

Target Outcome ETFs® (the “funds”) are actively managed exchange-traded funds (“ETFs”) that seek to provide targeted exposure to underlying ETFs (also referred to as reference assets) that are based on market indexes, while providing predetermined investment outcomes, removing some of the uncertainty associated with investing. The Target Outcome Buffer Series ETFs are designed to help equity investors maintain a level of protection in down markets, by seeking to provide a defined downside buffer, over a specified Target Outcome Period, while taking advantage of growth opportunities in up markets to a predetermined cap. The cap and buffer are reset at the end of each Target Outcome Period. However, the funds may be held indefinitely, providing investors a buy and hold investment opportunity.

Market Exposure



Exposure to an underlying ETF that is based on a market index

Target Outcome Period



Provides structured returns on a point-to-point basis for a predetermined period of time

Potential Upside Participation



Exposure to the potential upside of the reference asset, to a maximum cap

Downside Buffer



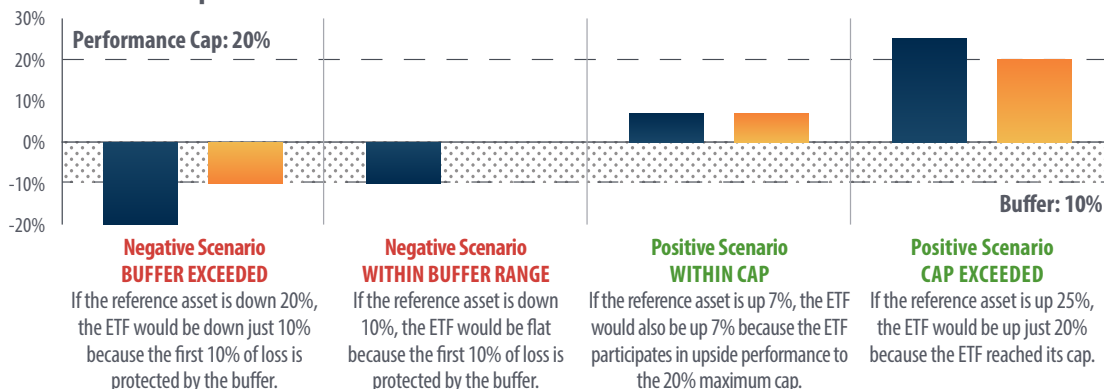
Provide a level of protection, typically, 10%, 15% or 25%

POTENTIAL RETURN SCENARIOS AT THE END OF A TARGET OUTCOME PERIOD

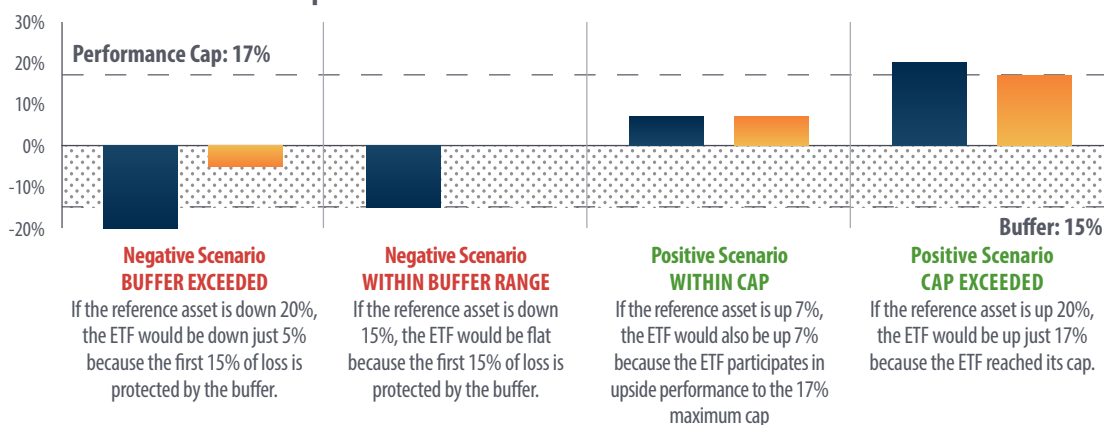
The hypothetical examples show possible outcomes across different scenarios. The examples assume ETF shares are purchased on the first day of the Target Outcome Period and held until the end of the period.

