2021.

Yield-to-Worst	1.61%
Modified Duration	6.43 years

BLOOMBERG BARCLAYS U.S. AGGREGATE BOND INDEX

Yield Per Unit of Duration



Source: Bloomberg and Barclays. The chart is for illustrative purposes only. Duration is a measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield.
Data through 3/31/2021
Past performance is no guarantee of future results.

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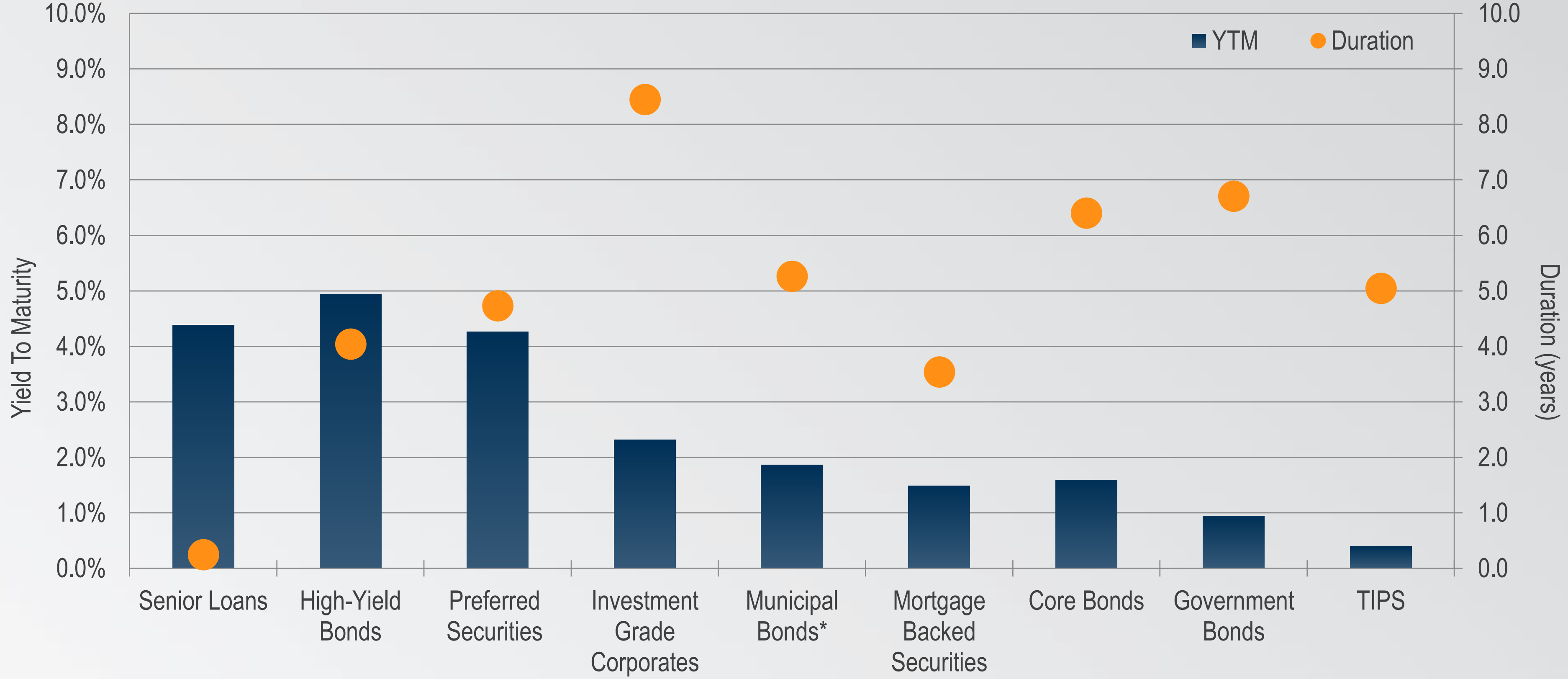

