

**» Fund Objective**

This exchange-traded fund seeks to provide investors with current income with a secondary objective of providing capital appreciation.

**» Fund Facts**

Fund Ticker	LQTI
CUSIP	33738D747
ISIN	US33738D7479
Fund Inception Date	12/2/25
Total Expense Ratio	0.65%
Primary Listing	NYSE Arca

**» Fund Description**

- » Under normal market conditions, the FT Vest Investment Grade & Target Income ETF (the “fund”) will pursue its investment objectives by investing in U.S. Treasury securities and utilizing an option strategy consisting of purchasing and writing (selling) U.S. exchange-traded call options, including Flexible Exchange options (“FLEX Options”), on the iShares® iBoxx® \$ Investment Grade Corporate Bond ETF (“Underlying ETF”).
- » The fund’s strategy uses FLEX Options and treasuries for synthetic exposure to the Underlying ETF and seeks to generate additional income by selling weekly call options on the Underlying ETF.
- » The investment process consists of two parts:
  - Income Potential – The fund targets an annual income level of approximately 5.0% (before fees and expenses) over the Underlying ETF annual income yield. The fund will also purchase a laddered portfolio of short-term U.S. Treasury securities, the income of which is anticipated to be distributed to investors throughout the year.
  - Growth Potential – Capital appreciation based on combining premiums collected from the sale of call options with the discount from the purchased deep in-the-money call options, the fund seeks to increase total income while still participating in some of the growth potential from the Underlying ETF.
- » The fund will seek to convert a portion of the growth potential of the fund into current income.
  - Each week, the fund compares the FLEX Option Discount on the synthetic exposure to the Underlying ETF against the fund’s distribution target and looks to bridge that difference with the premiums that come from selling call options. By combining premiums collected from the sale of call options with the discount from the purchased deep in-the-money call options, the fund seeks to increase total income for investors while still participating in some of the growth potential from the Underlying ETF.
- » There is no guarantee that the fund’s distribution target will be achieved. The fund does not seek to achieve any specific level of total return performance compared with the total return performance of the Underlying ETF. Capital appreciation on the securities held by the fund may be less than the capital appreciation of the Underlying ETF, and the total return performance of the fund may be less than the total return performance of the Underlying ETF.

**» Fund Sub-Advisor**

- » Vest Financial LLC (“Vest”) is the sub-advisor to the fund and will manage the fund’s portfolio.
  - Vest was founded in 2012 and managed the first investment funds to use a Target Outcome Investments® strategy which were first introduced to the market in 2016.

**» Performance Summary (%)**

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Fund Inception
<b>Fund Performance*</b>							
Net Asset Value (NAV)	0.40	—	—	—	—	—	6.90
Market Price	0.70	—	—	—	—	—	7.38
<b>Index Performance**</b>							
Bloomberg US Aggregate Bond Index	1.10	—	—	—	—	—	7.09
iBoxx® Liquid Investment	0.49	—	—	—	—	—	7.77

*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](http://www.ftportfolios.jp).*

\*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.

\*\*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.

# FT Vest Investment Grade & Target Income ETF

As of 31/12/25

## » Portfolio Information<sup>1</sup>

Number Of Holdings	3
Weighted Average Effective Duration <sup>2</sup>	8.22 Years
Weighted Average Maturity	12.76 Years
Weighted Average Price	\$93.18
Option-Adjusted Spread <sup>3</sup>	81 bps

## » Top Holdings (%)

2026-01-30 iShares iBoxx \$ Investment Grade Corporate Bond ETF C 1.11	98.07
U.S. Treasury Bill, 0%, due 01/27/2026	0.47
2026-01-02 iShares iBoxx \$ Investment Grade Corporate Bond ETF C 110.64	-0.01

## » Top Industry Exposure (%)<sup>1</sup>

Banking	22.29
Consumer Non-Cyclical	17.57
Technology	12.11
Communications	10.43
Energy	8.75
Consumer Cyclical	6.99
Capital Goods	4.95
Insurance	4.87
Electric	4.30
Basic Industry	1.74

## » Credit Quality (%)<sup>1,4</sup>

AAA	2.12
AA+	1.66
AA	1.86
AA-	4.09
A+	7.09
A	11.67
A-	24.36
BBB+	19.76
BBB	19.59
BBB-	6.27
BB+	0.63
Unassigned/NR	0.90

## » Portfolio Options Information<sup>5</sup>

Average Monthly Option Overwrite %	31.71%
Average Monthly Upside Participation %	68.29%
Average ATM Short Call Maturity	7 Days

<sup>1</sup>All data is for the Underlying ETF, except Number of Holdings.

<sup>2</sup>A measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield.

<sup>3</sup>A measurement of the spread of a fixed-income security rate and the risk-free rate of return, which is adjusted to take into account an embedded option.

<sup>4</sup>The 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 except for those debt obligations that are only privately rated. 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 creditworthiness of the issuers of the underlying securities in the Fund, and not to the Fund or its shares. Credit ratings are subject to change.

