



**First Trust Advisors L.P.  
Form ADV  
Part 2A – Firm Brochure  
March 28, 2024**

This brochure provides information about the qualifications and business practices of First Trust Advisors L.P. If you have any questions about the contents of this brochure, please contact us at (630) 765-8000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about First Trust Advisors L.P. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **ITEM 2 – MATERIAL CHANGES**

There have been no material changes to this brochure since our previous filing dated September 11, 2023.

We will provide clients with a new brochure, free of charge, as necessary based on future changes or new information. A request for a brochure can be made by contacting First Trust Advisors at (630) 765-8000.

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## **ITEM 4 – ADVISORY BUSINESS**

First Trust Advisors L.P. (“FTA”) was formed in 1991 as an Illinois limited partnership. The general partner of FTA is The Charger Corporation (“Charger”). FTA has one limited partner, Grace Partners of DuPage L.P. (“Grace”). The general partner of Grace is Charger. Grace has a number of limited partners.

FTA provides (1) supervisory and administrative services (“Portfolio Services”) to unit investment trusts (“UITs”) sponsored by First Trust Portfolios L.P. (“FTP”), a n FTA affiliate, (2) discretionary advisory services (“Advisory Services”) as investment advisor to open-end funds (“OEFs”), including exchange-traded funds (“ETFs”), closed-end funds (“CEFs”), variable annuity sub-account investment funds (“VIT”) registered with the SEC (“collectively US Funds”), undertakings for collective investment of transferable securities (“UCITs”) registered in Ireland and funds registered in Canada through FT Portfolios Canada Co., an affiliate of FTA (collectively with the UCITs, “Non-US Funds”) (US Funds and Non-US Funds collectively, “Institutional Clients”), (3) Advisory Services on a discretionary basis to individuals and institutional investors through separately managed accounts (“SMAs”) and (4) non-discretionary model portfolios (“Models”) to unaffiliated registered investment advisors (“RIAs”) and Model program platforms (“Platforms”).

### **Portfolio Services – UITs**

FTP sponsors the First Trust UITs. A UIT is a pooled investment vehicle in which investors own a fractional undivided interest or unit in a portfolio of securities. FTA provides the following Portfolio Services to FTP-sponsored UITs:

- **Portfolio Supervisory Services** - FTA provides ongoing monitoring of securities held in each UIT portfolio and is responsible for determining when it may be advisable to remove a security from a portfolio, as well as which securities should be sold to meet redemptions and pay expenses, as needed. For certain UIT portfolios invested in certain asset classes, FTA may employ one or more sub-portfolio supervisors at its own expense to assist in providing services to such UITs.
- **Administrative Services** - FTA also provides certain bookkeeping and other administrative services to the UITs.

### **Advisory Services – US Funds and Non-US Funds**

FTA provides discretionary Advisory Services to Institutional Clients. FTA enters into an advisory agreement (“Advisory Agreement”) with each Institutional Client. The Advisory Agreement describes the Advisory Services to be provided, including investment discretion, trading and proxy voting authority and the advisory fee (“Advisory Fee”) paid to FTA by each Institutional Client.

The prospectus and statement of additional information, as applicable, of each Institutional Client (“Fund Documents”) describes the investment management strategy, objectives and restrictions under which FTA and/or the Sub-Advisor(s) (defined below) must manage each Institutional Client’s portfolio of securities.

Certain Institutional Clients are index-based ETFs which require FTA to manage the portfolio in compliance with each ETF’s investment objective to seek investment results that correspond generally to the price and yield (before the Fund’s fees and expenses) of a designated index as described in the Fund Documents.

Other Institutional Clients are actively-managed OEFs, CEFs, ETFs and Non-US Funds which require FTA to make discretionary investment decisions on the securities in a Fund’s portfolio in compliance with each Fund’s investment objective and strategy as described in the Fund Documents.

FTA may engage discretionary and non-discretionary sub-advisors (“Sub-Advisors”) to manage certain

Institutional Client portfolios due to the expertise of a particular Sub-Advisor in a specific asset class. Each Sub-Advisor enters into a sub-advisory agreement (“Sub-Advisory Agreement”) with FTA, which describes the sub-Advisory Services to be provided including investment discretion, proxy voting and trading authority, and the sub-advisory fee paid to the Sub-Advisor by FTA for its services to the Institutional Client. Some Sub-Advisors are affiliates of FTA.

FTA, and/or the Sub-Advisors provide Advisory/sub-Advisory Services which include securities in various asset classes including, but not limited to:

- Domestic and foreign equity securities;
- Domestic and foreign fixed income securities (both investment grade and non-investment grade);
- U.S. government and foreign sovereign debt fixed income securities,
- Municipal securities,
- Preferred securities,
- Mortgage- and asset-backed securities,
- Real-estate investment trusts,
- Master limited partnerships,
- First Trust and/or third-party CEFs and ETFs,
- Depositary receipts,
- Commodities,
- Derivatives, and;
- Senior loans.

Discretionary and non-discretionary Sub-Advisors of Institutional Clients are subject to supervision by the relevant board of trustees/directors, as well as FTA oversight.

### **Advisory Services – SMAs**

SMAs are typically in programs offered by one or more RIAs, broker-dealers or other financial services firms (“Program Sponsors”) offering a package of financial services to participants (“Participants”) in the program (“Wrap Programs”). FTA provides discretionary Advisory Services to Wrap Program Participants who select an FTA-advised investment strategy. Some FTA SMAs are held in structures outside of Wrap Programs. FTA receives an Advisory Fee for Advisory Services provided to SMAs.

Advisory Agreements are entered into with Wrap Program Participants or Program Sponsors. When a Program Sponsor enters into an Advisory Agreement with FTA to provide Advisory Services under one or more investment strategies to its Wrap Program Participants, it is referred to as a “single contract” relationship (“Single Contract”). When a Wrap Program Participant enters into an Advisory Agreement directly with FTA to provide Advisory Services under one or more of its investment strategies, it is referred to as a “dual contract” (“Dual Contract”) relationship.

Advisory Agreements in Single and Dual Contract relationships generally include the Advisory Fee paid to FTA for its Advisory Services, FTA investment strategies offered to Wrap Program Participants and Advisory Services to be provided by FTA. These Advisory Agreements also include details regarding trade execution, custodian identification, proxy voting authority and directed brokerage instructions, if any.

Participants should review their Wrap Program disclosure documents for details regarding the services included in the fee each Participant pays to the Program Sponsor (“Wrap Fee”). FTA’s Advisory Fee is included in the Wrap Fee paid by Participants.

Information regarding a Participant's investment objectives and restrictions, investing experience, financial situation, time horizon, risk tolerance and other information needed to determine if an investment strategy is suitable for investment by such Participant's account ("Suitability Information") is generally provided by the Program Sponsor at account opening and when changes occur. The Program Sponsor is generally responsible for determining suitability, but FTA will review Suitability Information received and forward any issues regarding the chosen investment strategy to the Program Sponsor.

SMAs outside of Wrap Programs are generally Single Contract relationships where FTA and the RIA enter into an Advisory Agreement which describes, among other things, the Advisory Services and Advisory Fee paid under the Advisory Agreement. The FTA strategies offered under these Advisory Agreements are generally invested in fixed-income securities. The RIA provides FTA with Suitability Information regarding each of these investors but is responsible for the suitability determination under the Advisory Agreement.

For any FTA investment strategy, there is no real difference between the way FTA manages discretionary Participant accounts and the way it manages Institutional Client accounts or other non-Wrap Program SMAs. FTA may agree to reasonable SMA client imposed restrictions on investing in certain securities or types of securities. Such restrictions may affect the performance of such account. If FTA is unwilling to agree to such restrictions, or if the restrictions are unreasonable, FTA will decline to manage or withdraw from managing such account. FTA reserves the right, in its sole discretion, to decline to manage the account of any investor for any reason.

## **Model Portfolios**

### **SMA Models**

FTA provides SMA Models that follow a particular investment strategy to various Model Platforms that subscribe to FTA Models. The SMA Models are generally used as part of the management of unaffiliated RIA client portfolios. FTA provides Models under an agreement with Program Sponsors who maintain Programs that make models from various asset management firms available to RIAs for use in providing investment advisory services to their clients. FTA monitors and updates each Model on a regular basis and delivers updates to the relevant Platforms as appropriate.

FTA does not have an advisory relationship with Platforms who make FTA Models available to their RIAs or their clients and does not invest such client assets. The RIA retains investment authority and brokerage discretion for client portfolios following FTA Models. The RIA does not provide Suitability Information to FTA and is responsible for suitability reviews for these accounts.

### **ETF Models**

FTA also provides non-discretionary Models which include First Trust and/or third-party ETFs to Platforms and/or other RIAs to provide RIAs with a foundation to build scalable asset allocation solutions for their clients ("ETF Model Program"). In an ETF Model Program, FTA provides ETF Models under an agreement with Platforms. FTA monitors and updates each ETF Model on a regular basis, generally quarterly, and delivers updates to the Platforms as appropriate. The ETF Models use non-First Trust ETFs representing various other asset classes to complete the allocations where First Trust does not offer an ETF in a particular asset class. Some of the ETF Model portfolios provided by FTA utilize the expertise of Sub-Advisors in the ETF selection process. These are typically no fee Models.

