

## First Trust Morningstar Dividend Leaders ETF (CAD-Hedged)

### Fund Facts

Ticker	FDL
Cusip	33740X103
Exchange	TSX
Inception Date	29/09/2016
Management Fee	0.15%*
Management Expense Ratio	0.59% <sup>1</sup>
Distribution Frequency	Quarterly
Benchmark	Morningstar® Dividend Leaders Index <sup>SM</sup>
Distribution Rate:	3.52% <sup>2</sup>
Total Net Asset Value	\$11,877,025

### Portfolio Characteristics of the Underlying Fund

Maximum Market Cap.	\$873,198
Median Market Cap.	\$20,396
Minimum Market Cap.	\$4,917
Price/Earnings	16.03
Price/Book	2.00
Price/Cash Flow	9.34
Price/Sales	1.39

### Top Geographic Exposure of the Underlying Fund

	% of NAV**
United States	97.51%
Switzerland	0.67%
Ireland	0.54%
Bermuda	0.20%
United Kingdom	0.12%

### Investment Objective

First Trust Morningstar Dividend Leaders ETF (CAD-Hedged) (the "First Trust ETF") seeks to replicate, to the extent possible, the performance of an index of U.S. companies that have shown dividend consistency and dividend sustainability, initially the Morningstar® Dividend Leaders Index<sup>SM</sup>. The First Trust ETF will obtain exposure to the index by investing all of its net assets in the First Trust Morningstar Dividend Leaders Index Fund (the "Underlying Fund") a US-listed index ETF which replicates or substantially replicates the Index. The First Trust ETF will generally seek to hedge substantially all of its U.S. dollar currency exposure associated with its portfolio investments in respect of the hedged units back to the Canadian dollar.

### Key Features of Underlying Fund

- Monthly Income
- Proprietary multi-step screening process
- Exposure to companies with dividend consistency
- All the benefits of an ETF including intraday trading, transparency and liquidity and low fees

### Risk rating

First Trust Portfolios Canada has rated the volatility of this ETF as **medium**. This rating is based on how much the Underlying Fund returns have changed from year to year. It doesn't tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the ETF's returns, see the Risk Factors section of the ETF's prospectus.

Annualized Performance	1-month	3-month	6-month	YTD	1-year	3-year	5-year	10-year	Since Inception
NAV	-0.39%	6.17%	19.40%	14.37%	25.00%	14.65%	10.75%	-	10.31%

Effective February 12, 2021 the investment objective of the fund changed and it now seeks to replicate the performance of an index of U.S. companies that have shown dividend consistency and dividend sustainability, initially the Morningstar® Dividend Leaders Index<sup>SM</sup>. The First Trust ETF provides exposure to its new index by investing all or substantially all of its assets in an underlying U.S. index fund known as First Trust Morningstar Dividend Leaders Index Fund, which is managed by the First Trust ETF's portfolio advisor. If this change had been effective throughout the performance measurement period the performance of the fund should have more closely replicated performance of the index.

<sup>1</sup> As of December 31, 2025 audited annual financial statements and MRFP.

<sup>2</sup> Distribution rate is calculated by dividing the most recent annualized distribution paid or declared by the Net Asset Value. Distribution rates may vary. The distributed amount may include return of capital (ROC) from time to time.

\*The First Trust ETF's management fee will also bear the management fee of the underlying fund (i.e. First Trust Morningstar Dividend Leaders Index Fund).

## First Trust Morningstar Dividend Leaders Index ETF (CAD-Hedged)

The First Trust ETF will obtain exposure to the Index by investing in the Underlying Fund, a US-listed index ETF which itself replicates or substantially replicates the Index.

Top Sector Exposure of the Underlying Fund	% of NAV**	Top Holdings of the Underlying Fund	% of NAV
Energy	27.05%	Exxon Mobil Corporation	10.12%
Health Care	16.66%	Chevron Corporation	8.58%
Financials	14.95%	Verizon Communications Inc.	7.08%
Consumer Staples	14.59%	Pfizer Inc.	6.21%
Communication Services	10.52%	Merck & Co., Inc.	5.03%
Utilities	6.45%	Altria Group, Inc.	4.93%
Industrials	3.78%	PepsiCo, Inc.	4.89%
Consumer Discretionary	2.33%	United Parcel Service, Inc. (Class B)	3.37%
Materials	1.59%	Bristol-Myers Squibb Company	3.28%
Information Technology	1.13%	ConocoPhillips	2.85%
Cash & Equivalents	0.19%		

\*\*Percentage of net asset value may not equal 100%

The index consists of stocks listed on one of the three major exchanges:

NYSE  
NYSE Amex  
or Nasdaq

that have shown dividend consistency and dividend sustainability. Real Estate Investments Trusts (REITs) are not included

Through the application of Morningstar's proprietary multi-step screening process, a universe is identified. The top 100 stocks, based on dividend yield, are selected for the index

The individual holdings are weighted based on each security's shares outstanding, free float factor, and annual indicated dividend per share. The weighting of each holding is capped to enhance portfolio diversification

The index is reconstituted once annual each June and rebalanced four times annually in March, June, September, and December

## About First Trust

First Trust Canada is the trustee, manager and promoter of the fund. First Trust Canada and its affiliates First Trust Advisors L.P. ("FTA"), portfolio advisor to the fund, an Ontario Securities Commission registered portfolio manager and U.S. Securities and Exchange Commission registered investment advisor, and First Trust Portfolios L.P. ("FTP"), a FINRA registered broker-dealer, are privately held companies that provide a variety of investment services. FTA has approximately US \$342.87 billion in total assets under supervision or management.

Commissions, management fees and expenses all may be associated with ETF investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compound total returns including changes in the unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by the unitholder that would have reduced returns. ETFs are not guaranteed, their values change frequently and past performance may not be repeated.

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