FIXD

2023年6月30日現在

First Trust TCW Opportunistic Fixed Income ETF

» 運用方針

この上場投資信託 （ETF）は長期総合リターンの最大化を目指します。

» ファンド概要

ティッカーコード	FIXD
CUSIPコード	33740F805
イントラデイ・ティッカー	FIXDIV
設定日	2017年2月14日
経費率^	0.65%
30日SEC利回り†	4.76%
取引所	Nasdaq

» ファンド概要

» ファースト・トラストTCWオポチュニスティック・フィックソド・インカムETFはアクティブ型の上場投資信託(ETF)です。

» 通常、当ファンドは純資産（借入を含む）の少なくとも80%をフィックストインカム証券へ投資することで運用目標の達成を目指します。当ファンドは純資産の35%まで投資適格未満の証券に投資することがあります。

» 当ファンドの助言会社TCWインベストメント・マネジメント・カンパニーLLC（以下、TCW）は、信用力、業種、利子、償還期限の観点から、相対的に割安と判断した債券への投資を行います。

» 投資プロセスは、トップダウン型の景気循環の分析及びボトムアップ型のファンダメンタル分析を組み合わせです。以下の戦略に焦点を当てます：

- デュレーション：TCWの長期経済見通しは投資プロセスの中核で、これがデュレーションの戦略をけん引します。ポートフォリオのリスクは、当ファンドのベンチマークであるブルームバーグ・米国総合債券指数のデュレーションとの差を１年以内とすることで限定します。
- イールドカーブ：イールドカーブのポジションは、TCWのファンダメンタルズ見通し、各イールドスプレッドとの関連の評価、トータルリターン分析に基づきます。
- 業種配分：ポートフォリオは米国・非米国の債券市場を投資対象とします。業種配分の変更は相対価値の判断によるもので、頻繁には生じないものの市況循環の明らかな転換点において最も魅力的な業種により多く配分することを目指します。
- 銘柄選定：銘柄選定は、規律ある信用力かの評価と、安定したキャッシュフロー、流動性、担保率、資本構成の分析、経営の質といったファンダメンタルズに基づく徹底的な信用力の分析を伴います。
- トレーディング：最良執行と機動的なトレーディング機会の追求が投資プロセスにとって重要です。

» ファンドサブアドバイザー

» TCWインベストメント・マネジメント・カンパニーLLCは当ファンドのサブアドバイザーで当ファンドの運用を行います。

- TCWはTCWグループ・インク（以下、TCWグループ）の完全子会社で、TCWグループは約50年の投資経験のある優良でグローバルな運用会社です。
- TCWグループは債券、株式、新興国、及びオルタナティブ投資にわたる幅広い商品を運用しています。
- TCW及びメットウェストのファンドシリーズにより、TCWは米国の最大級の投信会社です。

» 運用実績の概要 (%)

	３か月	年初来	1年	3年	5年	10年	ファンド設定来
ファンドの運用実績*							
基準価額（NAV）リターン	-1.24	2.32	-1.67	-4.32	0.68	—	0.84
市場価格リターン	-1.19	2.43	-0.94	-4.28	0.76	—	0.89
指数のリターン**							
Bloomberg U.S.Aggregate Bond 指数	-0.84	2.09	-0.94	-3.96	0.77	—	0.86

» 運用実績 (%)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD
FIXD	—	—	—	—	—	0.23	8.96	9.15	-1.12	-15.35	2.32
Bloomberg U.S. Aggregate Bond 指数	—	—	—	—	—	0.01	8.72	7.51	-1.54	-13.01	2.09

» リスク過去3年

	標準偏差 (%)	アルファ	ベータ	シャープレシオ	相関係数
FIXD	6.86	0.22	1.11	-0.80	0.99
Bloomberg U.S. Aggregate Bond 指数	6.17	—	1.00	-0.84	1.00

2023年1月3日、ファンドが保有するシニアローン投資の評価に使用される公正価値の算出方法が変更されました。それまでシニアローン投資はプライシングサービスによって提供されるビットプライスを使用して算出されていました。2023年1月3日以降はプライシングサービスによって提供されるビットプライスとアスクプライスの仲値を使用して評価されました。この変更により、ファンドの純資産価値が一時的に1単位あたり約 0.005 ドル上昇しました。これは、ファンドのパフォーマンスに 0.01% のプラスの影響を与えたことを表しています。価格設定方法を変更しなかった場合、2023年6月30日時点で、年初来、1年間、3年間、5年間、およびファンド設定来のパフォーマンスは、それぞれ2.32%、-1.67%、-4.32%、0.68%、および0.84%になります。

記載された運用実績は過去のものであり、将来の運用成果を保証するものではありません。現在の運用成績は、記載された運用実績を上回る場合も下回る場合もあります。投資リターン及び投資元本は変動するため、投資家の受益証券の売却または償還時の価値は取得原価を上回る場合も下回る場合もあります。直近の月末現在までの運用成績は、www.ftportfolios.comにて入手することができます。

^First Trust Advisors L.P.に支払われる運用報酬は、ファンドの純資産によって軽減されるブレイクポイントを導入しています。詳しくはファンドのSAI (Statement of Additional Information) をご覧ください。