In ETF Model Programs FTA does not have an advisory relationship with ETF Model Program clients and does not invest such client assets. The RIA retains investment authority and brokerage discretion for client portfolios in the ETF Model Program. The RIA does not provide Suitability Information to FTA and is responsible for

suitability reviews for each ETF Model Program client.

If requested, FTA may also offer certain consulting and advisory services, including analyzing an existing portfolio, providing advice regarding portfolio construction and investment strategy, etc.

### Assets Under Management or Supervision

As of December 31, 2023, FTA had approximately \$210.879 billion in assets under management or supervision. Of this amount, approximately \$56.895 billion was in non-discretionary client portfolios and approximately \$153.984 billion was in discretionary client portfolios.

## **ITEM 5 – FEES AND COMPENSATION**

### **FTP-Sponsored UITs**

The FTP-sponsored UITs pay a fee to FTA for Portfolio Services which is assessed as a fixed amount per unit, and is generally paid monthly based on the number of units of each UIT outstanding at the beginning of the calendar year. The UITs (and therefore indirectly, unit holders) also incur additional fees such as trustee fees, brokerage costs and other operating expenses. The fee per unit is specified in the Fund Documents of each UIT and is not negotiable.

### **US Funds**

FTA is paid an annual Advisory Fee for discretionary Advisory Services by each US Fund equal to a percentage of the Fund's average daily net assets. The Advisory Fee is disclosed in the Fund Documents of each Fund and the Advisory Agreement between FTA and the Fund.

Certain US ETFs pay an Advisory Fee that is a "unitary fee" from which FTA is responsible for paying the Fund's expenses, including the cost of transfer agency, custody, Fund administration, legal, audit and other services ("Unitary Fee"). The expenses to be paid as part of the Unitary Fee do not include interest, taxes, acquired fund fees and expenses, if any, brokerage commissions, other portfolio transaction execution costs, distribution fees, Rule 12b-1 fees, extraordinary expenses or fee payments under the Advisory Agreement.

Certain FTA Advisory Agreements and Sub-Advisory Agreements for ETFs include a breakpoint schedule. When the Advisory Fee of a US ETF is reduced due to breakpoints, it is disclosed in the Fund Documents.

Some US ETFs have agreements under which FTA agreed to waive its Advisory Fee and/or reimburse Fund expenses to the extent that the ETF's operating expenses exceed a stated amount. Refer to the Fund Documents for additional information on Advisory Fee waivers/reimbursements.

The Advisory Fees paid by the US Funds are not negotiable.

FTA may also provide certain additional services to the Funds for which it may earn additional fees.

### **Non-US Funds**

FTA is the investment manager of several UCITs, ETFs and OEFs registered in Ireland that are sold to non-US persons.

FTA is also the Portfolio Advisor to funds registered in Canada and managed by FT Portfolios Canada Co., an affiliate of FTA.

The Advisory Fees paid to FTA for discretionary Advisory Services to the Non-US Funds are equal to a percentage of each Fund's average daily net assets. The Advisory Fee is disclosed in the Fund Documents and of each Non-US Fund based on the Advisory Agreement with FTA.

FTA has also agreed to waive a portion of its Advisory Fee for certain Non-US Funds, as described in the Fund Documents.

### **SMAs**

FTA Dual and Single Contract Advisory Fees are generally based on the value of the assets in the account (based on independent pricing sources used by FTA or the Program Sponsor) at a specified time, which may or may not include accrued interest and dividends. These Advisory Fees are assessed on a quarterly basis, generally in advance; however, in the case of certain Wrap Programs Advisory Fee, may be assessed in arrears. Advisory Fees are assessed at the rate in effect at the time of the billing. Any Advisory Fee change made during the quarter will be reflected in the next billing period.

Generally, deposits or withdrawals during the quarter are billed, or credited, on a pro-rata basis at the end of the quarter. For SMA in Wrap Programs, additional billings or credits in connection with deposits or withdrawals are governed by the Advisory Agreement between the Wrap Program Sponsor and Participant. If an SMA is closed before the end of a quarter, generally a prorated amount of the Advisory Fee will be refunded to the Participant. However, if an SMA is closed in the last 30 days of a quarter, generally no such refund of the Advisory Fee will be made unless the contract between FTA and the Participant specifies otherwise. Advisory Fee refunds for SMA in Wrap Programs are governed by the agreement between the Wrap Program Sponsor and the Participant.

Advisory Fee calculations, including deposits, withdrawals, and termination refunds, are governed by Program Sponsor agreements with Participants. Depending on the specific Wrap Program, FTA will either bill the Participant, or the applicable Program Sponsor, for its Advisory Fees, or the Program Sponsor will calculate the Advisory Fee due to FTA and remit payment to FTA. FTA does not have the authority to deduct its Advisory Fee directly from a Participant account.

SMA clients not participating in a Wrap Program could incur additional costs in connection with such accounts managed by FTA. Such costs may include custodian fees and brokerage costs to the extent such costs are not included in a comprehensive Wrap Fee. (See *Item 12 – Brokerage Practices* for additional discussion of brokerage).

FTA's standard annual Advisory Fee is .50% of portfolio assets for equity and balanced SMA investment strategies, but FTA reserves the right to negotiate Advisory Fees on a case-by-case basis. FTA's Advisory Fee for an SMA invested in a fixed income investment strategy is negotiable, as are all portfolios managed for institutional SMA clients. Certain portfolios utilize the investment services of non-discretionary investment strategy providers or portfolio consultants who provide advice to FTA in connection with the portfolios; in such cases, FTA's Advisory Fee is higher because a portion of FTA's Advisory Fee is paid to these service providers. For example, FTA's standard annual Advisory Fee for FTA/Morningstar Portfolios is .55% of portfolio assets, however, the Advisory Fee for such accounts is also negotiable on a case-by-case basis. FTA may also offer other investment strategies and may charge an annual Advisory Fee of up to 1% of SMA portfolio assets.

Certain FTA SMA portfolios invest some or all of their assets in CEFs and/or ETFs, including CEFs and/or ETFs managed by FTA. In addition to FTA's Advisory Fee, SMA clients in these portfolios also indirectly bear the expenses of the applicable CEFs and/or ETFs, including the Advisory Fee paid by shareholders in such Funds.

FTA may provide Advisory Services in certain SMA strategies for which it does not charge any Advisory Fee.



## **SMA Models**

FTA receives an Advisory Fee for providing Models, which include equity securities and third party funds.

## **ETF Models**

FTA does not charge an Advisory Fee for Models in the ETF Model Program as these Models are invested primarily in First Trust ETFs, which pay FTA an Advisory Fee for its Advisory Services. The Fund Documents for each ETF in the ETF Model Program includes information about the Advisory Fee paid by each ETF.

RIAs and Platforms may charge additional fees.

## **Other Compensation**

Neither FTA nor any of FTA's employees receive compensation for selling securities or other investment products.

## **ITEM 6 - PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT**

A performance-based fee is a fee based on a share of capital gains or capital appreciation in a client's account. FTA does not accept performance-based fees.

## **ITEM 7 - TYPES OF CLIENTS**

FTA generally provides discretionary and non-discretionary Advisory Services as described in *Item 4 - Advisory Business*. This includes discretionary Advisory Services provided to Institutional Clients, Portfolio Services provided to First Trust UITs, non-discretionary Advisory Services provided through SMA Models and the ETF Model Program provided to Program Sponsors and Platforms, and discretionary Advisory Services to SMA clients, which may include charitable foundations and endowments, pension and profit-sharing plans, insurance companies, and high net worth clients.

FTA may provide discretionary Advisory Services to additional types of clients in the future.

FTA generally requires a minimum of \$100,000 to open an SMA for most investment strategies, but the minimum investment for certain strategies may vary. FTA reserves the right to accept SMAs below the stated minimum at its sole discretion.

## **ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

*Item 4 - Advisory Business* describes the discretionary Advisory Services FTA provides to UITs, SMAs, Institutional Clients, and the non-discretionary SMA Models and ETF Model Program it provides to Program Sponsors and Platforms.

Investors in the UITs and Institutional Clients will find the investment objective, strategy and restrictions, as well as the risks of investing in the Fund Documents, which are available at [www.ftportfolios.com](http://www.ftportfolios.com) (UITs, US Funds, SMA and ETF Model Program), [www.ftglobalportfolios.com](http://www.ftglobalportfolios.com) (UCITS) and [www.firsttrust.ca](http://www.firsttrust.ca) (Canadian Funds).

All investments carry risk of loss which investors should be prepared to bear.

The asset classes represented in the investment strategies managed by FTA are generally described below. The

degree to which each asset class is used in FTA investment strategies is described in detail in the relevant Fund Documents, SMA strategy fact sheet and ETF Model Program descriptions.

## **Equity Securities**

FTA utilizes both quantitative and fundamental research in managing equity assets.

### **Quantitative Equity**

The FTA quantitative equity philosophy is grounded in empirical research and focuses on taking insights and evidence from academia and FTA's own proprietary research and transforming it into investable portfolios. The disciplined, repeatable nature of our quantitative investment process removes emotion from the decision-making process. FTA generally prefers a multi factor approach and focuses on factors that can be broadly categorized as value, momentum, quality, low volatility, dividend yield or small size.

### **Fundamental Equity**

FTA is a bottom-up manager whose investment philosophy is based on the belief that a company's long-term value is determined by the cash flow it generates. The FTA investment management process utilizes both quantitative and qualitative analysis to assess a company's ability to generate cash flow and its current valuation relative to intrinsic value. FTA believes the disciplined, systematic application of its proprietary process will lead to long-term value creation for its clients.

