SDVD

First Trust Vest SMID Rising Dividend Achievers Target Income ETF

Fund Facts

Ticker	SDVD
Cusip	33743Y108
Exchange	Cboe Canada
Inception Date	05/11/24
Management Fee	0.15%[1]
Management Expense Ratio	1.01%[2]
Distribution Frequency	Quarterly
Benchmark	Nasdaq US Small Mid Cap Rising Dividend Achievers™ Index
Distributions Rate	7.75%[3]
Total Net Asset Value	$1,409,433

Portfolio Options Information of the Underlying Fund[4]

Average Monthly Option Overwright %	16.00%
Average Monthly Upside Participation %	84.00%
Average ATM Short Call Maturity	7 Days

Portfolio Characteristics of the Underlying Fund

Maximum Market Cap.	$120,403
Median Market Cap.	$11,924
Minimum Market Cap.	$1,671
Price/Earning	14.91
Price/Book	2.33
Price/Cash Flow	12.28
Price/Sales	1.85

Top 10 Holdings of the Underlying Fund

	% of NAV
National HealthCare Corporation	1.14%
Reinsurance Group of America, Incorporated	1.03%
First BanCorp.	1.02%
Applied Industrial Technologies, Inc.	1.01%
Interparfums, Inc.	1.01%
OFG Bancorp	1.01%
Watts Water Technologies, Inc.	0.99%
Williams-Sonoma, Inc.	0.99%
PriceSmart, Inc.	0.98%
The Hanover Insurance Group, Inc.	0.98%

Top Sector Exposure of the Underlying Fund

	% of NAV**
Financials	32.83%
Industrials	30.34%
Consumer Discretionary	14.02%
Technology	8.47%
Health Care	3.36%
Basic Materials	2.79%
Energy	2.72%
Consumer Staples	2.64%
Telecommunications	1.48%
Cash & Equivalents	1.11%

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

Investment Objective

The First Trust Vest SMID Rising Dividend Achievers Target Income ETF (the "First Trust ETF") seeks to provide current income with a secondary objective of providing capital appreciation by investing primarily in a portfolio of equity securities included in the Nasdaq US Small Mid Cap Rising Dividend Achievers™ Index (the "Index") as well as listed options on the Russell 2000® Index or exchange-traded funds that track the Russell 2000® Index. The investment strategy of the First Trust ETF is to provide exposure to the Index and the listed options by holding securities of FT Vest SMID Rising Dividend Achievers Target Income ETF ("SDVD"), a U.S.-listed index ETF which is managed by an affiliate of the Manager which seeks to replicate or substantially replicate the performance of the Index, as well as the listed options.

Potential Advantages

EQUITY PORTFOLIO

The fund invests primarily in U.S. exchange-traded equity securities contained in the Nasdaq US Small-Mid Cap Rising Dividend AchieversTM Index (the "index" or "Dividend Achievers"). The index is composed of high quality, small- and mid-capitalization companies with a history of raising their dividends while exhibiting the characteristics to continue to do so in the future. The constituents and individual security weighting of the equity portfolio are actively managed by the portfolio managers.

BUY-WRITE OPTION STRATEGY

The fund uses a buy-write option strategy that seeks additional cash flows in the form of option premiums received from writing (selling) call options on the Russell 2000® Index or ETFs that track the Russell 2000® Index (the "underlying ETFs"). In exchange for the option premiums, the fund will forgo some of the upside potential of the equity securities.

TWO SOURCES OF INCOME POTENTIAL

Each week, the fund compares the dividend income from the equity securities to its target income and looks to bridge any difference with the premiums from the call options while still participating in some of the price appreciation potential of the equity securities.

Risk rating

FT Portfolios Canada Co. has rated the volatility of this ETF as **medium to high**. Because this is a new ETF, the risk rating is only an estimate by FT Portfolios Canada Co. Generally, the rating is based on how much the ETF's 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 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 (Units)	-2.63%	-4.52%	5.44%	10.09%	9.85%	-	-	-	8.57%

[1] The First Trust ETF's management fee will also bear the management fee of the underlying fund (i.e. FT Vest SMID Rising Dividend Achievers Target Income ETF)

[2] As of December 31, 2025 audited annual financial statements and MRFP.