†30日SEC利回りは、直近30日間における一口当たりの純投資収益を同期間末日の一口当たり最高オファー価格で割ったもので、報酬の減免や経費の払い戻しの効果を含んでいます。

#30日SEC利回り(報酬・費用込み)は30日SEC利回りと同様に計算されておりますが、契約上の報酬の免除と費用の払い戻しが計算から除外されています。

***基準価額（NAV）リターン**は、当ファンドの純資産総額（資産から負債を控除した額）を当ファンドの発行済受益証券数で割った当ファンドの基準価格に基づいて算出したものです。**市場価格リターン**は、基準価額が計算される時刻における全米最良気配（NBBO: national best bid offer price）の仲値に基づいて算出したものです。リターンは平均の年率リターンであり、期間1年未満のリターンは累積リターンです。当ファンドの運用実績は、報酬の減免や経費の払い戻しの効果を含んでおり、もし報酬の減免や経費の払い戻しがなかった場合には運用実績はより低くなっていました。

**各指数のリターン情報は参考程度のものであり、実際の運用実績を表すものではありません。指数は運用報酬も仲介手数料もかからず、記載されたリターンから運用報酬も仲介手数料も控除されていません。指数は運用されるものではなく、投資家は指数に直接投資することはできません。

First Trust TCW Opportunistic Fixed Income ETF

2023年6月30日現在

» ポートフォリオ情報

保有銘柄数	943
加重平均実効デュレーション [1]	7.03 Years
加重平均実効残存期間	7.77 Years
加重平均価額	$88.96

» 償還期限別組入れ比率 (%)

0-0.99 年	-14.98
1-2.99 年	18.95
3-4.99 年	26.40
5-6.99 年	14.18
7-9.99 年	28.29
10-19.99 年	20.22
>20 年	6.94

[1]金利変化に対する証券の感応度の指標で、利回りの変化による債券価格の変化を反映します。

[2]格付けは、S&Pグローバル・レーティング、ムーディーズ・インベスターズ・サービス、フィッチ・レーティングスをはじめ、全米で認知された統計的格付機関（NRSRO）によって同等の評価を受けた格付会社一社以上によるも のです。一つの証券が複数のNRSROに評価されており格付けが異なる場合、もっとも低い格付けが採用されます。BB+／Ba1以下の格付けは投資不適格、BBB-／Baa3以上は投資適格を表します。示されている信用格付けは、当ファンドまたはその受益証券ではなく、当ファンドが保有する有価証券の発行体の信用力に関連しています。この資料では、米国債、米国政府機関債及び米国政府関係機関の不動産担保証券は（信用度に関して） Government/Agency（政府／政府機関）」と分類されます。信用格付けは変更されます。

» 保有上位銘柄 (%)

U.S. Treasury Note, 4.625%, due 06/30/2025	9.64
U.S. Treasury Note, 4%, due 06/30/2028	8.89
U.S. Treasury Bond, 3.875%, due 05/15/2043	3.84
U.S. Treasury Bond, 3.625%, due 05/15/2053	3.22
Fannie Mae or Freddie Mac TBA, 4%, due 07/01/2052	2.69
Fannie Mae or Freddie Mac TBA, 5%, due 04/01/2053	2.61
Fannie Mae or Freddie Mac TBA, 2%, due 01/01/2052	2.30
Fannie Mae or Freddie Mac TBA, 2.50%, due 02/01/2052	2.19
U.S. Treasury Bond, 2%, due 11/15/2041	2.11
Fannie Mae or Freddie Mac TBA, 3.50%, due 05/01/2052	2.09

» 証券種類別組入れ比率 (%)

政府機関MBS	34.72
米国債・政府機関債	32.55
投資適格債	24.46
非政府機関MBS	10.13
ABS	6.22
CMBS	3.22
ハイイールド債	3.15
新興国債	1.80
バンクローン	1.57
その他	0.03
現金同等物	-17.85

» 信用度/格付け (%)[2]

Government/Agency (cash & equiv)	49.42
AAA	3.18
AA+	0.38
AA	1.92
AA-	1.49
A+	0.88
A	2.49
A-	6.86
BBB+	5.15
BBB	7.33
BBB-	5.93
BB+	2.58
BB	1.65
BB-	1.73
B+	0.36
B	0.91
B-	1.30
CCC+	0.29
CCC	1.83
CCC-	0.49
CC	2.81
C	0.07
D	0.92
NR	0.03

投資の前に、当ファンドの投資目的、リスク、手数料・費用などについて慎重にご検討ください。これら に関する情報、また当ファンドのその他の情報は、当ファンドのプロスペクタス又はサマリープロスペクタスに記載されており、First Trustのウェブサイト（www.ftportfolios.com）にて入手することができます。当ファンドへの投資の前にプロスペクタスの内容を十分にご確認ください。

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.

Asset-backed securities are a type of debt security and are generally not backed by the full faith and credit of the U.S. government and are subject to the risk of default on the underlying asset or loan, particularly during periods of economic downturn.

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.