FTA's approach to selecting equity securities typically begins with defining a universe of securities eligible for selection based on the particular investment strategy (for example, large-cap stocks, small-cap stocks, international stocks, etc.) and applying various quantitative and qualitative analyses to identify attractive investment opportunities. FTA's quantitative analysis generally utilizes various measures of the following factors: value, momentum, quality, low volatility, dividend yield and small size. These are factors which FTA's research indicates have historically outperformed relevant benchmarks over the long-term. FTA's qualitative analysis includes a valuation assessment focusing on a company's discounted cash flows and ability to generate future returns on invested capital, and a corporate risk assessment that attempts to assess potential "red flags" and their implications on the company's valuation. In general, FTA retains flexible sector and industry constraints and thus, weightings in sectors and industries are principally a residual of the bottom-up stock selection process subject to the constraints of the investment objective. FTA utilizes various databases, third party research and publicly available information, including SEC filings and company releases, in addition to in-house research to select securities and manage portfolios.

### **Associated Risks**

The primary risk of investing in equity securities is that they may decline in value for a variety of reasons, including a broad market downturn, unfavorable developments affecting an entire industry, and specific events affecting a single company. The following is a partial list of the risks associated with investing in various types of equity securities:

- An investment in equity securities should be made with an understanding of the risks involved with owning common stocks, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market.
- An investment in foreign stocks is subject to additional risks, including foreign currency fluctuations, foreign political risks, foreign withholding, possible lack of adequate financial information, and possible exchange control restrictions impacting foreign issuers. These risks may be more pronounced in emerging markets where the securities markets are substantially smaller, less liquid, less regulated and more volatile than developed foreign markets.
- An investment in small-capitalization or mid-capitalization companies may be more volatile than investments in larger, more established companies, and securities of small and mid-size companies

typically have more limited trading volumes.

- A portfolio may be concentrated in a particular industry or sector which involves more risk than a broadly diversified portfolio.
- In connection with an investment strategy that includes short selling of a security or other instrument, the client portfolio is subject to the risk of loss in the event that the price of the security or other instrument sold short rises instead of falls, causing the price at which the security is bought back into the client portfolio to be higher than the price at which it was sold short.

## **Fixed Income Securities**

### **Corporate Debt**

The FTA Investment Grade Fixed Income team (“FTIG Team”) uses an investment process that is a balanced combination of rigorous, bottom-up fundamental credit analysis and disciplined portfolio construction. These are conducted concurrently with macro research on the key drivers of interest rates.

Credit underwriting follows a three-step approach: fundamental credit analysis, investment committee review, and portfolio construction.

1. **Fundamental Credit Analysis** – The FTIG Team’s internal rating system supports consistency in the assessment of credit fundamentals by standardizing risk scores across issuers and industries. Credits are scored from 1 through 5, with 1 the strongest fundamental business profile and 5 the weakest. To assign a suitable score, analysts conduct thorough research on the fundamental credit worthiness of each company with a primary focus on consistency of cash flow generation and retention, appropriate level of leverage, operating margins, and revenue and earnings growth. In addition to the analysis of financial conditions, the credit underwriting process examines how competitive a company is within its industry and the track record of its management in delivering quality results along with its willingness and ability to reduce leverage.
2. **Investment Committee** – The Investment Committee includes the most senior members of the FTIG Team. This leverages the experience of the Team when considering each investment opportunity. Credit analysts present their research and investment recommendations to the Committee where the merits are discussed and thoroughly evaluated. Decisions must be unanimous for credits to be eligible for purchase.
3. **Portfolio Construction** – The strategic framework for portfolio construction is determined by the Investment Committee at weekly strategy meetings where the macro outlook is refined, and risk budgeting is defined. With the framework in place, implementation of the strategy begins. Key elements of portfolio construction include relative value and diversification. When selecting securities, each investment opportunity is evaluated relative to other opportunities available in the market. This relative value assessment helps ensure the portfolio is positioned in securities that offer the best return relative to risk. Internal ratings augment the relative value decision through the standardization of risk scores across issuers and industries. Every investment decision includes meticulous attention to best execution and risk management. To properly measure and monitor exposures, risk is broken down into duration buckets, credit quality, sector and industry classifications, and further down to issuer and bond concentrations. Portfolio surveillance and risk management systems support the investment process and reinforce the continuity of each investment strategy.

The potential liquidity of each Investment opportunity is analyzed prior to purchase. To gauge liquidity, the factors considered include:

- Size of issue outstanding;
- Size of the bid/ask spread;
- Recent trade volume;
- Issuer rating;
- Depth of bid or offer; and
- Number of dealers in commercial paper program.

The FTIG Team continuously monitors market conditions and macro factors. Macro research evaluates the primary drivers of interest rates: economic growth and stage of the business cycle; the pace, timing, and magnitude of policy decisions; risk appetite and flow of funds; relative yield levels globally and curve shape, trend signals and catalysts for change. The information gathered in this framework sets the outlook for appropriate duration and curve positioning.

### Municipal Securities

The FTA Municipal Securities Team (“FT Muni Team”) utilizes a value-oriented investment process, seeking higher-yielding and undervalued municipal securities that offer the potential for above average total return. The FT Muni Team applies both quantitative and fundamental research and analysis, and seeks to identify inefficiencies in the municipal bond market. The process begins with a top-down review of portfolio maturity, duration, and yield curve positioning, as well as industry, sector, and credit quality. The FT Muni Team then applies total return scenario analysis at both the individual bond and portfolio level, in which the Team quantitatively exposes both individual bonds and portfolios to interest rate, yield curve, and credit spread movements or “shocks” over different time horizons.

The essential components of the municipal securities portfolio review process are:

- Total Return Scenario Analysis – Individual bonds and portfolios of securities are quantitatively exposed to interest rate, yield curve, and credit spread movements or “shocks”;
- Sector Analysis – a top-down review of core sectors based on bottom-up analysis of individual credits is conducted to determine which municipal sectors should be overweight, neutral weight, and underweight;
- New Issue Credit Analysis – new bond offerings are evaluated to determine portfolio suitability based on fundamental credit research on each borrower and individual bond security features;
- Trading – how a bond might trade in the secondary market is reviewed including total bond issuance size, underwriter willingness to make secondary markets, along with bond structural features such as coupon, maturity, call dates and sinking fund payments;
- Surveillance – holdings are analyzed on a systematic basis to monitor any changes in credit trend. Credit rating momentum is monitored for each borrower (bond); and
- Performance Attribution – granular total return analysis is performed using key portfolio attributes such as duration, credit rating, sector, and state. A portfolio’s performance is also compared to various benchmarks.

### Securitized Products/Asset-Backed (“ABS”) and Mortgage-Backed (“MBS”) Securities

The FTA Securitized Products Group (“FT SPG”) selects the securities by implementing an investment process comprised of the following components:

- Sector Analysis – Top-down review of core ABS and MBS sectors and macro market trends based on bottom-up analysis of individual securities is conducted to determine the sectors in which the portfolio will be overweight, neutral weight and underweight;
- Security Analysis – individual securities are evaluated based on the following criteria: price, yield, rating

and option adjusted spreads, prepayment sensitivity, default risk, interest rate duration and key rate exposure, sensitivity to yield volatility, liquidity premium and normalized valuation for each security class;

- Total Return Scenario Analysis – individual security and portfolio level return analysis are performed using extensive scenario stress testing of yield curve and spread shocks and/or movements;
- Surveillance – holdings are analyzed on a systematic basis to monitor any changes in security and portfolio performance or meaningful changes in risk measures. Key risk metrics include option adjusted and empirical duration to measure interest rate risk, partial or key rate duration to manage yield curve risk, Option Adjusted Spread (“OAS”) analysis to monitor pricing quality, spread duration to measure sensitivity to overall MBS market spreads, prepayment duration to assess portfolios sensitivity to prepayment risk, default risk to monitor credit quality of securities, and cash flow forecasting and overall liquidity management;
- Performance Attribution – a granular total return analysis is performed by reviewing key portfolio attributes such as duration, yield curve positioning, sector allocations as well as spreads. Portfolio performance is also compared to various benchmarks; and
- Risk and Performance Variables - are evaluated to include the following: prepayment velocity, quality of the underlying assets, type of MBS security (Pass-thru, CMO, ARM, Interest Only, Principal Only, Inverse Interest Only, CMO etc.), credit rating, OAS, interest rate volatility, liquidity premium, interest rate duration, average life, spread duration, interest rate cap analysis, home price appreciation, government policy, defaults and severities, normalized valuation, call schedule, guarantee, settlement and basis risk (difference in performance between hedges and assets).

### Leveraged Finance

The FTA Leveraged Finance Team’s (“FT LF Team”) investment process uses a balanced combination of rigorous bottom-up fundamental credit analysis and disciplined portfolio construction. The investment process follows a three step approach: fundamental credit analysis, investment committee review, and portfolio construction.

1. **Fundamental Credit Analysis** - The investment team’s internal ratings system assists in the fundamental risk assessment by standardizing the risk level of credits across issuers and industries. Credits are scored from 1 through 6, with 1 the strongest fundamental business profile and 6 the weakest fundamental business profile.

Industry analysts conduct fundamental credit analysis on a credit based on the following primary criteria:

Consistency of cash flow generation - The investment process favors companies that produce relatively stable cash flows through an economic cycle. Highly cyclical companies or capital intensive industries face a high hurdle. A company’s cash flow is stressed to determine how resilient the company would be in a downside scenario.