<sup>5</sup>Average Monthly Option Overwrite % is the prior calendar month average percentage of the net asset value used for writing of call options against a long position at each monthly call selling date. Average Monthly Upside Participation % is the prior calendar month average percentage of participation in the price returns of the underlying instrument at each monthly call selling date. Average ATM (At the Money) Short Call Maturity reflect the expiration date of the call options written.

You should consider the fund's investment objectives, risks, and charges and expenses carefully before investing. Contact First Trust Japan at [www.ftportfolios.jp](http://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.

There can be no assurance that an active trading market for fund shares will develop or be maintained.

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

A fund's use of call options involves risks different from those associated with ordinary portfolio securities transactions and depends on the ability of a fund's portfolio managers to forecast market movements correctly. As the seller (writer) of a call option, a fund will tend to lose money if the value of the reference index or security rises above the strike price. When writing a call option, a fund will have no control over the exercise of the option by the option holder and the American style options sold by a fund may be exercised at any time before the option expiration date (as opposed to the European style options which may be exercised only on the expiration date). There may be times a fund needs to sell securities in order to settle the options, which may constitute a return of capital and make a fund less tax-efficient than other ETFs. Options may also involve the use of leverage, which could result in greater price volatility than other markets.

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

A fund may be subject to the risk that a counterparty will not fulfill its obligations which may result in significant financial loss to a fund.

Current market conditions risk is the risk that a particular investment, or shares of the fund in general, may fall in value due to current market conditions. For example, changes in governmental fiscal and regulatory policies, disruptions to banking and real estate markets, actual and threatened international armed conflicts and hostilities, and public health crises, among other significant events, could have a material impact on the value of the fund's investments.

A fund is susceptible to operational risks through breaches in cyber security. Such events could cause a fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss.

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.

A fund normally pays its income as distributions and therefore, a fund may be required to reduce its distributions if it has insufficient income. Additionally at times, a fund may need to sell securities when it would not otherwise do so and could cause distributions from that sale to constitute return of capital. Because of this, a fund may not be an appropriate investment for investors who do not want their principal investment in a fund to decrease over time or who do not wish to receive return of capital in a given period.

Trading FLEX Options involves risks different from, or possibly greater than, the risks associated with investing directly in securities. A fund may experience substantial downside from specific FLEX Option positions and certain FLEX Option positions may expire worthless. There can be no guarantee that a liquid secondary trading market will exist for the FLEX Options and FLEX options may be less liquid than exchange-traded options.

Please see additional risks on the following page.

## Risk Considerations (continued)

FLEX Options are subject to correlation risk and a FLEX Option's value may be highly volatile, and may fluctuate substantially during a short period of time. FLEX Options will be exercisable at the strike price only on their expiration date. Prior to the expiration date, the value of the FLEX Options will be determined based upon market quotations or other recognized pricing methods. In the absence of readily available market quotations for fund holdings, a fund's advisor may determine the fair value of the holding, which requires the advisor's judgement and is subject to the risk of mispricing or improper valuation.

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.

Leverage may result in losses that exceed the amount originally invested and may accelerate the rates of losses. Leverage tends to magnify, sometimes significantly, the effect of any increase or decrease in a fund's exposure to an asset or class of assets and may cause the value of a fund's shares to be volatile and sensitive to market swings.

Certain fund investments may be subject to restrictions on resale, trade over-the-counter or in limited volume, or lack an active trading market. Illiquid securities may trade at a discount and may be subject to wide fluctuations in market value.

The portfolio managers of an actively managed portfolio will apply investment techniques and risk analyses that may not have the desired result.

Market risk is the risk that a particular security, or shares of a fund in general may fall in value. Securities are subject to market fluctuations caused by such factors as general economic conditions, political events, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of a fund could decline in value or underperform other investments as a result. In addition, local, regional or global events such as war, acts of terrorism, spread of infectious disease or other public health issues, recessions, natural disasters or other events could have significant negative impact on a fund.

A fund faces numerous market trading risks, including the potential lack of an active market for fund shares due to a limited number of market makers. Decisions by market makers or authorized participants to reduce their role or step away in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of a fund's portfolio securities and a fund's market price.

Large inflows and outflows may impact a new fund's market exposure for limited periods of time.

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.

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.

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.

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.

If a fund does not qualify as a RIC for any taxable year and certain relief provisions were not available, a fund's taxable income would be subject to tax at the fund level and to a further tax at the shareholder level when such income is distributed. Further, there may be other tax implications to a fund based on the type of investments in a fund.

Trading on an exchange may be halted due to market conditions or other reasons. There can be no assurance that a fund's requirements to maintain the exchange listing will continue to be met or be unchanged.

A fund that invests in FLEX Options that reference an ETF is subject to certain of the risks of owning shares of an ETF as well as the risks of the types of instruments in which the reference ETF invests.

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.

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

The **iBoxx® Liquid Investment** consists of liquid USD investment grade bonds, which provide a balanced representation of the USD liquid investment grade corporate bond universe. 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. An **option** is a contractual obligation between a buyer and a seller. 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) within a certain window of time (until the option's expiration), creating a long position.