Investments in bank loans are subject to the same risks as other debt securities, but the risks may be heightened because of limited public information available and because loan borrowers may be leveraged and tend to be more adversely affected by changes in market or economic conditions. The secondary market for bank loans may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

During periods of falling interest rates if an issuer calls higher-yielding debt instruments, a fund may be forced to invest the proceeds at lower interest rates, likely resulting in a decline in the fund's income.

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

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, the possibility that the investments in CLOs are subordinate to other classes or tranches, 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.

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.

Covenant-lite loans contain fewer maintenance covenants than traditional loans and may not include terms that allow the lender to monitor the financial performance of the borrower and declare a default if certain criteria are breached. This may hinder a fund's ability to mitigate problems and increase a fund's exposure to losses on such investments.

An issuer or other obligated party of a debt security may be unable or unwilling to make dividend, interest and/or principal payments when due and the value of a security may decline as a result.

An investment in credit default swaps involves greater risks than if a fund had invested in the reference obligation directly. These risks include general market, liquidity, counterparty, credit and leverage risks.

Ratings assigned by a credit rating agency are opinions of such entities, not absolute standards of credit quality and they do not evaluate risks of securities. Any shortcomings or inefficiencies in the process of determining credit ratings may adversely affect the credit ratings of the securities held by a fund and their perceived or actual credit risk.

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.

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.

Investments in debt securities subject the holder to the credit risk of the issuer and the value of debt securities will generally change inversely with changes in interest rates. In addition, debt securities generally do not trade on a securities exchange making them less liquid and more difficult to 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.

Distressed securities are speculative and often illiquid or trade in low volumes and thus may be more difficult to value and pose a substantial risk of default.

Investments in emerging market securities are generally considered speculative and involve additional risks relating to political, economic and regulatory conditions.

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.

Extension risk is the risk that, when interest rates rise, certain obligations will be paid off by the issuer (or other obligated party) more slowly than anticipated, causing the value of these debt securities to fall. Rising interest rates tend to extend the duration of debt securities, making their market value more sensitive to changes in interest rates.

Floating rate securities are structured so that the security's coupon rate fluctuates based upon the level of a reference rate. As a result, the coupon on floating rate securities will generally decline in a falling interest rate environment, causing a fund to experience a reduction in the income it receives from the security. A floating rate security's coupon rate resets periodically according to the terms of the security. Consequently, in a rising interest rate environment, floating rate securities with coupon rates that reset infrequently may lag behind the changes in market interest rates.

Please see additional risks on the following page.

Risk Considerations (continued)

The market for forward contracts is substantially unregulated and can experience lengthy periods of illiquidity, unusually high trading volume and other negative impacts, such as political intervention. Forward contracts can increase a fund's risk exposure to underlying references and their attendant risks, such as credit risk, currency risk, market risk, and interest rate risk, while also exposing a fund to counterparty risk, liquidity risk and valuation risk, among others.

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.

High yield securities, or "junk" bonds, are less liquid and are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, are considered to be highly speculative.

A fund's income may decline when interest rates fall or if there are defaults in its portfolio.

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.

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

Inflation-indexed debt securities, such as TIPS, are subject to the same risks as other debt securities. Although the holders of TIPS receive no less than the par value of the security at maturity, if a fund purchases TIPS in the secondary market whose principal values have previously been adjusted upward and there is a period of subsequent declining inflation rates, a fund may receive at maturity less than it invested and incur a loss.

Interest rate risk is the risk that the value of the debt securities in a fund's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term debt securities and higher for longer-term debt securities.

The London Interbank Offered Rate ("LIBOR") has ceased to be made available as a reference rate. Any potential effects of the transition away from LIBOR on the fund or on certain instruments in which the fund invests is difficult to predict and could result in losses to the fund. The unavailability or replacement of LIBOR may affect the value, liquidity or return on certain fund investments and may result in costs incurred in connection with closing out positions and entering into new trades.

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. 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 could have a significant impact on certain fund investments as well as fund performance. The COVID-19 global pandemic 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. While vaccines have been developed, there is no guarantee that vaccines will be effective against future variants of the disease. 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.

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.

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

The values of municipal securities may be adversely affected by local political and economic conditions and developments. Income from municipal securities could be declared taxable because of, among other things, unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or state tax authorities, or noncompliant conduct of an issuer.

There are no government or agency guarantees of payments in securities offered by non- government issuers, therefore they are subject to the credit risk of the issuer. Non-agency securities often trade "over-the-counter" and there may be a limited market for them making them difficult to value.

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.

The prices of options are volatile and the effective use of options depends on a fund's ability to terminate option positions at times deemed desirable to do so. There is no assurance that a fund will be able to effect closing transactions at any particular time or at an acceptable price.

Because OTC derivatives do not trade on an exchange, the parties to an OTC derivative face heightened levels of counterparty risk, liquidity risk and valuation risk.

High portfolio turnover may result in higher levels of transaction costs and may generate greater tax liabilities for shareholders.

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

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.

Prepayment risk is the risk that the issuer of a debt security will repay principal prior to the scheduled maturity date. Debt securities allowing prepayment may offer less potential for gains during a period of declining interest rates, as a fund may be required to reinvest the proceeds of any prepayment at lower interest rates.