Collateral assessment - One of the primary advantages of the asset class is the fact that senior floating rate loans hold a secured position in the capital structure. The investment process evaluates the collateral backing for each loan. Importantly, the collateral value is assessed not only in a benign credit environment when valuations are highest, but assuming the collateral will be monetized in a recession when valuations are typically at their lowest. The investment process favors companies that have strong collateral value so that a positive outcome may be achieved even in a situation when cash flows deteriorate.

Management quality - The investment process favors companies that have management teams with a sound track record of managing businesses with leveraged balance sheets and a commitment to

deleveraging. Strong management teams are typically able to navigate more challenging business conditions or economic environments in a nimble fashion.

2. **Investment Committee** - The experienced industry analyst presents the credit to the Investment Committee, which is comprised of the senior members of the FT LF Team. This leverages the experience of the team for each potential investment opportunity. The Investment Committee must unanimously approve a credit in order for that credit to be eligible for purchase.
3. **Portfolio Construction** - Key elements of constructing the portfolio include:

Relative value assessment - Each approved investment opportunity is evaluated relative to other opportunities available in the market. This relative value assessment helps ensure the portfolio is positioned in the credits that offer the best return relative to risk. The FT LF Team's internal ratings system assists in the relative value assessment by standardizing the risk level of credits across issuers and industries. Every credit holding is assigned a relative value rating, from 1 through 5, with 1 the most attractive and 5 the least attractive.

Portfolio diversification - Diversification is a key component of the portfolio construction process and an important factor in risk management. The investment process seeks to have a properly diversified portfolio across individual issuers and industries. Concentrated issuer or industry positions typically lead to outsized risk, and therefore, the FT LF Team seeks to construct well diversified portfolios.

Issuer liquidity - The potential liquidity of each investment opportunity is analyzed prior to purchase. The investment process favors investments in more liquid issuers, which provides the FT LF Team the flexibility to size each investment appropriately over time.

Factors we consider to assess liquidity include:

- Transaction size
- Quality of the arranging bank or institution
- Issuer rating
- How widely the transaction is distributed
- Number of dealers transacting in the issue
- Size of the bid / ask spread
- Depth of the bid or offer

The FT LF Team's internal ratings system assists in portfolio construction by standardizing the risk level of credits across issuers and industries.

### Associated Risks

The primary risk of investing in fixed income securities is that they may decline in value for a variety of reasons, including a broad market downturn, a rising interest rate environment, unfavorable developments affecting an entire industry, and specific events affecting a single company. The following is a partial list of the risks associated with investing in various types of fixed income securities:

- All bonds, including investment grade corporate bonds, are subject to various risks including higher interest rates (since fixed income securities typically decline in value as interest rates rise), economic recession, possible rating downgrades by one or more rating agencies, and possible defaults of interest and/or principal payments by the issuer;
- Corporate high-yield or "junk" bonds are rated below investment grade and are subject to a higher risk of

rating downgrade and issuer default than investment-grade corporate bonds, and are more affected by an economic recession. The prices of high-yield bonds tend to fluctuate more than those of investment grade bonds;

- Fixed income securities issued by foreign issuers are subject to additional risks including foreign currency fluctuations, foreign political risks, foreign tax withholding, possible lack of adequate financial information and possible exchange control restrictions. Additionally, these risks may be more pronounced in emerging markets where the securities markets are substantially smaller, less liquid, less regulated, and more volatile than developed foreign markets;
- Municipal bonds are issued by states, counties or other municipal authorities and are subject to additional risks, including deterioration in the financial condition of the municipal issuer and potential changes in tax laws affecting the tax-free status of municipal bonds;
- Mortgage-backed securities may be more sensitive to changes in interest rates than traditional fixed income securities as rising rates tend to extend the duration of such securities. In addition, mortgage-backed securities are subject to prepayment risk, since borrowers may pay off their mortgages sooner than anticipated, particularly during a period of declining interest rates. Certain mortgage-backed securities are subject to a higher risk of rating downgrade or defaults than higher rated mortgage-backed securities. Mortgage loans or the guarantees underlying the mortgage-backed securities may default or otherwise fail, leading to non-payment of interest and principal; and
- Senior loan securities are high-yield, floating rate corporate debt securities which are senior in a company's capital structure to unsecured debt securities. Like all high-yield securities, such securities carry a heightened risk of a rating downgrade or issuer default than investment grade securities.

### **CEFs and ETFs**

Certain US Funds and SMAs invest all or a portion of their portfolios in First Trust or third-party CEFs and/or ETFs. The underlying CEFs and/or ETFs may invest in a wide variety of equity, commodity or fixed income securities.

The FTA approach to the selection of CEFs involves a variety of fundamental and performance-related criteria and involves both quantitative and qualitative analysis of the applicable CEF universe (i.e. equity CEFs, taxable fixed income CEFs, municipal CEFs, etc.). FTA believes the CEF marketplace is a retail-driven market where inefficiencies and opportunities exist that FTA seeks to discover and exploit.

The FTA approach to the selection of ETFs primarily seeks to create an efficient asset allocation mix for a given risk tolerance (i.e. growth, moderate growth, etc.).

A portion of an SMA portfolio investing in ETFs or CEFs may be reserved for a tactical overweighting or underweighting of various asset classes based on the current outlook of the FTA Research Team or the portfolio managers regarding specific asset classes, industries, global geographic regions, etc.

The SMA and ETF Model Program also include First Trust or third-party CEFs and/or ETFs.

### **Associated Risks**

CEFs and ETFs are subject to the applicable risks previously identified above. Additionally, CEFs and ETFs are each unique securities in their own right and are subject to additional risks:

- Both CEFs and ETFs are subject to the ability of each fund's investment manager to manage the underlying portfolios to meet each fund's stated investment objectives.
- CEFs, unlike open-end funds which trade at prices based on a fund's net asset value, frequently trade at a discount to their net asset value in the secondary market (exchange). Additionally, many CEFs employ leverage (debt) to achieve greater returns, though the strategy can increase the volatility of such funds.
- Like CEFs, ETFs may trade at a discount to their net asset value in the secondary market. The structure of

an ETF causes most ETF market prices to trend toward tracking the fund's respective net asset value closely, but this may not always be the case, particularly during periods of extreme market volatility.

- Index-based ETFs are designed to track a specified market index; however, in some cases an ETF's return may deviate from the specified index. Certain ETFs are actively managed and subject to management risk.
- Unlike open-end funds, ETF investors buy and sell their shares on a national stock exchange, as only brokers that are "authorized participants" may create or redeem shares directly with the ETF, and then only in large blocks or "creation units".
- Active portfolio management may result in an ETF or CEF failing to achieve its investment objectives or underperforming its benchmark index and/or other funds with similar investment objectives.

## **Commodities**

The FTA Alternatives and Active Management Team (the "Alts Team") evaluates futures contracts both quantitatively and qualitatively to seek the highest potential for total return. Through the investment process described below, FTA seeks to maximize the return of a highly diversified commodity portfolio targeted to a specific volatility range.

10 to 35 distinct commodities are selected based upon liquidity as measured by open interest. The list of commodities considered for inclusion can and will change over time. The Alts Team models and forecasts the expected volatility level of each commodity using daily historical data and generates the set of portfolios that seek to maximize returns given specific levels of volatility. The Alts Team rebalances monthly (or more frequently subject to market conditions) to the asset weighting that it believes is most optimal given the desired risk range for the portfolio.

The commodity futures selected for a portfolio are those with a forecasted volatility and correlation profile that the Alts Team believes is far more stable than traditional portfolio construction approaches.

## **Associated Risks**

Negative changes in a commodity market could have an adverse impact on the value of commodity-linked investments susceptible to fluctuations in commodity markets which are held in commodity-based ETFs. The value of commodity-linked investments may be affected by overall market movements, changes in taxation, terrorism, nationalization or expropriation, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as, weather (drought, flooding), livestock disease, embargoes, tariffs and international economic, political and regulatory developments. The prices of sector commodities (energy, metals, agriculture, and livestock) may fluctuate widely due to factors such as changes in value, supply and demand, and governmental regulatory policies.

## **Flexible Exchange® Options ("FLEX Options")**

FTA, as investment advisor along with Vest Financial LLC ("Vest") as a Sub-Advisor, manages a suite of ETFs using a "target outcome strategy" which seeks to provide an investment outcome up to a pre-determined upside cap, while providing a buffer against potential losses based on the performance of an underlying reference asset or index over a pre-determined period of time ("Target Outcome Period"). These funds invest in a portfolio of purchased and written put and call FLEX Options to achieve its objectives. FLEX Options are customized options contracts that provide investors the ability to customize key contract terms, such as exercise prices, styles and expiration dates. The outcome may only be realized for an investor who holds shares on the first day of the Target Outcome Period and continues to hold them on the last day of the Target Outcome Period. The funds reset annually on the first day of each new Target Outcome Period by investing in a new set of FLEX Options that provide the buffer and cap for the new Target Outcome Period.

Similar strategies are also offered in First Trust UITs where FTA provides Portfolio Services.