■ Reference Asset ■ Target Outcome ETF ▨ Buffered Range

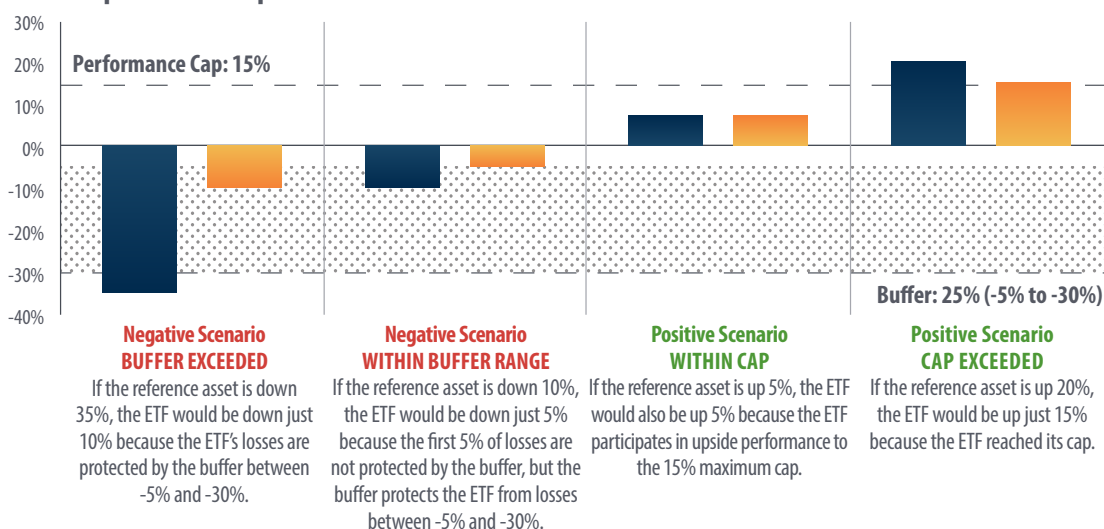
10% Buffer Example



15% Moderate Buffer Example



25% Deep Buffer Example



The examples are based on hypothetical reference asset returns and do not account for payment of fees and expenses so the actual return would be lower. A fund may not be able to achieve the hypothetical returns shown here. The 10% Buffer ETF series seeks to shield investors against losses from 0 to -10%, over the Target Outcome Period. The 15% Moderate Buffer ETF series seeks to shield investors against losses from 0 to -15%, over the Target Outcome Period. The 25% Deep Buffer ETF series seeks to shield investors against losses from -5% to -30%, over the Target Outcome Period.

Target Outcome ETFs® are managed using a “target outcome strategy” which seeks to produce a predetermined investment outcome based on the performance of the underlying ETF, through the use of FLEX Options. FLEX Options are customized options contracts that provide investors the ability to customize terms of an option, including exercise style, strike price, underlying reference assets and expiration dates. The example below illustrates the expected 1-year return profiles of a fund before fees and expenses.

1-YEAR RETURN PROFILE EXAMPLE

Target Outcome Buffer ETFs offer exposure to a reference asset (underlying ETF) that is based on a market index and has the following components.

UPSIDE CAP

The “cap” is a limit on the possible return that the Buffer ETF can provide at the end of the Target Outcome Period. Investors do not participate in returns on the reference asset outside of the maximum upside cap.