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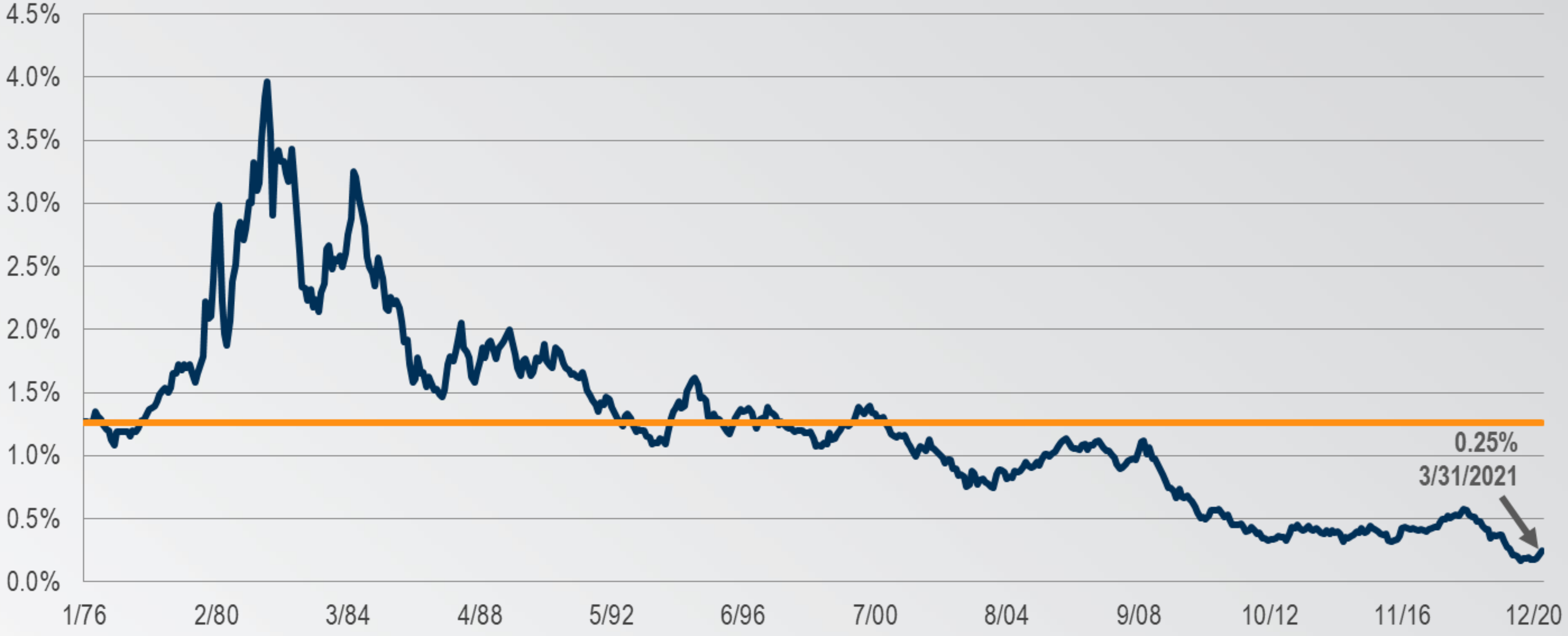
BLOOMBERG BARCLAYS U.S. AGGREGATE BOND INDEX

Yield Per Unit of Duration



Source: Bloomberg and Barclays. The chart is for illustrative purposes only. Duration is a measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield.
Data through 3/31/2021
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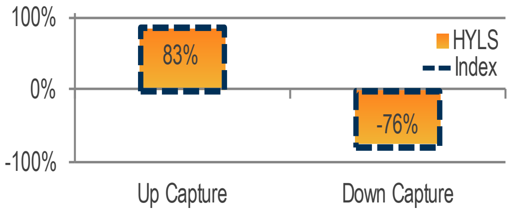
FUNDS MANAGED BY FIRST TRUST LEVERAGED FINANCE TEAM*

Exchange-traded funds

First Trust Tactical High Yield ETF

Ticker	HYLS
Intraday NAV Ticker	HYLSIV
Exchange	Nasdaq
Net Weighted Avg. Effective Duration (Includes Short)[1]	2.13 years
30-Day SEC Yield	3.93%

HYLS Up/Down Capture (2/28/2013 – 3/31/2021)