## Associated Risks

There is no guarantee that the pre-determined outcomes for a Target Outcome Period will be realized. The buffer and cap for each subsequent Target Outcome Period will likely differ from the initial Outcome Period. The funds only seek to provide investors that hold shares for the entire Target Outcome Period with the full target buffer against losses of the reference asset or index (based upon the value of reference asset or index at the time the fund entered into the FLEX Options on the first day of the Target Outcome Period) during the Target Outcome Period. If an investor purchases shares after the first day of a Target Outcome Period, they will likely have a different return potential than an investor who purchased shares at the start of a Target Outcome Period and the buffer the fund seeks may not be available.

## **ETF Model Program**

The ETF Model Program is created by the FTA Model Investment Committee (“Model Investment Committee”) and designed to provide financial professionals with a foundation to build scalable asset allocations for their clients.

The ETF Model Program consists of First Trust ETFs and generally includes the asset classes and portfolio construction methods described above but may include third-party ETFs representing various asset classes to complete the allocations. The models in the ETF Model Program are categorized as Strategic Focus, Strategic Risk and Risk Number.

The First Trust Strategic Focus Model portfolios are designed to provide core equity, core fixed income and core specialty allocations providing exposure to core alternatives, thematic and multi-income asset allocation strategies.

The First Trust Strategic Risk Model portfolios seek total return while diversifying the risk exposures among various asset classes over the long term. There are five Strategic Risk Model portfolios, each targeting a specific risk tolerance profile: conservative, conservative growth, balanced growth, moderate growth and aggressive growth. Each Strategic Risk Model portfolio holds a targeted percentage in equities, fixed income, alternatives and cash with the objective of achieving a suitable balance between anticipated risk and potential reward based on the Model Investment Committee’s current view of potential opportunities and risks. Allocations among broad asset classes within each risk profile are not anticipated to materially change over time. There may be market circumstances during which the Model Investment Committee may seek to reduce risk by moving a portion of the equity allocation to cash, although a reduction in the equity allocation would be unusual and would not be reduced by more than 10% in any circumstances.

The Model investment process begins with a top-down perspective of capital markets and the economy using inputs, views and rationale from FTA economic and market strategy teams who assess the following:

### Economic Team

- Growth forecasts for domestic GDP and inflation;
- Trade and tax policy considerations;
- Monetary and fiscal policy outlook;
- Geopolitical considerations;
- Macroeconomic indicators; and
- Regulatory environment.

### Market Strategy Team

- Earnings growth outlook for the S&P 500 Index and individual market sectors;
- Highlight potential risks to the market and specific firm views;
- Assess current market valuation; and
- Global market views.

The Model Investment Committee collaborates with various First Trust asset class sub-committees (“Sub-Committees”) to assess the unique factors that drive risk adjusted returns across equities, fixed income and alternatives asset classes to help in Model construction. By leveraging the expertise of the Sub-Committee members, the Model Investment Committee determines active views and potential opportunities in each asset type with the goal of providing sustainability, redundancy, and accountability of the Model process over time.

The Equity Sub-Committee evaluates the U.S. equity market by size, style and sector, as well as international equity markets by region and country, utilizing the following framework:

- Macro economic analysis to forecast economic growth and inflation, determine business stage cycle and evaluate recession risks;
- Earnings-per-share growth as a function of revenue growth, profit margins and the rate of net share buybacks;
- Valuation as a function of various price ratios such as price-to-earnings and price-to-book; and
- Monitor currency movements, rate differentials and capital flows.

The Fixed Income Sub-Committee evaluates the fixed income markets using a rigorous process that considers the following key components:

- Interest rate outlook;
- Sector relative value and spread analysis;
- Credit fundamentals across asset types;
- Supply/demand trends by asset type;
- Risk appetite and technical analysis;
- Yield curve, currency and valuation metrics; and
- Asset class level valuation.

The Alternatives Sub-Committee evaluates the alternative markets by assessing both the overall macro risk environment and the unique attributes of each alternative strategy with a particular focus on the following characteristics:

- Identify diversifying and return enhancing strategies;
- Assess the macro risk environment; and
- Consider factors such as asset trends and volatility, fund flows, credit spread behavior, monetary policies and investor risk discrimination as inputs into overall risk assessment.

The Model Investment Committee evaluates asset level views and potential opportunities within a portfolio context to seek to identify and understand embedded risks and correlations to manage the total risk contribution as appropriate for each Model’s objectives and constraints. The Model Investment Committee incorporates insights and analysis from the Sub-Committees, along with other considerations such as third-party research and affiliate views to reach conclusions on positioning. Prior to final Model construction, the Model Investment Committee reviews additional characteristics such as emphasizing particular equity regions, sectors or styles, and positioning of fixed income duration, asset classes, market sectors and alternatives. In addition to the regular quarterly review process, the Model Investment Committee may adjust model weightings intra-quarter if macroeconomic or financial market conditions materially impact their market views to the extent that they believe more timely action

is necessary. Lastly, continuous monitoring and risk management is conducted to evaluate the effectiveness of Model exposures and the premise behind these exposures.

## **Sub-Advised Models**

### **Vest Models**

First Trust also offers Sub-Advised Models. The FT Vest U.S. Equity Buffer ETF Models are three Model portfolios (defensive growth, moderate growth, and target outcome) made up of a diversified portfolio of actively managed target outcome ETFs. These ETFs are FT Vest U.S. Equity Buffer and Deep Buffer ETFs, and FT Vest Laddered U.S. Equity Buffer ETF, each sub-advised by Vest. The U.S. Equity Buffer and Deep Buffer ETF Models seek to deliver an optimal combination of equity growth participation and a level of downside protection, whereas the Laddered ETF Model seeks to provide exposure to a laddered portfolio based on the price returns of SPDR S&P 500 ETF Trust ("SPY") and are based on the expertise of Vest in FLEX Options and target outcome strategies. The weights of ETFs included in each Model are selected by Vest and reviewed and implemented by the Model Investment Committee.

The portfolio selection process for each of these Models starts with a series of up to twelve buffer ETFs, up to twelve deep buffer ETFs, and up to twelve target outcome buffer ETFs to optimize for the appropriate balance between a downside buffer and upside capture potential. The five major factors Vest uses for the assessment:

- Percentage of upside remaining until Buffer ETF no longer participates in growth;
- Percentage of buffer remaining before the Buffer ETF experiences losses;
- Percent change in value of Buffer ETF per 1% change in SPY price
- Percent change in value of Buffer ETF per 1% change in SPY implied volatility; and
- Percent change in value of the Buffer ETF for each calendar day of holding.

The subset of Buffer ETFs (5-7) for each Model portfolio is chosen based on the Model's optimized results, in line with the specific risk/growth objectives of each Model.

### **RBA Model**

The First Trust RBA U.S. Equity ETF Model is a sub-advised Model designed to provide an equity allocation portfolio based on the expertise of Richard Bernstein Advisors LLC ("RBA") and FTA. The Model aligns RBA's tactical top-down approach with FTA's unique lineup of ETFs utilizing a flexible investment approach across factors, styles, market caps and sectors. The goal of this strategy is to outperform the S&P 500 Index by 100 to 200 basis points annually over a full market cycle. RBA identifies the universe of approximately 100 First Trust ETFs (third-party ETFs may also be included if necessary) then apply RBA's investment criteria to identify 5-30 ETFs with a minimum position weight of 2% and maximum weight of 25%, with sector guardrails allowing for +/-35% relative weight to the S&P 500 Index. Once RBA selects the ETFs and weights, the Model Investment Committee reviews and implements the Model portfolios.

## **ITEM 9 - DISCIPLINARY INFORMATION**

FTA exceeded a CME position limit and was: (i) fined \$15,000 and (ii) required to disgorge profits of \$31,938.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Certain FTA officers, directors, members of the FTA Investment Committee and FTA Portfolio Managers are also officers, directors or employees of FTA affiliates. Certain of these persons may be registered representatives

of FTP, a broker-dealer. Following is a summary of these relationships:

- Mr. James A. Bowen is Chief Executive Officer of FTA and FTP. Mr. Bowen is also Chairman of the Board of Stonebridge Advisors LLC (Stonebridge), and First Trust Capital Partners LLC (FTCP). He is also a Director of First Trust Global Portfolios Ltd. (FTGP). Stonebridge and FTGP are registered investment advisors and affiliates of FTA. FTCP primarily invests in private investment opportunities. Mr. Bowen is also registered with FTP.
- Mr. Andrew S. Roggensack is President of FTA, FTP and FTCP and a Director of FTGP. Mr. Roggensack is also registered with FTP.
- Mr. James M. Dykas is Managing Director and Chief Financial Officer of FTA and FTP, and Chief Financial Officer of Stonebridge, First Trust Investment Solutions (FTIS), and FTCP. Mr. Dykas is also registered with FTP.
- Ms. Kelly C. Dehler is Chief Compliance Officer of FTA.
- Mr. Erik Jackson is Chief Compliance Officer of FTP. Mr. Jackson is also registered with FTP.
- Mr. W. Scott Jardine is General Counsel of FTA, FTP and Secretary of Stonebridge.
- Mr. R. Scott Hall is a Managing Director of FTA and FTP. Mr. Hall is also registered with FTP.
- Ms. Christina Knierim is a Senior Vice President and Controller of FTA and FTP, and Controller of FTIS.