DOWNSIDE BUFFER

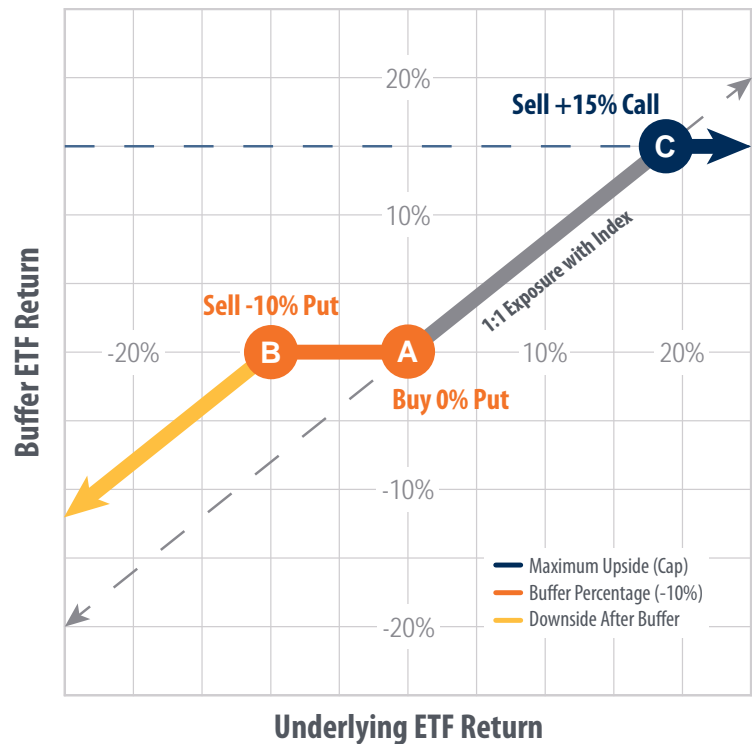
The “buffer” is designed to avoid losses inside the buffer range.

DOWNSIDE AFTER BUFFER

Investors participate in losses outside of the buffer range.

TARGET OUTCOME PERIOD

The upside cap and downside buffer are provided over a stated time period, which is typically 1-year. The outcome may only be realized for an investor who holds shares on the first day of the Target Outcome Period and continues to hold them on the last day of the Target Outcome Period.



HOW DO THEY WORK?

Sample Portfolio	Option Position	Type	Purpose	Expiration
Set U.S. Equity Exposure	Purchase	Call	Buying a deep in-the-money call (near 0%) sets the equity exposure.	12 month expiration dates
Set Buffer Limit	Purchase (A)	Put	Buying a put sets the downside buffer.	12 month expiration dates
	Write (B)	Put	Selling a put, where your buffer ends, partially funds the downside buffer.	12 month expiration dates
Set Upside Cap	Write (C)	Call	Selling an out-of-the-money call funds the downside buffer.	12 month expiration dates

Note: The exposure to the underlying ETF is created through options and therefore investors will not receive any dividends paid out by the stocks within the market index. Buffer ETFs track the price return of their reference asset, not the total return. The examples are for illustrative purposes only and are not indicative of any actual investment. The chart above illustrates a potential return payoff at the end of approximately one year and is based on hypothetical reference asset returns. The chart does not account for payment of fees and expenses. A fund may not be able to achieve the hypothetical return set forth above. There is no guarantee that the outcomes for a Target Outcome Period will be realized.

Definitions

An **option** is a contractual obligation between a buyer and a seller. The funds use **European style options** which can only be exercised at expiration. There are two types of options known as “calls” and “puts.” The buyer of a **call option** has the right, but not the obligation, to purchase an agreed upon quantity of an underlying asset from the writer (seller) of the option at a predetermined price (the strike price) at the option’s expiration, creating a long position. “**Long**” is an investment term used to describe ownership of the securities. A **put option** is the opposite of a call option and gives the buyer the right to sell to the writer (seller) the underlying asset at the strike price at the option’s expiration. For this right, the buyer pays a fee to the seller, called a **premium**.

In-the-money options (ITM)- are options where the underlying stock price is higher/lower for a call/put relative to the strike price. **Out-of-the-money options (OTM)**- are options where the underlying stock price is lower/higher for a call/put relative to the strike price.

Target Outcome Period refers to the amount of time between when the FLEX Options were purchased and when they will expire. In the case of these ETFs, the Target Outcome Period is about one year.

Underlying ETF or Reference Asset is the underlying asset which the FLEX Option prices are based on.

Cap is a limit on the possible return that an ETF can provide at the end of a Target Outcome Period. This is also referred to as the “maximum return potential”. This means that if the performance of the reference asset is above the cap at the end of an Target Outcome Period, the return an ETF provides will not reflect this full performance. Instead, only the reference asset’s performance up to the cap is used to determine an ETF’s return.

