

>> 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 Clean Edge Smart Grid Infrastructure™ Index.

>> Fund Facts

Fund Ticker	GRID
CUSIP	33737A108
Intraday NAV	GRIDIV
Fund Inception Date	11/16/09
Total Expense Ratio [^]	0.56%
Net Expense Ratio	0.56%
Rebalance Frequency	Quarterly
Primary Listing	Nasdaq

>> Index Facts

Index Ticker	QGDX
Index Inception Date	9/22/09

>> Index Description According to the Index Provider

- >> The index is designed to track the performance of common stocks in the grid and electric energy infrastructure sector. The index includes companies that are primarily engaged and involved in electric grid, electric meters and devices, networks, energy storage and management, and enabling software used by the smart grid infrastructure sector.
- >> To be included in the index, a security must meet certain criteria including being classified as a smart grid, electric infrastructure and/or other grid-related activities company according to Clean Edge, have a minimum worldwide market capitalization of \$100 million, have a minimum free float of 20%, and have a minimum three-month average daily dollar trading volume of \$500 thousand.
- >> The index employs a float-adjusted modified market-capitalization weighting methodology. At each evaluation, the index securities are classified as Pure Play or Diversified. The Pure Play securities are given a collective weight of 80% and the Diversified securities are given a collective weight of 20% in the index.
- >> The index is rebalanced quarterly and reconstituted semi-annually.

>> Performance Summary (%)

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Fund Inception
Fund Performance*							
Net Asset Value (NAV)	6.68	6.68	45.63	20.03	14.94	18.08	12.10
After Tax Held	6.66	6.66	45.01	19.48	14.43	17.54	11.61
After Tax Sold	3.96	3.96	26.97	15.56	11.75	15.18	10.18
Market Price	6.98	6.98	46.17	20.11	14.93	18.08	12.11
Index Performance**							
Nasdaq Clean Edge Smart Grid Infrastructure™ Index	5.50	5.50	45.40	20.24	15.38	18.80	12.88
MSCI World Industrials Index	2.56	2.56	25.19	18.58	10.89	11.65	10.69
Russell 3000® Index	-3.96	-3.96	18.09	17.86	10.87	13.72	13.26
S&P Composite 1500® Industrials Index	4.71	4.71	26.24	18.70	12.24	13.26	13.53

>> Calendar Year Total Returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
GRID	24.78	28.19	-22.29	42.05	48.25	28.36	-13.82	21.34	15.31	29.60	6.68
MSCI World Industrials Index	12.88	25.23	-14.54	27.77	11.68	16.60	-13.20	23.16	13.13	24.93	2.56
Russell 3000® Index	12.74	21.13	-5.24	31.02	20.89	25.66	-19.21	25.96	23.81	17.15	-3.96
S&P Composite 1500® Industrials Index	20.41	21.06	-13.38	29.80	11.69	22.18	-6.43	20.38	16.94	18.34	4.71

>> 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
GRID	18.67	0.70	1.07	0.83	0.91
MSCI World Industrials Index	15.85	—	1.00	0.87	1.00

Overall Morningstar Rating™



Among 82 funds in the Infrastructure category. This fund was rated 5 stars/82 funds (3 years), 5 stars/76 funds (5 years), 5 stars/50 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.

[^]Expenses are capped contractually at 0.70% per year, at least through January 31, 2027.

*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. The fund's performance reflects fee waivers and expense reimbursements, absent which performance would have been lower. 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.

» Portfolio Information

Number Of Holdings	120
Maximum Market Cap.	\$4,237.22 Billion
Median Market Cap.	\$9.83 Billion
Minimum Market Cap.	\$229 Million
Price/Earnings	29.07
Price/Book	3.85
Price/Cash Flow	17.54
Price/Sales	2.35

» Top Holdings (%)

Eaton Corporation Plc	8.29
Johnson Controls International Plc	7.90
National Grid Plc	7.86
ABB, Ltd.	7.58
Schneider Electric SE	7.26
Prysmian SpA	4.25
Quanta Services, Inc.	4.25
E.ON SE	4.10
Hubbell Incorporated	2.87
NVIDIA Corporation	2.14

» Top Sector Exposure (%)

Electrical Components	32.46
Multi-utilities	12.24
Diversified Industrials	11.92
Conventional Electricity	10.18
Electronic Equipment: Control and Filter	7.91
Engineering and Contracting Services	5.99
Semiconductors	4.83
Automobiles	2.27
Software	2.14
Auto Parts	1.88

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.

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. 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.

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.

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.

Political or economic disruptions in European countries, even in countries in which a fund is not invested, may adversely affect security values and thus the fund's holdings. A significant number of countries in Europe are member states in the European Union, and the member states no longer control their own monetary policies. In these member states, the authority to direct monetary policies, including money supply and official interest rates for the Euro, is exercised by the European Central Bank. The implications of the United Kingdom's withdrawal from the European Union are difficult to gauge and cannot yet be fully known.

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.

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

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.

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 classified as "non-diversified" may invest a relatively high percentage of its assets in a limited number of issuers. As a result, a fund may be more susceptible to a single adverse economic or regulatory occurrence affecting one or more of these issuers, experience increased volatility and be highly concentrated in certain issuers.

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.

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.

Smart grid companies can be negatively affected by high costs of research and development, high capital requirements for implementation, government regulations, limited ability of industrial and utility companies to implement new technologies and uncertainty of the ability of new products to penetrate established industries.

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 advisor 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 **MSCI World Industrials Index** is a free float-adjusted market capitalization weighted index that is designed to measure the industrials sector performance of 23 developed markets around the world. The **S&P Composite 1500® Industrials Index** is a capitalization-weighted index of companies classified by GICS as industrials within the S&P Composite 1500 Index. 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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