Source: First Trust Portfolios Research

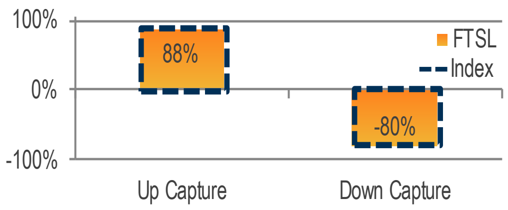
First Trust Senior Loan Fund

Ticker	FTSL
Intraday NAV Ticker	FTSLIV
Exchange	Nasdaq
Weighted Avg. Effective Duration	0.39 years
30-Day SEC Yield	2.79%

★★★★ **Overall Morningstar Rating™**

Among 232 funds in the Bank Loan category. This fund was rated 5 stars/232 funds (3 years), 3 stars/209 funds (5 years) based on risk adjusted returns.

FTSL Up/Down Capture (5/31/2013 – 3/31/2021)



Source: First Trust Portfolios Research

Mutual fund

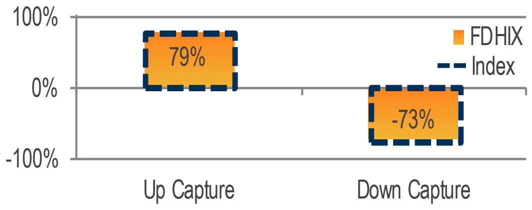
First Trust Short Duration High Income Fund

Ticker	30-Day SEC Yield	Unsubsidized 30-Day SEC Yield
FDHAX (Class A)	2.79%	2.79%
FDHCX (Class C)	2.14%	2.14%
FDHIX (Class I)	3.14%	3.14%
Weighted Avg. Effective Duration		0.62 years

★★★★★ **Overall Morningstar Rating™**

Among 232 funds in the Bank Loan category. This fund was rated 5 stars/232 funds (3 years), 5 stars/232 funds (5 years) based on risk adjusted returns. This rating is for Class I shares. Other share classes may have different performance characteristics.

FDHIX Up/Down Capture (11/30/2012 – 3/31/2021)



Source: First Trust Portfolios Research

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.

*Excludes Closed-End Funds, Canadian funds and funds where the First Trust Advisors Leveraged Finance Investment Team manages only a portion of the portfolio. All information is as of 3/31/2021 unless stated otherwise.

[1]The net weighted average effective duration for HYLS includes both the long & short positions of the fund.

[§]The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Morningstar Rating™ information contained herein: (1) is proprietary to Morningstar;(2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

FIXED INCOME CLIENT RESOURCE KIT

LINK: First Trust Client Resource Kit - Fixed Income

APPENDIX

FIRST TRUST SENIOR LOAN FUND (FTSL)

POTENTIAL BENEFITS OF INVESTING

Senior Loans: Senior loans are generally secured by the assets of a given company. Senior loans secured position within a capital structure may mitigate losses in the event of a default.

Floating Rate: The fund may provide an element of protection against rising interest rates because of the floating-rate feature of the senior loans in which the fund invests.

Active Management: FTSL is an actively managed senior loan ETF, providing credit risk management, enhanced liquidity and transparency for senior loan investors.

FUND DETAILS

Fund Ticker	FTSL
Fund Inception	5/1/13
CUSIP	33738D309
Intraday NAV	FTSLIV
Primary Listing	Nasdaq
30-Day SEC Yield***	3.64%
Expense Ratio	0.86%

PERFORMANCE SUMMARY (%)

As of 12/31/2020	1 Year	5 Year	Since Fund Inception
Fund Performance*			
NAV	2.57	4.17	3.21
Market Price	3.01	4.27	3.28
Index Performance**			
S&P/LSTA U.S. Leveraged Loan 100 Index	2.84	5.31	3.48
Markit iBoxx USD Liquid Leveraged Loan Index	0.21	4.00	2.65

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.

*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.
**Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown.
***As of 12/31/2020

FIRST TRUST TACTICAL HIGH YIELD ETF (HYLS)

POTENTIAL BENEFITS OF INVESTING

- Actively managed high-yield portfolio with a tactical short component.
- Seeks to generate both attractive risk-adjusted and absolute returns over time.
- Seeks to provide high current income, while potentially limiting interest rate risk.
- Management expertise.
- Low correlation to other asset classes.