**The following individuals are members of the Investment Committee:**

- Mr. Jon C. Erickson is a Senior Vice President of FTA and FTP and a member of FTA's Investment Committee. Mr. Erickson is also registered with FTP.
- Mr. Daniel J. Lindquist is a Managing Director of FTA and FTP and Chairman of FTA's Investment Committee.
- Mr. David G. McGarel is a Managing Director, Chief Operating Officer and Chief Investment Officer of FTA and FTP and Chief Operating Officer of FTCP. He is also a Director of FTGP and a member of FTA's Investment Committee. Mr. McGarel is also registered with FTP.
- Mr. Chris A. Peterson is a Senior Vice President of FTA and FTP and a member of FTA's Investment Committee. Mr. Peterson is also registered with FTP.
- Mr. Roger F. Testin is a Senior Vice President of FTA and FTP and a member of FTA's Investment Committee.

**The following individuals may participate in the Investment Committee and/or manage certain portfolios based on products or asset classes managed:**

- Mr. Jeremiah B. Charles is a Senior Vice President of FTA and FTP. Mr. Charles is also registered with FTP.
- Mr. Thomas Byron is a Senior Vice President of FTA and FTP. Mr. Byron is also registered with FTP.
- Mr. Kenneth S. Fincher is a Senior Vice President of FTA and FTP. Mr. Fincher is also registered with FTP.
- Mr. John W. Gambla is a Senior Vice President of FTA and FTP. Mr. Gambla is also registered with FTP.
- Mr. Rob A. Guttschow is a Senior Vice President of FTA and FTP. Mr. Guttschow is also registered with FTP.
- Mr. William A. Housey is a Managing Director of FTA and FTP. Mr. Housey is also registered with FTP.
- Mr. Todd W. Larson is a Senior Vice President of FTA and FTP. Mr. Larson is also registered with FTP.
- Mr. Eric R. Maisel is a Senior Vice President of FTA and FTP. Mr. Maisel is also registered with FTP.
- Mr. Erik Russo is a Vice President of FTA and FTP. Mr. Russo is also registered with FTP.
- Mr. Jeffrey M. Scott is a Senior Vice President of FTA and FTP. Mr. Scott is also registered with FTP.

- Mr. James W. Snyder is a Senior Vice President of FTA and FTP. Mr. Snyder is also registered with FTP.
- Mr. Stan Ueland is a Senior Vice President of FTA and FTP. Mr. Ueland is also registered with FTP.
- Mr. Johnathan N. Wilhelm is a Senior Vice President of FTA and FTP. Mr. Wilhelm is also registered with FTP.
- Mr. Nathan Simons, CFA, is a Vice President and Portfolio Manager of FTA.
- Mr. Scott Skowronski, CFA, is a Senior Vice President and Portfolio Manager of FTA.
- Mr. Christopher Bush, is a Vice President of FTA and a member of FTA’s Investment Committee.
- Mr. Bob Hensley, is a Vice President of FTA, FTP, and a member of FTA’s Investment Committee. Mr. Hensley is also registered with FTP.
- Mr. Jared Wollen, is a Vice President of FTA, FTP, and a member of FTA’s Investment Committee. Mr. Wollen is also registered with FTP.
- Mr. Omar Sepulveda, is a Vice President of FTA, FTP, and a member of FTA’s Investment Committee. Mr. Sepulveda is also registered with FTP.

FTA is registered with the National Futures Association (NFA) as an NFA member, Commodity Pool Operator and Commodity Trading Advisor. In addition, FTA is registered as a Portfolio Manager with the Ontario Securities Commission.

As previously noted in *Item 4 - Advisory Business*, FTA has material business arrangements with various affiliated and unaffiliated entities. FTA provides certain services to UITs sponsored by our affiliate, FTP. FTA also provides Advisory Services to the US Funds, Non-US Funds and SMAs.

In certain cases, FTA may include First Trust CEFs or ETFs in discretionary SMA portfolios and the portfolios of other First Trust CEFs and ETFs. In such cases, the SMA or Fund will indirectly incur the Fund level expenses of the underlying First Trust CEFs or ETFs, as well as directly incurring the FTA Advisory Fee.

FTP has arrangements with certain investment advisors in which FTP is compensated for referring persons to these investment advisors, thus creating an incentive for FTP to refer persons to these other advisors. Furthermore, one or more affiliates of FTA and FTP have an ownership interest in these other investment advisors. These arrangements result in a conflict of interest for FTP and FTA that is managed through disclosure of the arrangements.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

FTA has adopted a Code of Ethics (the “Code”) in accordance with Rule 204A-1 of the Investment Advisers Act of 1940 (“Advisers Act”) and Rule 17j-1 of the Investment Company Act of 1940 (“1940 Act”) which requires investment advisers to 1940 Act registered funds to adopt a Code. The Code covers all FTA employees (“Supervised Persons”) and includes specific policies regarding personal securities trading, conflicts of interest, insider trading, and service on the boards of directors of publicly-traded companies.

Each Supervised Person is required to request pre-approval of most personal securities transactions (with the exception of certain exempted securities such as open-end mutual funds, unit investment trusts, U.S. government securities and municipal bonds) and disclose all brokerage accounts over which he/she has direct or indirect ownership, influence or control. Supervised Persons may maintain brokerage accounts at broker, dealer or banks on the approved broker list (“Approved Broker”) and direct Approved Brokers to provide personal transaction confirmations to FTP Compliance.

The Code also requires Supervised Persons to certify on the date of hire and at least annually thereafter that he/she has received, read and understands the Code and agrees to abide by it at all times, including the reporting of all

personal securities holdings to FTP Compliance. With respect to non-public securities (such as private placements), prior approval of FTP Compliance is required before a Supervised Person invests in such securities or recommends such securities to clients. A copy of the Code may be obtained by contacting FTP Compliance at 120 E. Liberty Dr., Suite 400, Wheaton, IL 60187.

FTA may recommend securities to clients (or may buy or sell securities in discretionary client accounts) in which FTA or its affiliates have a financial interest. For example, as previously noted, FTA may include First Trust CEFs and ETFs in client portfolios which may provide a benefit to FTA or its affiliates. In such cases, in addition to the Advisory Fees FTA receives for Advisory Services to these accounts, FTA will also receive Advisory Fees for Advisory Services provided to the CEFs and ETFs. This may give rise to a conflict of interest on FTA's part which is managed through disclosure and through oversight of client accounts.

FTA, its Supervised Persons, and its affiliates may invest in securities that FTA also recommends to clients, or that FTA purchases or sells in discretionary client accounts. FTA manages these potential conflicts of interest principally through enforcement of the Code whereby a Supervised Person's request for pre-approval of a personal securities transaction may cause a material conflict of interest for FTA and approval would be denied.

## **ITEM 12 – BROKERAGE PRACTICES**

### **Best Execution**

The fiduciary duty owed to clients by FTA requires, among other things, a duty of care, which includes the duty to seek best execution of client transactions in which FTA is responsible for selecting the executing broker-dealer(s). FTA is responsible for selecting the executing broker-dealer(s) for transactions in client portfolios where FTA provides discretionary Advisory Services. It is for these clients, which include the US and Non-US Funds and certain SMAs that FTA is obligated to seek "best execution."

Best execution means that FTA is required to seek to obtain the execution of transactions for each discretionary client such that the client's total cost or proceeds in each transaction are the most favorable under the circumstances. In seeking best execution, FTA should consider the full range and quality of a broker's services in placing brokerage, including, among other things, execution capability, commission rate, financial responsibility and responsiveness to FTA. The determinative factor in best execution is not simply the lowest possible commission cost, but whether the transaction represents the best qualitative execution for the client.

FTA does not direct trades to brokers in exchange for research or other ancillary products and services in arrangements known as "soft dollar" or "commission sharing" arrangements. Client brokerage commissions are used only for execution services. There are some brokers that provide FTA with unsolicited access, free of charge, to financial and market databases that may contain research. FTA may utilize such research, but it is not a factor in FTA's selection of brokers, and client brokerage commissions are not used to acquire such access.

FTA does not select or recommend broker-dealers in exchange for client referrals from any broker-dealer and does not use its affiliate, FTP, to execute client trades.

A client may direct FTA to place trades in their accounts through a specific broker-dealer, a practice known as directed brokerage. Clients who want to direct their brokerage specify the broker-dealer in their Advisory Agreement with FTA.

In a directed brokerage arrangement, FTA may be unable to negotiate commissions, obtain volume discounts or otherwise obtain best execution on behalf of the client. Directed brokerage trades may be entered and executed at different times than other client trades in the same security as FTA may be unable to aggregate the directed brokerage client order with other clients' orders ("Orders") (discussed below). As a result, directed brokerage

clients may pay more for execution and/or receive less favorable execution prices than other clients.

Trades in Wrap Program Participant SMAs generally must be sent to the broker sponsoring the platform on which each SMA resides to avoid brokerage commission charges to the SMA. These trades cannot be aggregated with client trades in the same security where FTA determines the executing broker. SMAs and Models in the same investment strategy or suite of strategies are divided into groups. Each group rotates its priority position so that each is given equal priority and handled in a fair and equitable manner in the notification of strategy changes over time.

FTA is not responsible for best execution of trades sent to the Program Sponsor for execution on Wrap Program Participant SMAs but believes that overall broker-dealers to which FTA is required to direct transactions under a Wrap Program generally offer best execution. FTA provides no assurance that this is the case or will be the case in the future. Depending on the amount of the Wrap Fee charged by the Program Sponsor, the amount of activity in a Participant SMA, the value of custodial and other services provided by the Program Sponsor and other factors, a Wrap Program Participant should consider whether the Wrap Fee would exceed the aggregate cost of such services if they were provided separately. FTA encourages Wrap Program Participants to review all relevant materials from the Program Sponsor including the Program's terms, conditions and fees.

