

» Fund Objective

This exchange-traded fund seeks to provide high current income by investing primarily in a diversified portfolio of first lien senior floating-rate bank loans ("Senior Loans"). Capital preservation is a secondary objective.

» Fund Facts

Fund Ticker	FTSL
ISIN	US33738D3098
CUSIP	33738D309
Intraday NAV	FTSLIV
Fund Inception Date	1/5/13
Total Expense Ratio	0.70%
30-Day SEC Yield [†]	6.21%
Primary Listing	Nasdaq

» Portfolio Managers

William Housey, CFA;
Managing Director of Fixed Income
Jeffrey Scott, CFA; Senior Vice President

» Fund Description

- » The First Trust Senior Loan Fund is an actively managed exchange-traded fund. Under normal market conditions, the fund will invest in at least 80% of its net assets in Senior Loans that are made predominantly to businesses operating in North America and may also invest up to 20% of its net assets in non-Senior Loan debt securities, warrants, equity securities and securities of other investment companies.
- » Senior loans are generally secured by the assets of a given company. Senior loans' secured position within a capital structure can mitigate losses in the event of a default.
- » Consider these factors about the fund:
 - The fund has the potential to provide high current income, while potentially limiting interest rate risk.
 - The fund may provide an element of protection against rising interest rates because of the floating-rate feature of the senior loans in which the fund invests.
 - The fund offers a potential diversification benefit because of the historically low correlation of senior loans to other asset classes.
 - The First Trust Senior Loan Fund is an actively managed senior loan ETF, providing credit risk management, enhanced liquidity and transparency for senior loan investors.

» Fund Advisor

- » The portfolio is selected and managed by the First Trust Advisors' Leveraged Finance Investment Team.
 - The team uses a combination of a rigorous fundamental credit selection process with relative value analysis. The portfolio managers believe that an evolving investment environment offers varying degrees of investment opportunities in the bank loan market.
 - In order to capitalize on attractive investments and effectively manage potential risk, the team believes that the combination of thorough and continuous credit analysis, market evaluation, diversification, and the ability to reallocate investments among senior loans or other debt is critical to achieving higher risk-adjusted returns.
 - Fundamental analysis involves the evaluation of industry trends, management quality, collateral adequacy, and the consistency of corporate cash flows. Through fundamental credit analysis, the Leveraged Finance Investment Team can position the portfolio in securities that they believe will provide the most attractive relative value in the market.

» Performance Summary (%)

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Fund Inception
Fund Performance*							
Net Asset Value (NAV)	1.70	6.28	6.28	8.40	5.47	4.82	4.10
Market Price	1.68	5.97	5.97	8.51	5.33	4.80	4.08
Index Performance**							
Bloomberg US Aggregate Bond Index	1.10	7.30	7.30	4.66	-0.36	2.01	1.84
Morningstar® LSTA® US Leveraged Loan Index	1.22	5.90	5.90	9.36	6.42	5.83	4.85

» Calendar Year Total Returns (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
FTSL	0.31	7.09	2.85	-0.84	9.48	2.57	4.02	-1.51	11.11	7.86	6.28
Bloomberg US Aggregate Bond Index	0.55	2.65	3.54	0.01	8.72	7.51	-1.54	-13.01	5.53	1.25	7.30
Morningstar® LSTA® US Leveraged Loan Index	-0.69	10.14	4.11	0.47	8.64	3.12	5.20	-0.63	13.29	9.01	5.90

» 3-Year Statistics

	Standard Deviation (%)	Alpha	Beta	Sharpe Ratio	Correlation
FTSL	1.98	-0.15	0.83	1.74	0.90
Morningstar® LSTA® US Leveraged Loan Index	2.14	—	1.00	2.03	1.00

Performance data quoted represents past performance. Past performance is not a guarantee of future results and current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and shares when sold or redeemed, may be worth more or less than their original cost. You can obtain performance information which is current through the most recent month-end by visiting www.ftportfolios.jp.

[†]First Trust has contractually agreed to waive management fees of 0.16% of average daily net assets until 28 February 2027.

[‡]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 and includes the effects of fee waivers and expense reimbursements.

^{*}NAV returns are based on the fund's net asset value which represents the fund's net assets (assets less liabilities) divided by the fund's outstanding shares. **Market Price** returns are determined by using the midpoint of the national best bid offer price ("NBBO") as of the time that the fund's NAV is calculated. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative. The fund's performance reflects fee waivers and expense reimbursements, absent which performance would have been lower.