PERFORMANCE SUMMARY (%)

As of 12/31/2020	1 Year	5 Year	Since Fund Inception
Fund Performance*			
NAV	5.43	6.31	5.35
Market Price	5.43	6.32	5.36
Index Performance**			
ICE BofA US High Yield Constrained Index	6.07	8.42	5.72

FUND DETAILS

Fund Ticker	HYLS
Fund Inception	2/25/13
CUSIP	33738D408
Intraday NAV	HYLSIV
Primary Listing	Nasdaq
30-Day SEC Yield[1]	3.84%

Management Fees	0.95%
Borrow Costs[2]	0.28%
Total Annual Expenses	1.23%

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[1]As of 12/31/2020

[2]Borrow costs include expenses associated with short sales transactions

FIRST TRUST SHORT DURATION HIGH INCOME FUND RISK DISCLOSURE

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

A mutual fund's share price and investment return will vary with market conditions, and the principal value of an investment when you sell your shares may be more or less than the original cost

A Fund's shares will change in value, and you could lose money by investing in a fund. There can be no assurance that a fund's investment objective will be achieved. The outbreak of the respiratory disease designated as COVID-19 in December 2019 has caused significant volatility and declines in global financial markets, which have caused losses for investors. The COVID-19 pandemic may last for an extended period of time and will continue to impact the economy for the foreseeable future.

Actively managed funds are subject to the risk that the advisor or sub-advisor will apply investment techniques that may not have the desired result.

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.

Because the Fund's net asset value is determined on the basis of U.S. dollars and the Fund invests in non-U.S. dollar-denominated securities, you may lose money if the local currency of a foreign market depreciates against the U.S. dollar.

The Fund is subject to call risk, credit risk, income risk, inflation risk, interest rate risk, extension risk, and prepayment risk. Call risk is the risk that, during periods of falling interest rates, performance could be adversely impacted if an issuer calls higher-yielding debt instruments earlier than their scheduled maturity. Credit risk is the risk that an issuer may default on its obligation to make principal and/or interest payments when due. Credit risk is heightened for high-yield securities and bank loans. Income risk is the risk that income from the Fund's fixed income investments could decline during periods of falling interest rates. Inflation risk is the risk that the value of assets of income from investments will be less in the future as inflation decreases the value of money. Interest rate risk is the risk that the value of debt securities will decline because of rising interest rates. Extension risk is the risk that when interest rates rise, certain obligations will be paid off by the issuer (or obligor) more slowly than anticipated, causing the value of these securities to fall. Prepayment risk is the risk that, during periods of falling interest rates, an issuer may exercise its right to pay principal on an obligation earlier than expected. This may result in a decline in the Fund's income. Each of these risks may have an adverse effect on the Fund's total return.

In 2012, regulators in the United States and the United Kingdom alleged that certain banks engaged in manipulative acts in connection with their submissions to the British Bankers Association. Manipulation of the LIBOR rate-setting process would raise the risk of adverse impacts to the Fund if the Fund received a payment based upon LIBOR and such manipulation of LIBOR resulted in lower resets than would have occurred had there been no manipulation. There remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. As such, the potential effect of a transition away from LIBOR on the Fund cannot yet be determined.

Companies that issue loans tend to be highly leveraged and thus are more susceptible to the risk of interest deferral, default and/or bankruptcy. Senior floating rate loans, in which the Fund may invest, are usually rated below investment grade but may also be unrated. As a result, the risks associated with these senior floating rate loans are similar to the risks of high-yield fixed income instruments.

The senior loan market has seen an increase in loans with weaker lender protections which may impact recovery values and/or trading levels in the future.

Covenant-lite loans contain fewer or no maintenance covenants which may hinder the Fund's ability to reprice credit risk associated with the borrower. This may reduce the Fund's ability to mitigate potential loss especially during a downturn in the credit cycle.

High-yield securities or "junk" bonds are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, are considered to be highly speculative. These securities are issued by companies that may have limited operating history, narrowly focused operations and/or other impediments to the timely payment of periodic interest or principal at maturity.

Distressed debt securities involve additional risks. Generally, the Fund will not receive interest payments from the distressed securities it holds, and there is substantial risk that the principal will not be repaid.