With respect to certain transactions for client accounts (excluding US Funds and Non-US Funds), FTA may, pursuant to its duty to seek best execution, determine to execute using step-out transactions (also referred to as "trading away"), even though such transactions require additional costs not covered by a Wrap Fee. Whenever FTA makes such a determination to trade-away, additional brokerage costs will be incurred by a Participant in addition to the Wrap Fee. The additional brokerage costs are netted into the price received for a security and will not be reflected as individual items on the Participant trade confirmation. Transactions in certain Participant SMAs or asset classes (e.g., corporate or municipal fixed income securities) will be traded away from the Wrap Program Sponsor via step-out transactions.

### **FTA Order Aggregation**

Each FTA Trade Desk has discretion in determining whether and under what circumstances it is appropriate to aggregate Orders in the same security rather than executing individual transactions for participating client accounts. Aggregation may be appropriate:

- to avoid the time and expense of simultaneously entering similar Orders for many individual client accounts that are managed in the same or similar investment strategies; and/or
- to minimize differences in performance of client accounts managed in the same style/strategy which may result from the placing of Orders for the same securities at different times or getting multiple individual Order fills from different brokers.

FTA does not generally aggregate Orders for the same security across product lines (e.g., ETFs, SMAs, UCITS, etc.) but may do so for Orders for securities in certain asset classes, including but not limited to investment grade corporate bonds, at the discretion of the Portfolio Manager.

For Wrap Program Participant SMAs, FTA sends aggregated Orders and the appropriate Order allocation to each Program Sponsor for all their participating customer accounts. There is no guarantee that these Orders will be aggregated by the Program Sponsor when placed with the executing broker-dealer(s). FTA confirms the proper allocation of each Order once the account is updated by the Program Sponsor.

FTA also manages SMAs under sub-advisory agreements with multiple RIAs ("Non-Wrap Accounts") and places Orders for these SMAs with executing broker-dealers. Non-Wrap Account Orders for equity securities are generally not aggregated with the Orders of other First Trust products (US Fund, Non-US Fund). Non-Wrap

Account Orders in municipal and taxable fixed-income securities may be aggregated with other First Trust products. The allocation of such Orders is described by asset class below.

Once an Order is placed, subsequent Orders for the same security on the same day are treated as separate for allocation and aggregation purposes.

Aggregation of Orders may not be appropriate in all circumstances. For example, in instances where the level of assets in one participating client account is significantly larger than another, such that purchasing the same security in an aggregated Order would result in de minimis pro-rata allocations to the smaller account over time. In such cases a separate Order for the smaller client account may be determined to be fairer and more equitable for the client.

### **Trade Allocation**

In order to avoid conflicts of interest and ensure each client is treated fairly over time, FTA has established allocation policies and procedures governing instances where Orders FTA places with the executing brokers are aggregated.

An Order filled in a series of executions through the same broker on the same terms (e.g., market or limit Order) on the same day will generally be allocated using an average price.

A preliminary allocation determination will be made prior to trade execution. As a general policy, the allocation should be finalized no later than the close of business on trade date.

When an aggregated Order is filled in its entirety, the Order will generally be allocated to participating client accounts according to the preliminary allocation. Order allocations are generally determined prior to Order execution by the Portfolio Manager or FTA trader. A post-trade allocation change may be made in certain limited instances such as a subsequent determination that a participating client account cannot hold the security. In such instance, the Portfolio Manager(s) will memorialize the details of the change and provide to FTA Compliance upon request. FTA Compliance will review such instances on a regular basis to ensure no client or group of clients is/are being favored over others over time.

Partial Order fills with no reasonable expectation of being completed during the trading day will generally be allocated among the participating client accounts based on a method that is fair and equitable. FTA Compliance will review such instances on a regular basis to ensure no client or group of clients is/are being favored over others over time.

Orders for the seed accounts used by FTA for performance tracking of SMA strategies and Models (“FTA Account”) are generally not aggregated with other Orders in the same security. In the event that an aggregated Order includes an FTA Account, the FTA Account will be allocated only its pro-rata share of the executed Order.

FTA Account Orders may not be executed prior to Order(s) in the same security.

In the exceptional instance where an Order which includes an FTA Account is not allocated pro-rata, the Portfolio Manager(s) responsible for the allocation will maintain a detailed written explanation, including (i) the reason for the exception and (ii) how that allocation did not disadvantage other client accounts. FTA Compliance will review the documentation of exceptions to the pro-rata allocation policy on a regular basis to ensure fair and equitable allocations to all participating client accounts.

### **Allocation Methodologies by Asset Class**



Unless noted specifically below, aggregated Orders are generally allocated pro-rata, based on the original Order size of each participating client account. All participating client accounts receive the average price for all transactions executed for that Order during that trading day and all participating client accounts share in commission and transaction costs on a pro-rata basis. FTA Compliance will regularly review Order allocations by each FTA Trade Desk for compliance with the allocation procedures described below.

**Municipal** – Orders in multiple client accounts may be aggregated when the municipal bond team (MBT) believes that it would result in a more favorable overall execution for all participating client accounts. Pro rata allocations will be the preferred method for aggregated Orders in municipal products when the size of an order provides an equal opportunity for all client accounts.

Further considerations are made when deciding whether it is appropriate to aggregate Orders and how best to distribute allocations, which could result in more customized allocations that deviate from pro rata allocations. Examples of factors considered include:

- Available cash as a percentage of client account assets at time of Order;
- Credit ratings or obligor concentration constraints in a given rating category;
- Sector concentration limitations and diversification requirements;
- Adjusting portfolio duration, yield curve positioning or credit exposure;
- Amount of existing holdings of the security (or similar securities) in client accounts;
- De-minimis allocations so small as to hinder liquidity in the secondary market;
- Smaller client account may cause larger percentage allocation to avoid de-minimis allocation;
- Allocating a smaller portion to those client accounts for which the purchased security would be a peripheral investment and a larger portion to those client accounts for which the security would be a core investment;
- Account-specific investment restrictions; and
- Investment time horizon.

A more exhaustive list of factors considered can be found under “Other Factors in Determining Allocation Methodology.”

**Securitized Products Group (SPG)** – Orders in multiple client accounts may be aggregated when the SPG believes it would result in a more favorable overall execution for all participating client accounts. Pro rata allocations will be the preferred method for aggregated Orders in securitized products when the size of an Order provides an equal opportunity for all client accounts. Securitized products can amortize, resulting in outstanding principal that can differ from its original face amount. As such, position sizes will generally be viewed based on their current face amount.

Due to amortization, position size and liquidity in each participating client account is an ongoing concern, especially if an allocation would result in a de minimis or odd lot position. As such, the Portfolio Managers will make additional considerations in these cases as to whether it is appropriate to aggregate and/or allocate these types of Orders.

Further considerations are made when deciding whether it is appropriate to aggregate Orders and how best to distribute allocations, which could result in more customized allocations that deviate from pro-rata allocations. Examples of factors considered include:

- Available cash at time of Order execution;
- Account-specific investment restrictions;
- Ratings or concentration constraints in a given rating category;

- Client account yield targets;
- Adjusting portfolio duration, yield curve positioning or credit exposure;
- Amount of existing holdings of the security (or similar securities) in client accounts; and
- Investment horizon.

A more exhaustive list of factors considered can be found under “Other Factors in Determining Allocation Methodology.”

Each client account will receive the transaction price and will share in the transaction costs on a proportional basis. Securitized products generally trade in minimum increments of \$1,000 in original face amount and will be rounded where applicable, which could result in slight discrepancies versus targeted allocations.

**High Yield Bonds and Leveraged Loans** – Transaction costs for loans will be split evenly amongst the participating client accounts. Transaction costs for bonds will be split on a pro-rata basis.

Publicly traded corporate bond securities trade in minimum increments of \$1,000. Where applicable, pro-rata allocations will need to be rounded down to the nearest \$1,000. Any residual bonds/loans will be reallocated to an eligible participating client account based on account size. For loans, in order to minimize overall transaction costs and to prevent potential position liquidity constraints, an allocation typically may not be made to any participating client account if, after proration, the account would be allocated less than \$50,000 par in loans. For bonds, an allocation may not be made to any participating client account if, after proration, the account would be allocated an amount less than the minimum denomination set forth in the respective bond indenture.

Portfolio Managers may determine that an allocation of less than \$50,000 par in loans would be beneficial to an account(s) or may choose to allocate loans to participating client accounts that would otherwise have been excluded from receiving loans based on the above parameters. In such case, the loans would be allocated among participating client accounts on a pro-rata basis based on each account’s original allocation.

If the partially filled block Order results in the receipt of less than \$50,000 par in loans, the loans may be allocated on a rotating basis among participating client accounts to minimize overall transaction costs and to prevent position liquidity constraints. The Portfolio Manager or trader will maintain a worksheet to monitor these allocations to ensure each account is treated fairly.

**Futures** – For Orders executed using different trade types, execution venues, execution brokers, or execution algorithms, the Orders will be treated as separate Orders, executed differently and not be averaged with the original Order for allocation purposes. The split Orders will be allocated on a pro-rata basis. Accounts will generally receive a separate average price for the split Order.

### Timing of Allocations

Allocation of aggregated Orders is completed in most cases prior to execution. In instances where it follows Order execution, it is completed before the end of the trading day. FTA Compliance regularly reviews allocation changes.