Buffer is like a cushion that, at the end of the Target Outcome Period, absorbs downside loss of the reference asset up to the buffer level (before fees and expenses).

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 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 ETF 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.

ETF shares may only be redeemed directly from an ETF by authorized participants in very large creation/redemption units. ETF shares may trade at a premium or discount to an ETF's net asset value and possibly face delisting and the bid/ask spread may widen.

A fund that effects all or a portion of its creations and redemptions for cash rather than in-kind may be less tax-efficient.

Certain funds have characteristics unlike many other traditional investment products and may not be appropriate for all investors.

Commodity prices can have significant volatility, and exposure to commodities can cause the value of a fund's shares to decline or fluctuate in a rapid and unpredictable manner.

Current market conditions risk is the risk that a particular investment, or shares of the Fund in general, may fall in value due to current market conditions. As a means to fight inflation, the Federal Reserve and certain foreign central banks have raised interest rates and expect to continue to do so, and the Federal Reserve has announced that it intends to reverse previously implemented quantitative easing. Recent and potential future bank failures could result in disruption to the broader banking industry or markets generally and reduce confidence in financial institutions and the economy as a whole, which may also heighten market volatility and reduce liquidity. In February 2022, Russia invaded Ukraine which has caused and could continue to cause significant market disruptions and volatility within the markets in Russia, Europe, and the United States. The hostilities and sanctions resulting from those hostilities have and could continue to have a significant impact on certain Fund investments as well as Fund performance and liquidity. The COVID-19 global pandemic, or any future public health crisis, and the ensuing policies enacted by governments and central banks have caused and may continue to cause significant volatility and uncertainty in global financial markets, negatively impacting global growth prospects.

Certain securities are subject to call, credit, inflation, income, and interest rate risks. These risks could result in a decline in a security's value and/or income, increased volatility as interest rates rise or fall and have an adverse impact on a fund's performance.

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.

A fund does not invest directly in FLEX Options. Rather, it invests in a wholly-owned subsidiary, which will have the same investment objective as a fund, but unlike a fund, it may invest without limitation in FLEX Options. The subsidiary is not registered under the 1940 Act and is not subject to all the investor protections of the 1940 Act. Thus, a fund, as an investor in the subsidiary, will not have all the protections offered to investors in registered investment companies.

Stocks with growth characteristics tend to be more volatile than certain other stocks and their prices may fluctuate more dramatically than the overall stock market.

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

The portfolio managers of an actively managed fund 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 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, the lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers.

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.

Subsidiary investment risk applies to a fund that invests in certain securities through a wholly-owned subsidiary of the fund that is organized under the laws of the Cayman Islands ("Subsidiary"). Changes in the laws of the U.S. and/or Cayman Islands could result in the inability of a fund to operate as intended. The Subsidiary is not registered under the 1940 Act and is not subject to all the investor protections of the 1940 Act. Thus, a fund that is as an investor in the Subsidiary will not have all the protections offered to investors in registered investment companies.

The target outcome investment strategy is designed to deliver returns that match, or for the X series are approximately twice those of, the reference asset if a fund's shares are bought on the day on which a fund enters into the Flexible Exchange Options[®] ("FLEX Options") (i.e., the first day of a Target Outcome Period) and held until those FLEX Options expire at the end of the Target Outcome Period subject to a pre-determined upside cap, while limiting downside losses. If the Underlying ETF experiences gains during a Target Outcome Period, a fund will not participate in those gains on a one-to-one basis or beyond the cap. If an investor does not hold its fund shares for an entire Target Outcome Period, the returns realized by that investor may not match those a fund seeks to achieve. In the event an investor purchases fund shares after the first day of a Target Outcome Period or sells shares prior to the expiration of the Target Outcome Period, the value of that investor's investment in fund shares may not be buffered against a decline in the value of the reference asset and may not participate in a gain in the value of the reference asset up to the cap for the investor's investment period. A shareholder may lose their entire investment.

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

First Trust Advisors L.P. is registered as a commodity pool operator and commodity trading advisor and is also a member of the National Futures Association.

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.