There is no central place or exchange for trading most debt securities. Debt securities generally trade on an "over-the-counter" market and therefore, the valuation of debt securities may carry more uncertainty and risk than that of publicly traded securities.

The market values of convertible bonds tend to decline as interest rates increase and, conversely, to increase as interest rates decline. A convertible bond's market value also tends to reflect the market price of the common stock of the issuing company.

A counterparty may not be able to fulfill its obligation to the Fund which may result in significant financial loss to the Fund.

The Fund may hold certain investments that may be subject to restrictions on resale, trade over-the-counter or in limited volume, or lack an active trading market. The Fund may not be able to sell or close out of such investments at favorable times or prices (or at all).Illiquid securities may trade at a discount than more liquid investments and may be subject to wide fluctuations in market value.

As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risk through breaches in cyber security.

Please see the Fund's prospectus for a complete description of the risks of investing in the Fund.

ETF RISKS AND CONSIDERATIONS

ETF CHARACTERISTICS

The funds list and principally trade their shares on the Nasdaq Stock Market LLC.

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 funds 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 discount to a fund's net asset value and possibly face delisting.

FIRST TRUST SENIOR LOAN FUND (FTSL) RISKS

A fund’s shares will change in value, and you could lose money by investing in a fund. There can be no assurance that a fund’s investment objective will be achieved. The outbreak of the respiratory disease designated as COVID-19 in December 2019 has caused significant volatility and declines in global financial markets, which have caused losses for investors. The COVID-19 pandemic may last for an extended period of time and will continue to impact the economy for the foreseeable future.

The fund is subject to market risk. Market risk is the risk that a particular security owned by the fund or shares of the fund in general may fall in value.

Senior floating-rate 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. High-yield securities, or “junk” bonds, are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, may be highly speculative. These securities are issued by companies that may have limited operating history, narrowly focused operations, and/or other impediments to the timely payment of periodic interest and principal at maturity. The market for high-yield securities is smaller and less liquid than that for investment grade securities.

Senior Loan securities are subject to numerous risks, including credit risk, interest rate risk, income risk and prepayment risk. Credit risk is the risk that an issuer of a security will be unable or unwilling to make dividend, interest and/or principal payments when due and that the value of a security may decline as a result. Credit risk may be heightened for senior loans because companies that issue loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. Interest rate risk is the risk that if interest rates rise, the prices of the fixed-rate instruments held by the fund may fall. Income risk is the risk that if interest rates fall, the income from the fund’s portfolio will decline as the fund intends to hold floating-rate debt that will adjust lower with falling interest rates. Loans are subject to pre-payment risk. The degree to which borrowers prepay loans may be affected by general business conditions, the financial condition of the borrower and competitive conditions among loan investors, among others. The fund may not be able to reinvest the proceeds received on terms as favorable as the prepaid loan. The senior loan market has seen an increase in loans with weaker lender protections which may impact recovery values and/or trading levels in the future.

The fund invests in securities of non-U.S. issuers which are subject to higher volatility than securities of U.S. issuers. Because the fund’s NAV is determined on the basis of U.S. dollars and the fund invests in non-U.S. securities, you may lose money if the local currency of a non-U.S. market depreciates against the U.S. dollar.

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

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.

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.

ETF RISKS AND CONSIDERATIONS CONTINUED

FIRST TRUST TACTICAL HIGH YIELD ETF (HYLS) RISKS

A fund's shares will change in value, and you could lose money by investing in a fund. There can be no assurance that a fund's investment objective will be achieved. The outbreak of the respiratory disease designated as COVID-19 in December 2019 has caused significant volatility and declines in global financial markets, which have caused losses for investors. The COVID-19 pandemic may last for an extended period of time and will continue to impact the economy for the foreseeable future.

The fund is subject to market risk. Market risk is the risk that a particular security owned by the fund or shares of the fund in general may fall in value.

High-yield securities, or "junk" bonds, are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, may be highly speculative. These securities are issued by companies that may have limited operating history, narrowly focused operations, and/or other impediments to the timely payment of periodic interest and principal at maturity. The market for high-yield securities is smaller and less liquid than that for investment grade securities.