If a fund's counterparty defaults on its obligations and a fund is delayed or prevented from recovering collateral, or if the value of the collateral is insufficient, a fund may realize a loss.

A fund may be unable to sell a restricted security on short notice or only sell them at a price below current value.

Companies that issue loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. 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. The senior loan market has seen a significant increase in loans with weaker lender protections which may impact recovery values and/or trading levels in the future.

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.

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. In times of economic uncertainty, the prices of these securities may be more volatile than those of corporate debt or other government debt obligations.

Swap agreements may involve greater risks than direct investment in securities and could result in losses if the underlying reference or asset does not perform as anticipated. In addition, many swaps trade over-the-counter and may be considered illiquid.

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.

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.

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.

The purchase of securities on a when-issued, TBA ("to be announced"), delayed delivery or forward commitment basis may give rise to investment leverage and increase a fund's volatility and exposure to default.

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.

用語集

標準偏差は価格の変動性（リスク）の指標です。**アルファ** は、投資対象のリスク調整後リターンがどれぐらいベンチマークを上回るか下回るかの指標です。**ベータ** は市場に対する価格変動性の指標です。**シャープレシオ**は標準偏差の一単位あたりの超過リターンの指標です。**相関係数**はパフォ ーマンスの類似性を測る指標です。**Bloomberg U.S. Aggregate Bond 指数**は財務省、政府関連及び企業証券、MBS、ABS、CMBSを含む投資適格の米ドル建て固定金利課税債券市場を対象としています。

Risk Consideration

ファンドに投資することにより損失を被ることがあります。ファンド投資は銀行預金ではなく、保険がかけられているわけでなく保証もされていません。 ファンドの目的が達成されるという保証はありません。ファンドを売買する際、仲介手数料を負担していただく場合があります。ファンドのリスクの詳細については、各ファンドの目論見書および Statement of Additional Information を参照してください。以下のリスク要因の記載の順序は、特定のリスク要因の重要性を示すものではありません。

- 市場リスクとは、特定の証券、または一般的に株式の価値が下がる可能性があるリスクです。
- 証券は、一般的な経済情勢、政治的出来事、規制または市場の動向、金利の変動、債務不履行あるいはエクステンション、信用格付け、流動性および証券価格の認識された傾向など、様々な要因によって引き起こされる市場変動の影響を受けます。その結果、ファンドの株式の価値が低下したり、他の投資を下回る可能性があります。さらに、戦争、テロ行為、感染症の蔓延、その他の公衆衛生の問題、不況、またはその他の出来事などの地域的、または世界的な出来事は、ファンドに重大な悪影響を与える可能性があります。
- 投資信託とは異なり、ファンドの持ち分は、非常に大規模な設定/解約ユニットの指定参加者によってのみ直接償還することができます。ファンドの指定参加者が設定/解約注文を進めることができず、他の指定参加者が設定または解約に進むことができない場合、ファンドの持ち分はファンドの純資産価格に対してプレミアムまたはディスカウントで取引され、上場廃止に直面する場合があります。ビッド/アスクのスプレッドが広がる場合があります。
- 為替レートや他国通貨の米ドルに対する価値の変動は、ファンドの投資価値やファンドの持ち分の価値に影響を与える場合があります。
- ファンドは、サイバーセキュリティの侵害によるオペレーショナルリスクの影響を受けやすくなっています。このような事態が発生すると、ファンドは規制上の罰則、評判の低下、是正措置に関連する追加のコンプライアンス費用、および金銭的損失を被る場合があります。
- 預託証券は、主要な取引市場の原株より流動性が低く、配当には手数料がかかる場合があります。
- 保有者の議決権に制限がある場合や特定の国において投資制限がある場合があり、このためその価値に悪影響を与える場合があります。
- 中国中央政府は、行政規制や国有化を通じて、歴史的に中国経済のほぼすべてのセクターに対して実質的な規制強化を行ってきました。中国中央政府および地方政策当局の行動は、中国の経済状況に大きな影響を与え続けています。輸出の増加は、中国の急速な経済成長の主要な要因の一つです。関税やその他の貿易障壁の導入、または中国の主要な貿易輸出国のいずれかの経済の低迷は、中国経済に不利な影響を及ぼす可能性があります。
- 中国では、外国人または外国法人による特定のセクターにおける企業の直接的な所有は禁止されています。該当するビジネスへの海外からの投資を可能にするため、多くの中国企業は間接的な外国人所有を可能にするため、Variable Interest Entity（以下、VIE）スキームを作成しています。VIE スキームは中国の法律で正式に認可されていません。中国政府による VIE スキームに関する介入は、中国企業の業績とファンドが投資する中国企業とシェルカンパニーとの間の VIE スキームに大きな影響を与える可能性があります。VIE スキームは、投資先となる中国発行体または運営企業に関連する投資リスクの影響を受けます。
- 一部のアジア経済は他国との貿易に依存しており、少数のアジア発行体に投資資金と取引高が集中しており、投資家と金融仲介業者も集中しています。一部のアジア諸国では宗教的、民族的、社会経済的および、または政治的な不安定さなどの結果、資産の没収と国有化、没収課税、通貨操作、政治的不安定、武力衝突、社会的不安定さが発生します。特に、北朝鮮との緊張がエスカレートすると、アジア経済に重大な悪影響を及ぼす可能性があります。米中間の最近の動きは、関税の増加と貿易の制限への懸念を高めています。
- たとえファンドが投資していない国であっても、欧州諸国での政治的または経済的な混乱は証券の価値やファンドの保有資産に不利な影響を及ぼす可能性があります。欧州には多くの欧州連合加盟国があり、これらの加盟国は独自の通貨政策を行っておらず、通貨供給やユーロの政策金利など、通貨政策を指示する権限は欧州中央銀行が行使しています。イギリスが欧州連合からの離脱を果たした場合の影響は予測が難しく、完全には分かっていない状況です。
- 新興国の証券市場への投資は概して投機的であり、政治、経済、規制に関する追加のリスクを伴います。株式は、短期または長期にわたり価格が大幅に下落し、市場全体で発生するか、特定の国、企業、業界、または市場セクターで発生する可能性があります。
- 2022 年 2 月、ロシアはウクライナに侵攻しましたが、このことは、ロシア、ヨーロッパ、および米国の市場に重大な混乱と変動を引き起こし、また今後も引き起こし続ける可能性があります。戦争行為とその戦争行為に起因する制裁措置は、特定のファンド投資およびファンドのパフォーマンスに重大な影響を与える場合があります。
- COVID－19 の世界的大流行は、世界の金融市場に重大な変動と衰退を引き起こし、また今後も引き起こし続ける可能性があります。COVID-19 に対するワクチンは作られましたが、この病気の新たな変異株に対して有効であるという保証はありません。近年及び将来における銀行の倒産は、金融業界や市場に混乱を引き起こし、金融機関や経済全体の信頼を低下させる可能性があります。信頼の低下により、市場のボラティリティが高まり、流動性が減少する恐れもあります。

