

KEYnotes are exchange traded notes (ETNs) which are designed to provide investors with a convenient way to participate in the returns of a specific market or strategy. ETNs are senior, unsecured, debt securities of a particular issuer not affiliated with First Trust. ETNs can offer exposure to various market indexes (including equity and debt), currencies, commodities or a combination thereof while providing the flexibility of exchange traded securities that can be bought and sold through a broker or financial advisor on a United States securities exchange.

### ETNs vs. Comparable Investments

ETNs, exchange-traded funds (ETFs) and mutual funds all provide investors with exposure to the returns of various underlying market indexes or strategies. However, certain investors may find that the different features provided by ETNs may make them more attractive than ETFs or mutual funds.

	ETNs	ETFs	Mutual Funds
<b>Type of Security</b>	SEC registered debt security	Registered investment company <sup>3</sup>	Registered investment company
<b>Ownership</b>	Senior, unsecured debt obligations of the issuer	Equity ownership in underlying assets	Equity ownership in underlying assets
<b>Primary Risk</b>	Credit and market risk	Market risk	Market risk
<b>Liquidity</b>	Intraday on exchange at market price or daily repurchase by issuer <sup>1</sup>	Intraday on exchange at market price	Daily (close of business) at net asset value
<b>Distributions</b>	None	Yes	Yes
<b>Maturity</b>	Typically 15 - 30 years	Perpetual	Perpetual
<b>Short Sales<sup>2</sup></b>	Available on both an uptick and a downtick, subject to borrowing ability	Available on both an uptick and a downtick, subject to borrowing ability	No
<b>Voting Rights</b>	No	Yes	Yes

<sup>1</sup>You may exercise your right to have an issuer repurchase the notes subject to restrictions. Each issuer may require investors to have a minimum number of notes for repurchase and a repurchase fee may apply. Please consult your financial advisor for more information.

<sup>2</sup>With short sales, you risk paying more for the security than you received from its sale.

<sup>3</sup>Some ETFs are also registered as trusts, partnerships or commodity pools and are not registered investment companies.

## What are Some of the Risk Considerations?

An investment in ETNs involves risks, including possible loss of principal. Each ETN offering will differ in characteristics and involve risks not associated with conventional debt securities. You should refer to the relevant prospectus, which describes the risks in detail. Listed below is a summary of some of the potential risks that may be associated with an ETN.

### Your Investment May Result in a Loss

The return on each ETN is linked to the performance of its underlying market measure, which, in turn, is linked to the prices of the components underlying such market measure. These prices may change unpredictably, affecting the value of the underlying index and, consequently, the value of your ETN may perform in unexpected ways.

### Investor Fee

The amount received upon repurchase or maturity of the ETN is based on the value of the index and is reduced by the applicable investor fee. You will lose some or all of your investment if the value of the underlying index or reference asset on the applicable valuation date is less than its value on the inception date or if such value increases by less than the aggregate investor fee.

### No Interim Distributions

ETNs generally do not pay any interest during the life of the ETN. You should review the relevant prospectus to determine whether distributions apply to the ETN and, if so, at what rate.

### Issuer Risk

ETNs are senior unsecured obligations of the issuer. The repayment of the principal and any applicable return at maturity or upon repurchase by the issuer are dependent on that issuer's ability to pay.

### Tax Consequences<sup>4</sup>

Significant aspects of the tax treatment of ETNs are uncertain. We urge you to consult your tax advisors concerning the significance, and the potential impact, of the tax considerations and about your own tax situation.

### A Trading Market May Not Develop; An Issuer's Obligation to Repurchase ETNs is Subject to Substantial Restrictions

The issuer will make an application for listing ETNs on an exchange. The issuer may engage in limited purchase and resale transactions in the notes although they are not required to do so. The issuer is not required to maintain any listing of offered notes on an exchange. However, holders may elect to exercise their right to have the issuer repurchase their notes, but such repurchase is subject to compliance with applicable size and procedural requirements.

### Potential Conflicts

The issuer and its affiliates play a variety of roles in connection with the issuance of ETNs, including acting as note calculation agent, and may have economic interests that are adverse to your interests as a holder of ETNs.

### Delisting

If the applicable index calculation agent discontinues disclosure of the intraday indicative value of the applicable index, the ETNs may become delisted from the relevant exchange.

### Suitability

ETNs may not be suitable for all investors. Investment suitability must be determined individually for each investor. This information is not intended to provide and should not be relied upon as providing accounting, legal, regulatory or tax advice. Investors should consult with their own advisors as to these matters.

<sup>4</sup>First Trust and any issuer of ETNs do not provide tax advice. These materials are not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties that may be imposed upon the taxpayer. Each taxpayer should seek advice from an independent tax adviser regarding the matter based on the taxpayer's particular circumstances. There is no limitation on the disclosure of the tax treatment or tax structure of the matter.

Each issuer will have filed a registration statement (including a prospectus) with the Securities and Exchange Commission, or SEC, for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and the other documents relating to the offering that the issuer has filed with the SEC for more complete information about the issuer and the offering of any securities. You may get these documents without cost by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any agent or any dealer participating in an offering will arrange to send you the prospectus, each prospectus supplement, and any other document related to the offering if you so request by calling toll-free 866-848-9727.

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 First Trust

1001 Warrenville Road  
Lisle, Illinois 60532  
1-866-848-9727  
[www.ftportfolios.com](http://www.ftportfolios.com)

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