FTLS

As of 9/30/26

First Trust Long/Short Equity ETF

» Fund Objective

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

» Fund Facts

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

» Fees and Expenses^

Management Fees	0.95%
Other Expenses	0.43%
Total Expense Ratio	1.38%

» Fund Description

» The First Trust Long/Short Equity ETF seeks to pursue its investment objective by investing in both a long and short portfolio consisting of at least 80% in U.S. exchange-listed equity securities of U.S. and foreign companies such as common stocks and ETFs. The fund may invest up to 20% of its net assets (plus the amount of any borrowing for investment purposes) in U.S. exchange-listed equity index futures contracts. These futures contracts will be used to gain long or short exposure to broad based equity indexes.

- The overall portfolio, under normal market conditions, will be 80 to 100% invested in long positions and 0% to 50% invested in short positions.

» Through the investment process, the Advisor follows a systematic portfolio construction process designed to balance the drivers of risk and return that exist between the long and short positions.

- The investment process uses Sabrient/Gradient's Earnings Quality Rank (EQR) model ranking, which serves as a building block for potential holdings, both long and short. Additional proprietary research will be used to tactically manage both the overall percentage and composition of the long and short exposures in the portfolio.
- The Advisor will then seek to manage risk and control exposures between the long and short portfolio.
- The Advisor will apply quantitative and fundamental analysis to position the size and expected level of risk of the short portfolio.
- The long and short portfolios are integrated and optimized to seek to balance the risk and return between the long and short positions relative to the general equity market.^

» Fund Advisor

» First Trust Advisors L.P. is the advisor to the fund and manages the fund's portfolio.

» Daily investment decisions are made by:

- John Gambla, CFA, FRM, PRM, Senior Portfolio Manager, Alternatives Investment Team of First Trust
- Rob A. Guttschow, CFA, Senior Portfolio Manager, Alternatives Investment Team of First Trust

» Performance Summary (%)

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Fund Inception
Fund Performance*							
Net Asset Value (NAV)	4.24	8.52	10.75	14.51	10.96	9.72	9.02
After Tax Held	4.13	8.26	10.34	13.92	10.45	9.33	8.64
After Tax Sold	2.51	5.04	6.35	11.10	8.46	7.79	7.27
Market Price	4.36	8.55	10.80	14.53	10.97	9.73	9.03
Index Performance**							
S&P 500® Index	2.30	12.75	15.74	22.89	13.79	15.33	13.72

» Calendar Year Total Returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
FTLS	6.84	14.10	-4.79	16.48	2.36	19.47	-5.19	17.02	18.56	9.14	8.52
S&P 500® Index	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	26.29	25.02	17.88	12.75

» 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FTLS	6.85	1.09	0.49	1.39	0.89
S&P 500® Index	12.42	—	1.00	1.38	1.00

Overall Morningstar Rating™

★★★★

Among 82 funds in the US Fund Long-Short Equity category. This fund was rated 4 stars/82 funds (3 years), 4 stars/77 funds (5 years), 4 stars/57 funds (10 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.com.

^"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. **After Tax Held** returns represent return after taxes on distributions. Assumes shares have not been sold. **After Tax Sold** returns represent the return after taxes on distributions and the sale of fund shares. Returns do not represent the returns you would receive if you traded shares at other times. **Market Price** returns are 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. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

**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.

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

First Trust Long/Short Equity ETF

As of 9/30/26

Portfolio Information – Long Exposure

Number Of Holdings	268
Maximum Market Cap.	$5,514.69 Billion
Median Market Cap.	$28.43 Billion
Minimum Market Cap.	$2.43 Billion
Price/Earnings	23.98
Price/Book	4.91
Price/Cash Flow	17.07
Price/Sales	2.66

Portfolio Information – Short Exposure

Number Of Holdings	247
Maximum Market Cap.	$1,066.01 Billion
Median Market Cap.	$11.62 Billion
Minimum Market Cap.	$624 Million
Price/Earnings	16.83
Price/Book	2.23
Price/Cash Flow	11.26
Price/Sales	1.40

Fund Exposure (%)

Long Exposure	93.93
Short Exposure	-33.66
Net Exposure	60.27

Top Holdings (%) – Long Exposure

NVIDIA Corporation	6.56
Apple, Inc.	5.58
Alphabet, Inc.	4.19
Microsoft Corporation	4.12
Amazon.com, Inc.	2.59
Seagate Technology Holdings Plc	2.25
Analog Devices, Inc.	1.43
Meta Platforms Inc.	1.17
Visa, Inc.	1.12
Texas Instruments Incorporated	1.09

Top Holdings (%) – Short Exposure

Skyworks Solutions, Inc.	-0.24
Riot Platforms, Inc.	-0.21
Zscaler, Inc.	-0.21
Arista Networks, Inc.	-0.20
CoreWeave, Inc. (Class A)	-0.20
MARA Holdings, Inc.	-0.20
Monolithic Power Systems, Inc.	-0.20
Cadence Design Systems, Inc.	-0.19
Fabrinet	-0.19
Fastenal Company	-0.19

Top Sector (%) – Long Exposure

Information Technology	34.90
Health Care	9.67
Financials	9.04
Industrials	8.10
Communication Services	7.93
Consumer Discretionary	6.36
Energy	4.89
Consumer Staples	3.74
Materials	2.94
Real Estate	2.58
Utilities	0.16

Top Sector (%) – Short Exposure

Information Technology	-5.11
Industrials	-4.08
Financials	-3.50
Consumer Discretionary	-3.06
Health Care	-1.84
Utilities	-1.35
Communication Services	-1.23
Materials	-1.12
Energy	-0.82
Consumer Staples	-0.63
Real Estate	-0.54

You should consider the fund's investment objectives, risks, and charges and expenses carefully before investing. Contact First Trust Portfolios L.P. at 1-800-621-1675 or visit www.ftportfolios.com to obtain a prospectus or summary prospectus which contains this and other information about the fund. The prospectus or summary prospectus should be read carefully before investing.

Risk Considerations

You could lose money by investing in a fund. An investment in a fund is not a deposit of a bank and is not insured or guaranteed. There can be no assurance that a fund's objective(s) will be achieved. Investors buying or selling shares on the secondary market may incur customary brokerage commissions. Please refer to each fund's prospectus and Statement of Additional Information for additional details on a fund's risks. The order of the below risk factors does not indicate the significance of any particular risk factor.

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.

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.

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.

Depositary receipts may be less liquid than the underlying shares in their primary trading market and distributions may be subject to a fee. Holders may have limited voting rights, and investment restrictions in certain countries may adversely impact their value.

The use of derivatives instruments involves different and possibly greater risks than investing directly in securities including counterparty risk, valuation risk, volatility risk, and liquidity risk. Further, losses because of adverse movements in the price or value of the underlying asset, index or rate may be magnified by certain features of the derivatives.

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.

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.

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.

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.

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.

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.

A fund that holds cash or invests in money market or short-term securities may be less likely to achieve its investment objective and could lose money.

Securities of non-U.S. issuers are subject to additional risks, including currency fluctuations, political risks, withholding, lack of liquidity, lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers.

A fund and a fund's advisor may seek to reduce various operational risks through controls and procedures, but it is not possible to completely protect against such risks. The fund also relies on third parties for a range of services, including custody, and any delay or failure related to those services may affect the fund's ability to meet its objective.

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.

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.

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.

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.

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.

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

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.

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 500® Index** is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance.

§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. ©2026 Morningstar, Inc. All Rights Reserved. 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.

Not FDIC Insured • Not Bank Guaranteed • May Lose Value