- 大手資本企業は、全体の市場よりも成長率が低い可能性があります。
- マーケットメーカーの数が限られているためにファンドの持ち分の活発な市場が不足する可能性を含め、ファンドは多くの市場取引リスクに直面しています。マーケットメーカーまたは承認された参加者が市場ストレス時に自身の役割を減らすか辞任すると決断すると、ファンドのポートフォリオ証券の基礎となる価値とファンドの市場価格との関係を維持する上での裁定取引プロセスの有効性を阻害する場合があります。
- ロンドン銀行間取引金利（"LIBOR"）は、参照金利として提供されなくなりました。LIBOR からの移行による潜在的な影響は、ファンドまたはファンドが投資する特定の金融商品に対して予測が難しく、ファンドへの損失をもたらす可能性があります。LIBOR の利用不可または代替レートの導入は、一部のファンド投資の価値、流動性、収益に影響を与え、ポジションの決済と新しい取引の締結に伴う費用が発生する可能性があります。
- 米国以外の発行者の証券は、通貨の変動、政治的リスク、源泉徴収、流動性の欠如、適切な財務情報の欠如などのリスクにも晒されています。
- ファンドおよびファンドのアドバイザーは、管理や手続を通じてさまざまなオペレーショナルリスクの削減に努めるものですが、そのようなリスクを完全に排除することは不可能です。また、ファンドはカストディを含むさまざまなサービスを第三者に依存しているため、これらのサービスが遅延したり実行されなかったりすると、ファンドの目的の達成に影響を及ぼす場合があります。
- ポートフォリオの売買頻度が高いと、取引コストが高くなり、投資家の税負担が大きくなる場合があります。
- ファンドの持ち分の市場価格は、通常、ファンドの純資産価格（"NAV"）の変化、および取引所でのファンドに対する需給に応じて変動します。ファンドの運用アドバイザーは持ち分の取引価格が NAV に対して低価であるか、等価であるか、高価であるかは予測できません。
- 取引所での取引は、市況その他の理由により停止する場合があります。
- 取引所の上場を維持するためのファンドの要件が引き続き満たされる、または変更されないという保証はありません。
- First Trust Advisors L.P.がファンドのアドバイザーです。
- First Trust Advisors L.P.はファンドのディストリビューターである First Trust Portfolios L.P.の関連会社です。
- 掲示された情報は、特定の人物に対する投資の推奨またはアドバイスをすることを意図したものではありません。
- この情報を提供することにより、First Trust は、ERISA、内国歳入法、またはその他の規制の枠組みの範囲内で、受託者としてのアドバイスを提供するものではありません。
- 金融商品取扱業者等におかれましては、独自に投資に関するリスク評価を行い、投資を行うことが顧客にとって適切であるかどうかについて評価や判断等をお願いいたします。
- 一部のファンド投資は、再販売に制限がかかる場合や、店頭取引または取引が制限されている場合、あるいは市場での活発な取引が行われていない場合があります。流動性の低い証券は、ディスカウントで取引される可能性があり、市場価値が大幅に変動する可能性があります。
- 不動産投資信託（以下、REIT）は、不動産市場の変動、空室率と競争、金利の変動、経済的不況などのリスクに晒されており、REIT の投資家が金利の上昇を予測する場合、ファンドの価値は一般的に低下する場合があります。
- ショートはリスクを生み、増加した利益や損失、そしてリターンのボラティリティを増加する可能性があります。
- ファンドは、市場全体よりもボラティリティが高い証券に投資する場合があります。
- ハイ・イールド証券、または「ジャンク」債券は、高い格付けを持つ証券よりも流動性が低く、市場の変動および損失リスクが高いため、投機的リスクがあります。
- ハイブリッド証券の保有者は、発行体の破綻時に優先されず、通常の債券よりもボラティリティが高いためより大きなリスクに晒される可能性があります。
- 信用格付け機関によって付与される格付けはその機関の意見であり、信用品質の絶対的な基準ではなく、証券のリスクは評価しません。信用格付けを決定するプロセスにおける不備や非効率性は、ファンドの信用リスクに不利な影響を及ぼす可能性があります。