^{**}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	317
Weighted Average Effective Duration ¹	0.58 Years
Weighted Average Maturity	4.57 Years
Weighted Average Price	\$99
Days to Reset ²	0.63 Days
3-Month Term SOFR ³	3.65%
Percent of Assets with Interest Rate Floors	33.26%

» Top Industry Exposure (%)

Insurance	14.71
Software	14.00
Health Care Providers & Services	6.63
Health Care Technology	5.04
Professional Services	4.19
Hotels, Restaurants & Leisure	3.99
Media	3.62
IT Services	3.48
Commercial Services & Supplies	3.35
Trading Companies & Distributors	3.11

» Top Issuers (%)

Acrisure, LLC	1.91
Hyperion Insurance Group Limited (aka - Howden Group)	1.87
athenahealth Group, Inc	1.83
Whatabands LLC	1.58
CRC Insurance Group (fka Truist Insurance)	1.51
Mediware (Wellsky/Project Ruby Ultimate Parent Corp.)	1.44
Proofpoint, Inc.	1.36
OneDigital Borrower, LLC	1.33
Quikrete Holdings, Inc.	1.26
Cloud Software Group, Inc. (a.k.a. Citrix Software Inc. or Tibco)	1.25

» Credit Quality (%)⁴

BBB-	1.50
BB+	1.98
BB	7.13
BB-	14.28
B+	12.70
B	35.28
B-	17.74
CCC+	4.98
CCC	0.28
NR	4.13

» Top Asset Types (%)

Loan	87.17
Bond	12.83
Equity	0.00

¹A measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield. Given that senior loans typically pay a floating rate of interest, they tend to have an effective duration of almost zero. As such, we estimate the duration for senior loans to be approximately 0.25 years.

²Days to Reset is the average number of days until the floating component of a loan resets.

³Term SOFR Reference Rates provide an indicative, forward-looking measurement of SOFR rates, based on market expectations implied from leading derivatives markets. The Secured Overnight Financing Rate (SOFR) is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities. The SOFR includes all trades in the Broad General Collateral Rate plus bilateral Treasury repurchase agreement (repo) transactions.

⁴The ratings are by S&P Global Ratings. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of the creditworthiness of an issuer with respect to debt obligations. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Investment grade is defined as those issuers that have a long-term credit rating of BBB- or higher. "NR" indicates no rating. The credit ratings shown relate to the credit worthiness of the issuers of the underlying securities in the Fund, and not to the Fund or its shares. Credit ratings are subject to change.

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

Risk Considerations

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

Unlike mutual funds, shares of the fund may only be redeemed directly from a fund by authorized participants in very large creation/redemption units. If a fund's authorized participants are unable to proceed with creation/redemption orders and no other authorized participant is able to step forward to create or redeem, fund shares may trade at a premium or discount to a fund's net asset value and possibly face delisting and the bid/ask spread may widen.

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.

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.

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.

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.

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.

Defaulted securities pose a much greater risk that principal will not be repaid than non-defaulted securities which may result in losses for a fund.

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.

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.

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.

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.

Please see additional risks on the following page.

Risk Considerations (continued)

If a fund invests in securities of another investment company, a fund may bear its ratable share of that investment company's expenses as well as a fund's advisory and administrative fees, which may result in duplicative expenses. A fund may also incur brokerage costs if purchasing or selling shares of exchange-traded investment companies.

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

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.

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.

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.

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.

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.

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.

Warrants and rights do not include the right to dividends, voting, or to the assets of the issuer and the value of the warrants and rights does not necessarily change with the value of the underlying securities. The market for warrants and rights may be limited.

First Trust Advisors L.P. is the adviser to the fund. First Trust Advisors L.P. is an affiliate of First Trust Portfolios L.P., the fund's distributor. First Trust Japan is the fund's sub-distributor.

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

Definitions

Standard Deviation is a measure of price variability (risk). **Alpha** is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark. **Beta** is a measure of price variability relative to the market. **Sharpe Ratio** is a measure of excess reward per unit of volatility. **Correlation** is a measure of the similarity of performance. The **Morningstar® LSTA® US Leveraged Loan Index** is a market value-weighted index that is designed to deliver comprehensive, precise coverage of the US leveraged loan market. The **Bloomberg US 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.