

>> Fund Objective

This exchange-traded fund seeks investment results that correspond generally to the price and yield (before the fund's fees and expenses) of an equity index called the Nasdaq US Small Mid Cap Rising Dividend Achievers™ Index.

>> Fund Facts

Fund Ticker	SDVY
ISIN	US33741X1028
CUSIP	33741X102
Intraday NAV	SDVYIV
Fund Inception Date	1/11/17
Total Expense Ratio [^]	0.60%
30-Day SEC Yield [‡]	1.62%
Rebalance Frequency	Quarterly
Primary Listing	Nasdaq

>> Index Facts

Index Ticker	NQDVSMRT
Index Inception Date	18/9/17
Index Yield [‡]	2.39%

>> Index Description According to the Index Provider

- >> The First Trust SMID Cap Rising Dividend Achievers ETF (SDVY) is based on the Nasdaq US Small Mid Cap Rising Dividend Achievers™ Index and is comprised of a selection of small and mid-cap companies that have a history of raising their dividends and that exhibit the characteristics to potentially continue doing so in the future.
- >> The index is comprised of four sub-portfolios.
 - Each sub-portfolio is reconstituted and rebalanced on a staggered schedule so that one sub-portfolio is rebalanced and reconstituted each quarter in March, June, September and December and equally weighted.
- >> At reconstitution the sub-portfolio begins with the stocks in the Nasdaq US Mid Cap™ Index and the Nasdaq US Small Cap™ Index and eliminates those companies classified as a Mortgage Real Estate Investment Trust or Real Estate Investment Trust by the Industry Classification Benchmark.
 - Companies must meet the size and liquidity requirements to be eligible and certain companies over 1.2% at the index level will be ineligible for inclusion.
- >> To be eligible for inclusion in the index, companies must have:
 - have paid a dividend in the trailing twelve-month period greater than the dividend paid in the trailing twelve-month period three and five years prior.
 - have positive earnings per share in the trailing twelve-month period greater than the earnings per share in the trailing twelve-month period three years prior.
 - have a cash to debt ratio greater than 25%.
 - have a trailing twelve-month period payout ratio no greater than 65%.
- >> Eligible securities are ranked by five-year dollar dividend increase in descending order, current dividend yield in descending order and payout ratio in ascending order.
- >> Up to 125 eligible securities with the lowest (most favorable) combined ranks are selected for inclusion in each sub-portfolio.
 - A limit of 37 securities from any one industry, and a limit of 93 securities from either the Nasdaq US Mid Cap™ Index and the Nasdaq US Small Cap™ Index.
- >> The reconstituted sub-portfolio is then combined with the sub-portfolios not undergoing a reconstitution to form the index.
- >> The index is rebalanced annually so that each of the four sub-portfolios is equally weighted among each other, each representing 25% of the total index weight.

>> Performance Summary (%)

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Fund Inception
Fund Performance*							
Net Asset Value (NAV)	-0.98	11.07	11.07	7.97	12.58	—	10.45
Market Price	-0.96	11.03	11.03	7.93	12.59	—	10.46
Index Performance**							
Nasdaq US Small Mid Cap Rising Dividend Achievers™ Index	-0.84	11.84	11.84	8.68	13.31	—	11.16
Russell 3000® Index	2.63	23.81	23.81	8.01	13.86	—	13.46
S&P 1000® Index	0.05	12.34	12.34	3.98	9.75	—	9.04

>> Calendar Year Total Returns (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
SDVY	—	—	—	—	-13.81	24.69	11.25	29.17	-11.94	28.69	11.07
Russell 3000® Index	—	—	—	—	-5.24	31.02	20.89	25.66	-19.21	25.96	23.81
S&P 1000® Index	—	—	—	—	-10.30	25.14	12.98	25.35	-13.98	16.35	12.34

>> 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
SDVY	24.02	4.09	1.09	0.28	0.98
S&P 1000® Index	21.57	—	1.00	0.11	1.00

Overall Morningstar Rating™



Among 464 funds in the Small Value category. This fund was rated 4 stars/464 funds (3 years), 5 stars/441 funds (5 years) based on risk adjusted returns.[§]

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.jp.

[^]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. You can obtain the fund's Statement of Additional Information by visiting www.ftportfolios.jp.

[‡]30-day SEC yield is calculated by dividing the net investment income per share earned during the most recent 30-day period by the maximum offering price per share on the last day of the period.

[‡]Index yield represents the weighted average trailing 12-month dividend of the constituents of the Nasdaq US Small Mid Cap Rising Dividend Achievers™ Index.

[^]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.

» Portfolio Information

Number Of Holdings	95
Maximum Market Cap.	\$80.72 Billion
Median Market Cap.	\$8.13 Billion
Minimum Market Cap.	\$1.36 Billion
Price/Earnings	13.64
Price/Book	1.81
Price/Cash Flow	9.98
Price/Sales	1.30

» Top Holdings (%)

Select Water Solutions, Inc. (Class A)	1.10
SM Energy Company	1.10
Atlas Energy Solutions Inc.	1.09
Dick's Sporting Goods, Inc.	1.09
Expand Energy Corporation	1.09
HF Sinclair Corp.	1.09
PHINIA Inc.	1.09
Ally Financial Inc.	1.08
Popular, Inc.	1.08
Reinsurance Group of America, Incorporated	1.08

» Top Sector Exposure (%)

Financials	31.84
Industrials	23.98
Consumer Discretionary	20.87
Energy	9.74
Basic Materials	8.36
Technology	4.17
Consumer Staples	1.04

You should consider the fund's investment objectives, risks, and charges and expenses carefully before investing. Contact First Trust Japan at www.ftportfolios.jp to obtain a prospectus which contains this and other information about the fund. The prospectus should be read carefully before investing.

Risk Considerations

You could lose money by investing in a fund. An investment in a fund is not a deposit of a bank and is not insured or guaranteed. There can be no assurance that a fund's objective(s) will be achieved. Investors buying or selling shares on the secondary market may incur customary brokerage commissions. Please refer to each fund's prospectus 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.

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.

Current market conditions risk is the risk that a particular investment, or shares of the fund in general, may fall in value due to current market conditions. For example, changes in governmental fiscal and regulatory policies, disruptions to banking and real estate markets, actual and threatened international armed conflicts and hostilities, and public health crises, among other significant events, could have a material impact on the value of the fund's investments.

A fund is susceptible to operational risks through breaches in cyber security. Such events could cause a fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss.

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

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

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.

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.

As inflation increases, the present value of a fund's assets and distributions may decline.

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.

There can be no assurance that the securities held by a fund will stay within a fund's intended market capitalization range.

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.

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

A fund 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.

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.

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.

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

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.

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. First Trust Japan is the fund's sub-distributor.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. Nor does the document implicitly or explicitly recommend or suggest an investment strategy, reach conclusions in relation to an investment strategy for the reader or provide an opinion as to the present or future value or price of any fund. First Trust has no knowledge of and has not been provided any information regarding any investor. Financial professionals must determine whether particular investments are appropriate for their clients.

Definitions

Standard Deviation is a measure of price variability (risk). **Alpha** is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. **Beta** is a measure of price variability relative to the market. **Sharpe Ratio** is a measure of excess reward per unit of volatility. **Correlation** is a measure of the similarity of performance. The **S&P 1000® Index** combines the S&P MidCap 400 Index and the S&P SmallCap 600 Index to form an investable benchmark for the mid- to small-cap segment of the U.S. equity market. The **Russell 3000® Index** is comprised of the 3000 largest and most liquid stocks based and traded in the U.S.

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