◆First Trust 社が作成した「Risk Consideration」から、Teneo Partners 株式会社（以下、弊社）が抜粋、編集の上、翻訳して作成をしております。原文には個別の商品に関してより詳細なリスク情報等の記述がありますので、あわせてご確認ください。

◆本資料は、ファンドの状況および関連情報のご提供を目的としており、有価証券取引の勧誘を目的としたものではありません。

◆本資料において、訳文と原文に相違がある場合には、英文の原文が優先します。

◆本資料は、信頼できると考えられるデータ・情報に基づいて作成しておりますが、その正確性・完全性等について保証するものではなく、記載内容は予告なく変更されることがあります。

◆掲載されている金融商品の売買につきましては、販売会社へお問い合わせ下さい。

Teneo Partners 株式会社
第一種及び第二種金融商品取引業「関東財務局長（金商 第 2315 号）」加入協会：日本証券業協会

FIXD

As of 6/30/23

First Trust TCW Opportunistic Fixed Income ETF

» Fund Objective

This exchange-traded fund seeks to maximize long-term total return.

» Fund Facts

Fund Ticker	FIXD
CUSIP	33740F805
Intraday NAV	FIXDIV
Fund Inception Date	2/14/17
Expense Ratio^	0.65%
30-Day SEC Yield†	4.76%
Primary Listing	Nasdaq

» Fund Description

» The First Trust TCW Opportunistic Fixed Income ETF is an actively managed exchange-traded fund.

» Under normal market conditions, the fund will seek to achieve its investment objective by investing at least 80% of its net assets (including investment borrowings) in fixed income securities. The fund may invest up to 35% of its net assets in securities rated below investment grade.

» The fund's sub-advisor, TCW Investment Management Company LLC ("TCW") will attempt to focus the portfolio holdings in areas of the fixed income market, based on quality, sector, coupon or maturity, that they believe to be relatively undervalued.

» The investment process uses a combination of top-down business cycle analysis and bottom-up fundamental research, focusing on these strategies:

- Duration: At the core of the investment process is TCW's long-term economic outlook, which drives the duration strategy. Portfolio risk is addressed through the limitation of duration to within one year of the fund's benchmark, the Bloomberg U.S. Aggregate Bond Index.
- Yield Curve: Yield curve positioning is based on TCW's fundamental outlook, evaluation of yield spread relationships and total return analysis.
- Sector Allocation: The portfolio is allocated across domestic and international fixed income sectors. Shifts in sector allocations are based on relative value decisions, seeking to overweight the most attractive sectors at pronounced, though generally infrequent, turning points in market cycles.
- Issue Selection: Security selection involves evaluation of credit discipline and intensive fundamental credit analysis considering factors such as cash flow consistency, liquidity, collateral coverage, capital structure analysis and management quality.
- Trading: Diligent pursuit of best execution and opportunistic trading opportunities are essential to the investment process.

» Fund Sub-Advisor

» TCW Investment Management Company LLC is the sub-advisor to the fund and will manage the fund's portfolio.

- TCW is a wholly owned subsidiary of The TCW Group, Inc. ("TCW Group"), which is a leading global asset management firm with nearly five decades of investment experience.
- TCW Group manages a broad range of products across fixed income, equities, emerging markets and alternative investments.
- Through the TCW and MetWest Fund Families, TCW manages one of the largest mutual fund complexes in the U.S.

» Performance Summary (%)

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Fund Inception
Fund Performance*							
Net Asset Value (NAV)	-1.24	2.32	-1.67	-4.32	0.68	—	0.84
After Tax Held	-1.58	1.58	-3.19	-5.40	-0.51	—	-0.32
After Tax Sold	-0.73	1.37	-1.00	-3.66	0.06	—	0.18
Market Price	-1.19	2.43	-0.94	-4.28	0.76	—	0.89
Index Performance**							
Bloomberg US Aggregate Bond Index	-0.84	2.09	-0.94	-3.96	0.77	—	0.86

» Calendar Year Total Returns (%)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD
FIXD	—	—	—	—	—	0.23	8.96	9.15	-1.12	-15.35	2.32
Bloomberg US Aggregate Bond Index	—	—	—	—	—	0.01	8.72	7.51	-1.54	-13.01	2.09