High-yield securities are subject to credit risk, interest rate risk, income risk and prepayment risk. Credit risk is the risk that an issuer of a security will be unable or unwilling to make dividend, interest and/or principal payments when due and that the value of a security may decline as a result. Interest rate risk is the risk that if interest rates rise, the prices of the fixed-rate instruments held by the fund may fall. Income risk is the risk that if interest rates fall, the income from the fund's portfolio will decline as the fund intends to hold floating-rate debt that will adjust lower with falling interest rates. Prepayment risk is the risk that during periods of falling interest rates, an issuer may exercise its right to pay principal on an obligation earlier than expected. This may result in a decline in the fund's income.

Companies that issue bank loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. Senior floating rate loans, in which the fund may invest, 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. Loans are subject to prepayment risk. The degree to which borrowers prepay loans may be affected by general business conditions, the financial condition of the borrower and competitive conditions among loan investors, among others. The fund may not be able to reinvest the proceeds received on terms as favorable as the prepaid loan. The senior loan market has seen an increase in loans with weaker lender protections which may impact recovery values and/or trading levels in the future.

The market values of convertible bonds tend to decline as interest rates increase and, conversely, to increase as interest rates decline. A convertible bond's market value also tends to reflect the market price of the common stock of the issuing company.

The fund may invest in distressed securities and many distressed securities are illiquid or trade in low volumes and thus may be more difficult to value.

In times of unusual or adverse market, economic, regulatory or political conditions, the fund may not be able, fully or partially, to implement its short selling strategy. Short selling creates special risks which could result in increased volatility of returns and may result in greater gains or greater losses.

The fund invests in securities of non-U.S. issuers which are subject to higher volatility than securities of U.S. issuers. Because the fund's NAV is determined on the basis of U.S. dollars and the fund invests in non-U.S. securities, you may lose money if the local currency of a non-U.S. market depreciates against the U.S. dollar.

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

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IMPORTANT INFORMATION

This information is not personalized investment advice, research or an investment recommendation from any First Trust entity regarding (i) the funds that make up the model portfolios, (ii) the use of the model portfolios in a client's best interest, or (iii) any security in particular, and is intended for use only by a third party financial professional, with other information, as a resource to help build a portfolio or as an input in the development of investment advice for its own clients. Financial professionals are responsible for making their own independent judgment as to how to use this information in its client's best interest. Only an investor and their financial professional know enough about their circumstances to make an investment decision. First Trust does not have investment discretion over, nor does it place trade orders for, any non-First Trust portfolios or accounts derived from this information. Performance of any account or portfolio derived from this information may vary materially from the performance shown herein. There is no guarantee that any investment strategy illustrated will be successful or achieve any particular result.

Investing involves risk, including possible loss of principal. Asset allocation and diversification may not protect against market risk, loss of principal or volatility of returns.

This information is subject to change and does not guarantee future results. 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 or not the allocations are appropriate for their clients.

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 to obtain a prospectus or summary prospectus which contains this and other information about a First Trust fund. The prospectus or summary prospectus should be read carefully before investing.

RISKS CONSIDERATIONS FOR ETF FIXED INCOME MODEL SLIDES

Investors buying or selling fund shares on the secondary market may incur customary brokerage commissions. 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 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 discount to the fund's net asset value and possibly face delisting.

A fund's shares will change in value, and you could lose money by investing in a fund. One of the principal risks of investing in a fund is market risk. Market risk is the risk that a particular security owned by a fund, fund shares or securities in general may fall in value. There can be no assurance that a fund's investment objective will be achieved. The outbreak of the respiratory disease designated as COVID-19 in December 2019 has caused significant volatility and declines in global financial markets, which have caused losses for investors. The COVID-19 pandemic may last for an extended period of time and will continue to impact the economy for the foreseeable future.

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. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market countries. A fund may invest in depositary receipts which may be less liquid than the underlying shares in their primary trading market.

Because a fund's NAV is determined on the basis of U.S. dollars, if a fund invests in non-U.S. securities, you may lose money if the local currency of a non-U.S. market depreciates against the U.S. dollar.