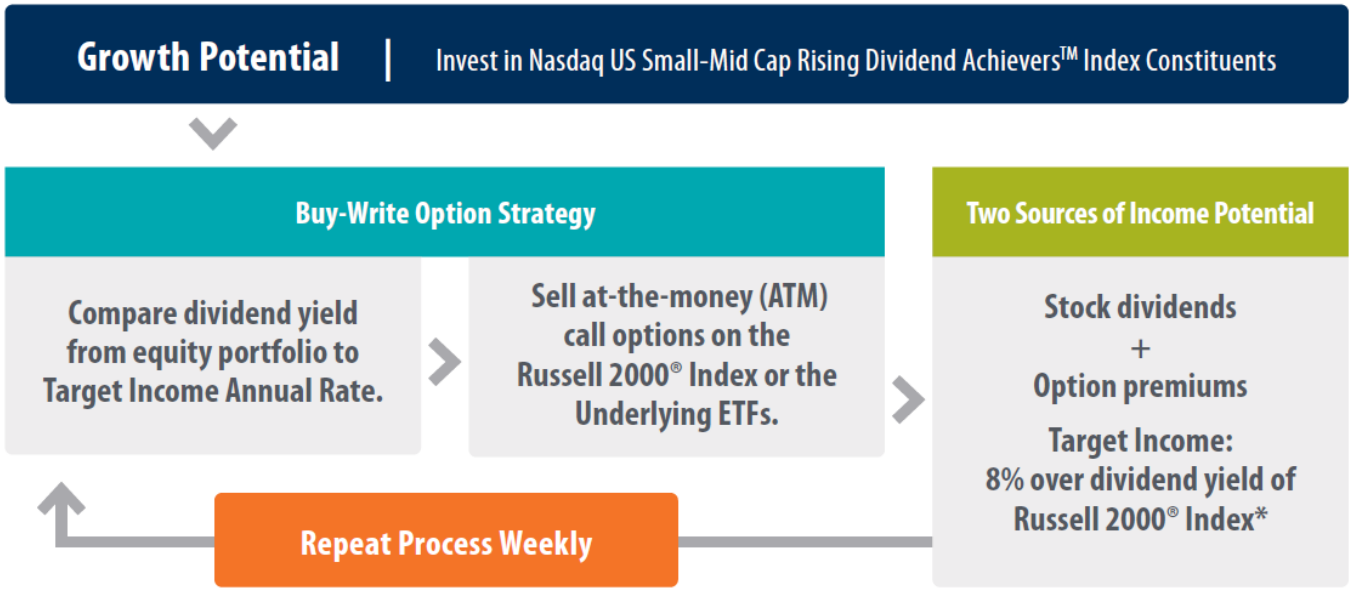
[3] Distribution rate is calculated by dividing the most recent annualized distribution paid or declared by the Net Asset Value. Distribution rates may vary. The distributed amount may include return of capital (ROC) from time to time.

First Trust Portfolios Canada®

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INVESTMENT PROCESS



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 $373.05 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.

Vest Financial LLC is the sub-advisor to the fund and manages the fund's portfolio. The Target Outcome registered trademarks are registered trademarks of Vest Financial LLC.

[4] **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 reflects the average number of days until expiration of the call options written over the prior calendar month.

Nasdaq® and Nasdaq US Small Mid Cap Rising Dividend Achievers™ Index are registered trademarks and service marks of Nasdaq, Inc. (together with its affiliates hereinafter referred to as the "Corporations") and are licensed for use by First Trust. The Fund has not been passed on by the Corporations as to its legality or suitability. The Fund is not issued, endorsed, sold or promoted by the Corporations. THE CORPORATIONS MAKE NO WARRANTIES AND BEAR NO LIABILITY WITH RESPECT TO THE FUND.

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