» 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FIXD	6.86	0.22	1.11	-0.80	0.99
Bloomberg US Aggregate Bond Index	6.17	—	1.00	-0.84	1.00

On January 3, 2023, the fair value methodology used to value the senior loan investments held by the fund was changed. Prior to that date, the senior loans were valued using the bid side price provided by a pricing service. After such date, the senior loans were valued using the midpoint between the bid and ask price provided by a pricing service. The change in the fund's fair value methodology on January 3, 2023, resulted in a one-time increase in the fund's net asset value of approximately $0.005 per share on that date, which represented a positive impact on the fund's performance of 0.01%. Without the change to the pricing methodology, the performance of the fund on a NAV basis would have been 2.32%, -1.67%, -4.32%, 0.68%, and 0.84%, in the year-to-date, one-year, three-year, five-year and since fund inception periods ended June 30, 2023, respectively.

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.

^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.

†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.

***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.

First Trust TCW Opportunistic Fixed Income ETF

As of 6/30/23

» Portfolio Information

Number Of Holdings	943
Weighted Average Effective Duration	7.03 Years
Weighted Average Maturity	7.77 Years
Weighted Average Price	$88.96

» Maturity Exposure (%)

0-1 Year	-14.98
1-3 Years	18.95
3-5 Years	26.40
5-7 Years	14.18
7-9 Years	28.29
10-20 Years	20.22
>20 Years	6.94

[1]A measure of a security's sensitivity to interest rate changes that reflects the change in a security's price given a change in yield.

[2]The credit quality and ratings information presented reflect the ratings assigned by one or more nationally recognized statistical rating organizations (NRSROs), including S&P Global Ratings, Moody's Investors Service, Inc., Fitch Ratings, or a comparably rated NRSRO. For situations in which a security is rated by more than one NRSRO and the ratings are not equivalent, the lowest ratings are used. Sub-investment grade ratings are those rated BB+/Ba1 or lower. Investment grade ratings are those rated BBB-/Baa3 or higher. The credit ratings shown relate to the creditworthiness of the issuers of the underlying securities in the fund, and not to the fund or its shares. U.S. Treasury, U.S. Agency and U.S. Agency mortgage-backed securities appear under "Government/Agency". Credit ratings are subject to change.

» Top Holdings (%)

U.S. Treasury Note, 4.625%, due 06/30/2025	9.64
U.S. Treasury Note, 4%, due 06/30/2028	8.89
U.S. Treasury Bond, 3.875%, due 05/15/2043	3.84
U.S. Treasury Bond, 3.625%, due 05/15/2053	3.22
Fannie Mae or Freddie Mac TBA, 4%, due 07/01/2052	2.69
Fannie Mae or Freddie Mac TBA, 5%, due 04/01/2053	2.61
Fannie Mae or Freddie Mac TBA, 2%, due 01/01/2052	2.30
Fannie Mae or Freddie Mac TBA, 2.50%, due 02/01/2052	2.19
U.S. Treasury Bond, 2%, due 11/15/2041	2.11
Fannie Mae or Freddie Mac TBA, 3.50%, due 05/01/2052	2.09

» Fund Composition (%)

Agency MBS	34.72
US Government/Agency	32.55
Investment Grade Credit	24.46
Non-Agency MBS	10.13
ABS	6.22
CMBS	3.22
High Yield Credit	3.15
Emerging Market Credit	1.80
Bank Loans	1.57
Other	0.03
Cash & Equivalents	-17.85

» Credit Quality (%)[2]

Government/Agency (cash & equiv)	49.42
AAA	3.18
AA+	0.38
AA	1.92
AA-	1.49
A+	0.88
A	2.49
A-	6.86
BBB+	5.15
BBB	7.33
BBB-	5.93
BB+	2.58
BB	1.65
BB-	1.73
B+	0.36
B	0.91
B-	1.30
CCC+	0.29
CCC	1.83
CCC-	0.49
CC	2.81
C	0.07
D	0.92
NR	0.03

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.

Asset-backed securities are a type of debt security and are generally not backed by the full faith and credit of the U.S. government and are subject to the risk of default on the underlying asset or loan, particularly during periods of economic downturn.

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.

Investments in bank loans are subject to the same risks as other debt securities, but the risks may be heightened because of limited public information available and because loan borrowers may be leveraged and tend to be more adversely affected by changes in market or economic conditions. The secondary market for bank loans may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

During periods of falling interest rates if an issuer calls higher-yielding debt instruments, a fund may be forced to invest the proceeds at lower interest rates, likely resulting in a decline in the fund's income.

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

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, the possibility that the investments in CLOs are subordinate to other classes or tranches, 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.

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.

Covenant-lite loans contain fewer maintenance covenants than traditional loans and may not include terms that allow the lender to monitor the financial performance of the borrower and declare a default if certain criteria are breached. This may hinder a fund's ability to mitigate problems and increase a fund's exposure to losses on such investments.

An issuer or other obligated party of a debt security may be unable or unwilling to make dividend, interest and/or principal payments when due and the value of a security may decline as a result.

An investment in credit default swaps involves greater risks than if a fund had invested in the reference obligation directly. These risks include general market, liquidity, counterparty, credit and leverage risks.