Certain securities held by the funds are subject to credit risk, call risk, income risk, interest rate risk, prepayment risk and extension risk. Credit risk is the risk that an issuer of a security will be unable or unwilling to make dividend, interest and/or principal payments when due and that the value of a security may decline as a result. Credit risk is heightened for floating-rate loans and high-yield securities, because companies that issue loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. Call risk is the risk that if an issuer calls higher-yielding debt instruments held by a fund, performance could be adversely impacted. Income risk is the risk that income from a fund's fixed-income investments could decline during periods of falling interest rates. Interest rate risk is the risk that the value of the fixed-income securities in a fund will decline because of rising market interest rates. Prepayment risk is the risk that during periods of falling interest rates, an issuer may exercise its right to pay principal on an obligation earlier than expected. This may result in a decline in a fund's income. Extension risk is the risk that the average life of a mortgage-related security may extend if the rate of prepayments decreases, which increases interest rate exposure.

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, 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.

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.

Senior floating rate 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. High yield securities, or "junk" bonds, are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, may be highly speculative. The market for high yield securities is smaller and less liquid than that for investment grade securities. The senior loan market has seen an increase in loans with weaker lender protections which may impact recovery values and/or trading levels in the future.

Changes in currency exchange rates and the relative value of non-U.S. currencies may affect the value of a fund's investment and the value of its shares.

In a falling inflationary environment, both interest payments and the value of Treasury Inflation Protected Securities ("TIPS") will decline.

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

Illiquid securities involve the risk that the securities will not be able to be sold at the time desired by a fund or at prices approximately the value at which a fund is carrying the securities on its books.

Some of the securities held by a fund may be illiquid. Lower-quality debt tends to be less liquid than higher-quality debt.

Certain of the fixed-income securities in a fund may not have the benefit of covenants which could reduce the ability of the issuer to meet its payment obligations and might result in increased credit risk.

In a falling inflationary environment, both interest payments and the value of Treasury Inflation Protected Securities ("TIPS") will decline.

The use of options 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 a fund's portfolio managers use derivatives to enhance a fund's returns 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 a fund.

If a counterparty defaults on its payment obligations, a fund will lose money and the value of fund shares may decrease. A fund's investment in repurchase agreements may be subject to market and credit risk with respect to the collateral securing the agreements.

The market values of convertible bonds tend to decline as interest rates increase and, conversely, to increase as interest rates decline. A convertible bond's market value also tends to reflect the market price of the common stock of the issuing company.

Convertible securities have characteristics of both equity and debt securities and, as a result, are exposed to certain additional risks.

Contingent convertible securities ("CoCos") may provide for mandatory conversion into common stock of the issuer under certain circumstances. Since the common stock of the issuer may not pay a dividend, investors in these instruments could experience a reduced income rate, potentially to zero; and conversion would deepen the subordination of the investor, hence worsening standing in a bankruptcy.

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

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.

Short selling creates special risks which could result in increased volatility of returns. In times of unusual or adverse market, economic, regulatory or political conditions, a fund may not be able, fully or partially, to implement its short selling strategy.

Certain funds have fewer assets than larger funds, and like other relatively small funds, large inflows and outflows may impact a fund's market exposure for limited periods of time.

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

Real estate investment trusts (REITs) and other real estate related securities are subject to certain risks, including changes in the real estate market, vacancy rates and competition, volatile interest rates and economic recession.

A fund may invest in the shares of other investment companies, 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.

A fund may invest in securities issued by companies concentrated in a particular industry or sector which involves additional risks including limited diversification.

Certain funds are classified as "non-diversified" and may invest a relatively high percentage of their assets in a limited number of issuers. As a result, the funds 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.

An index fund's return may not match the return of the applicable index. Securities held by an index fund will generally not be bought or sold in response to market fluctuations.

Actively managed funds are subject to management risk because the advisor or sub-advisor will apply investment techniques and risk analyses that may not have the desired result.

As the use of Internet technology has become more prevalent in the course of business, the funds have become more susceptible to potential operational risks through breaches in cyber security.

First Trust Advisors L.P. (FTA) is the adviser to the First Trust funds. FTA is an affiliate of First Trust Portfolios L.P., the First Trust funds' distributor.

Please visit www.ftportfolios.com for the holdings of each First Trust fund and to read a full description of each fund's specific risks before investing.