Ratings assigned by a credit rating agency are opinions of such entities, not absolute standards of credit quality and they do not evaluate risks of securities. Any shortcomings or inefficiencies in the process of determining credit ratings may adversely affect the credit ratings of the securities held by a fund and their perceived or actual credit risk.

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.

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.

Investments in debt securities subject the holder to the credit risk of the issuer and the value of debt securities will generally change inversely with changes in interest rates. In addition, debt securities generally do not trade on a securities exchange making them less liquid and more difficult to 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.

Distressed securities are speculative and often illiquid or trade in low volumes and thus may be more difficult to value and pose a substantial risk of default.

Investments in emerging market securities are generally considered speculative and involve additional risks relating to political, economic and regulatory conditions.

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.

Extension risk is the risk that, when interest rates rise, certain obligations will be paid off by the issuer (or other obligated party) more slowly than anticipated, causing the value of these debt securities to fall. Rising interest rates tend to extend the duration of debt securities, making their market value more sensitive to changes in interest rates.

Floating rate securities are structured so that the security's coupon rate fluctuates based upon the level of a reference rate. As a result, the coupon on floating rate securities will generally decline in a falling interest rate environment, causing a fund to experience a reduction in the income it receives from the security. A floating rate security's coupon rate resets periodically according to the terms of the security. Consequently, in a rising interest rate environment, floating rate securities with coupon rates that reset infrequently may lag behind the changes in market interest rates.

Please see additional risks on the following page.

Risk Considerations (continued)

The market for forward contracts is substantially unregulated and can experience lengthy periods of illiquidity, unusually high trading volume and other negative impacts, such as political intervention. Forward contracts can increase a fund's risk exposure to underlying references and their attendant risks, such as credit risk, currency risk, market risk, and interest rate risk, while also exposing a fund to counterparty risk, liquidity risk and valuation risk, among others.

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.

High yield securities, or "junk" bonds, are less liquid and are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, are considered to be highly speculative.

A fund's income may decline when interest rates fall or if there are defaults in its portfolio.

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.

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

Inflation-indexed debt securities, such as TIPS, are subject to the same risks as other debt securities. Although the holders of TIPS receive no less than the par value of the security at maturity, if a fund purchases TIPS in the secondary market whose principal values have previously been adjusted upward and there is a period of subsequent declining inflation rates, a fund may receive at maturity less than it invested and incur a loss.

Interest rate risk is the risk that the value of the debt securities in a fund's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term debt securities and higher for longer-term debt securities.

The London Interbank Offered Rate ("LIBOR") has ceased to be made available as a reference rate. Any potential effects of the transition away from LIBOR on the fund or on certain instruments in which the fund invests is difficult to predict and could result in losses to the fund. The unavailability or replacement of LIBOR may affect the value, liquidity or return on certain fund investments and may result in costs incurred in connection with closing out positions and entering into new trades.

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. 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 could have a significant impact on certain fund investments as well as fund performance. The COVID-19 global pandemic 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. While vaccines have been developed, there is no guarantee that vaccines will be effective against future variants of the disease. 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.

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.

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

The values of municipal securities may be adversely affected by local political and economic conditions and developments. Income from municipal securities could be declared taxable because of, among other things, unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or state tax authorities, or noncompliant conduct of an issuer.

There are no government or agency guarantees of payments in securities offered by non- government issuers, therefore they are subject to the credit risk of the issuer. Non-agency securities often trade "over-the-counter" and there may be a limited market for them making them difficult to value.

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.

The prices of options are volatile and the effective use of options depends on a fund's ability to terminate option positions at times deemed desirable to do so. There is no assurance that a fund will be able to effect closing transactions at any particular time or at an acceptable price.

Because OTC derivatives do not trade on an exchange, the parties to an OTC derivative face heightened levels of counterparty risk, liquidity risk and valuation risk.

High portfolio turnover may result in higher levels of transaction costs and may generate greater tax liabilities for shareholders.

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

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.

Prepayment risk is the risk that the issuer of a debt security will repay principal prior to the scheduled maturity date. Debt securities allowing prepayment may offer less potential for gains during a period of declining interest rates, as a fund may be required to reinvest the proceeds of any prepayment at lower interest rates.

If a fund's counterparty defaults on its obligations and a fund is delayed or prevented from recovering collateral, or if the value of the collateral is insufficient, a fund may realize a loss.

A fund may be unable to sell a restricted security on short notice or only sell them at a price below current value.

Companies that issue loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. 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. The senior loan market has seen a significant increase in loans with weaker lender protections which may impact recovery values and/or trading levels in the future.

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.

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. In times of economic uncertainty, the prices of these securities may be more volatile than those of corporate debt or other government debt obligations.

Swap agreements may involve greater risks than direct investment in securities and could result in losses if the underlying reference or asset does not perform as anticipated. In addition, many swaps trade over-the-counter and may be considered illiquid.

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.

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.

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.

The purchase of securities on a when-issued, TBA ("to be announced"), delayed delivery or forward commitment basis may give rise to investment leverage and increase a fund's volatility and exposure to default.

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 **Bloomberg U.S. Aggregate Bond Index** covers the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS, ABS, and CMBS.