### Allocation of Orders Filled Over Several Days

In the case of securities in markets with low trading volume, it may be difficult to fill an Order in a single trading day. Filling an Order over the course of two or more trading days may result in increased transaction costs and variable execution prices. If an aggregated Order that involves both large accounts and small accounts takes longer than a single trading day to fill, a portion of the Order acquired on the first day may be allocated to the smaller

accounts (excluding FTA Accounts) first so that the accounts do not incur additional transaction costs. Alternative methods that take into account transaction costs may also be considered, but only if the method achieves a degree of fairness to all participating clients, and the allocations are appropriately documented.

#### Other Factors in Determining Allocation Methodology

Allocations may be modified if strict adherence to the described methodology is impractical and leads to inefficient or undesirable results. In addition to the procedures above for the allocation of aggregated Orders, the Portfolio Manager(s) will also consider the following factors in determining allocation methodology:

- Available cash at time of Order execution;
- Client cash flows, as applicable;
- Account-specific investment restrictions (e.g., no defense or tobacco stocks);
- Undesirable position size;
- Need to restore appropriate balance to a client portfolio that has become over- or under- weighted due to market activity;
- Client sensitivity to turnover which requires exclusion from participation in positions that are not expected to be long-term holdings;
- Client tax status;
- Existing client custodian allocation requirements;
- Regulatory restrictions;
- Common sense adjustments that lead to cost savings or other transactional efficiencies; and
- Investments may not be suitable for, or consistent with, known client investment objectives and goals.

With respect to fixed income investments:

- Ratings or concentration constraints in a given rating category;
- A client may have a higher yield target than others;
- A client may have a larger cash position than others (i.e., allocate a larger portion to portfolios with a larger percentage of cash as a percentage of total assets);
- Client country restrictions;
- Client limit on 2<sup>nd</sup> lien exposure;
- De-minimis allocations so small as to hinder liquidity in the secondary market;
- Client may be required to hold more liquid positions. A proportionate allocation may, given the size of a portfolio, result in an odd lot position that is too small resulting in liquidity concerns or too large to maintain an appropriate level of diversification;
- Issuer concentration concerns when client already has a high percentage of a given credit within a portfolio;
- Smaller client account may cause larger percentage allocation to avoid de-minimis allocation;
- Uneven cash flows;
- Adjusting portfolio duration, yield curve positioning or credit exposure;
- Industry or sector concentration;
- Investment objectives, guidelines and restrictions, risk tolerances including minimum security quality, average portfolio quality and any targeted portfolio allocation requirements;
- Amount of existing holdings of the security (or similar securities) in client accounts;
- Investment horizon;
- Directed brokerage instructions, if applicable; and
- Allocating a smaller portion to those client accounts for which the purchased security would be a peripheral investment and a larger portion to those client accounts for which the security would be a core investment.

With respect to commodities:

- Use of different execution methodologies; and
- Trade used as hedge and pro-rate allocation would not have desired result.

### ETF Model Programs

FTA does not place Orders for its Model portfolios but seeks to ensure the dissemination of changes to Platforms that use one or more ETF Models that primarily invest in First Trust ETFs such that no Platform is advantaged or disadvantaged over time. Changes to these Models are typically provided to all participating Platforms after market close on the day the Model Investment Committee releases its final investment decisions. This allows all Model recipients the opportunity to execute Model changes at the same time.

## **ITEM 13 – REVIEW OF ACCOUNTS**

FTA monitors all client accounts on a regular basis for consistency with each client’s stated investment objective and the specific investment strategy selected. Portfolios managed for US Funds and Non-US Funds are reviewed regularly by FTA employees in senior vice president roles or their designee(s) trained in monitoring portfolio compliance against investment objectives and restrictions in Fund Documents.

SMA’s are also reviewed at least monthly by a member of the FTA SMA Portfolio Management Group including a comparison of client accounts within the applicable strategy for unusual deviations from other accounts with the same strategy. Unusual differences are discussed among FTA portfolio management which may result in more in-depth analysis.

UIT portfolios supervised by FTA are continuously reviewed by FTA Research for matters that may be cause for concern, such as a ratings downgrade, an issue being placed on credit watch by a rating agency, significant negative financial news, etc. Issues identified by Research personnel are brought to the attention of a senior vice president for consideration.

SMA clients receive reports on at least a quarterly basis from their designated broker-dealer/custodian. For Wrap Program Participants, these reports typically come from the Program Sponsor. FTA also generates reports on a quarterly basis for SMA’s, which may be available online to an SMA client and his/her financial representatives. These reports include a list of account holdings, performance information and gain/loss report for the quarter.

Investors in US Funds and Non-US Funds receive an annual report and semi-annual report as required by applicable regulations. These reports contain a list of holdings, financial statements, performance information, management discussion of fund performance (where required) and other information.

Investors in UITs receive the Trustee’s Annual Report which includes a list of holdings in each UIT and a summary of transaction activity in the UIT during the year.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

FTA does not compensate any third party for client referrals.

FTP is compensated for referrals by other advisors in which affiliates of FTA and FTP have an ownership interest. Due to their affiliation, this provides an additional incentive to FTP and creates a conflict of interest for FTP and FTA. FTP and FTA manage the conflict, through disclosure of the arrangements.

## **ITEM 15 – CUSTODY**

FTA does not have custody of client funds or securities, which are held by qualified custodians. SMA clients receive reports on at least a quarterly basis from the applicable qualified custodian. FTA also generates reports on a quarterly basis for SMAs, which are available online to an SMA client and/or his/her financial representative. FTA encourages clients to compare the reports generated by FTA to the reports received from the qualified custodian. There may be differences between these reports caused by accrued dividends, different reporting dates, trade date vs. settlement date differences, etc.

## **ITEM 16 – INVESTMENT DISCRETION**

As described in *Item 4 – Advisory Business*, FTA provides discretionary Advisory Services to a variety of clients, including SMAs and Institutional clients. Every client account to which FTA provides Advisory Services is governed by an Advisory Agreement between FTA and the SMA client or Program Sponsor in which FTA is granted discretionary authority to manage the account. For US Funds, FTA’s Advisory Services are further governed by the Fund Documents. First Trust index-based ETFs generally seek to replicate a designated index. Actively-managed ETFs, CEFs, OEFs and VIT require FTA to manage the portfolios according to the investment objective and restrictions of each Fund, as described in the Fund Documents. Some of the actively-managed Funds have one or more Sub-Advisors who are responsible for the day-to-day management of the Fund portfolio(s) and who are subject to Board supervision and FTA oversight.

SMA clients grant FTA discretionary investment authority through the Advisory Agreement, either directly with FTA or through a Program Sponsor. Generally, a client selects one strategy from a menu of investment strategies offered by FTA and works with his/her financial advisor as an integral part of this process to review the investor’s Suitability Information in order to ensure the chosen strategy is suitable. Each client account in a particular strategy is managed in a similar manner. FTA may accept reasonable client-imposed restrictions on investing in certain securities or types of securities. Such restrictions may affect the performance of the client account.

## **ITEM 17 – VOTING CLIENT SECURITIES**

FTA is delegated proxy voting authority by a majority of its clients through relevant provisions of the Advisory Agreement. FTA may not vote proxies for all its clients.

FTA has adopted its own proxy voting policies and procedures (“FTA Proxy Policy”) and has engaged Institutional Shareholder Services (ISS) to provide proxy research, recommendations, and voting services. FTA will generally follow the ISS Proxy Voting Guidelines (the “Guidelines”) to vote proxies for proxy clients’ accounts, so long as such Guidelines are considered to be in the best interests of the proxy client, and there are no noted or perceived conflicts of interest. FTA’s use of the Guidelines is not intended to constrain FTA’s consideration of any proxy proposal, and there are times when FTA deviates from the Guidelines, including but not limited to: (i) when required by Rule 12d1-4 agreements between Fund proxy clients and certain acquired funds, if applicable and (ii) not withhold votes or not vote against directors solely based on quota criteria. FTA will also vote against shareholder proposals that are not related to a company’s core business and/or do not appear to be an appropriate use of a company’s resources to maximize shareholder value. When FTA deviates from the Guidelines, FTA will consider such proxy voting decisions in light of merit-based considerations which it believes may impact shareholder value. The Guidelines are posted on the “News and Literature” page on the website (ftportfolios.com) for each Fund for which FTA votes proxies.

If a conflict of interest arises between ISS and a target company subject to a proxy vote, FTA will consider the recommendation of the company and what FTA believes to be in the best interests of the proxy client and will vote the proxy without using the Guidelines. If FTA has knowledge of a material conflict of interest between itself and a proxy client, FTA shall vote the applicable proxy in accordance with the Guidelines to avoid such conflict

of interest.

If there is a decision to vote against the Guidelines, the FTA Investment Committee will document the reason and instruct ISS to change the vote to reflect this decision. If there is a conflict of interest between a proxy client and FTA or other fund service providers, FTA will vote the proxy based on the Guidelines to avoid such conflict of interest.

In certain circumstances where FTA has determined that it is consistent with the clients' best interests, FTA may decide not to vote proxies in one or more clients' accounts. Such circumstances include:

- Limited Value - Proxies will not be required to be voted on securities in a proxy client's account if the value of the proxy client's economic interest in the securities is indeterminable or insignificant (less than \$1,000). Proxies will also not be required to be voted for any securities that are no longer held in proxy client's account(s).
- Securities Lending Program - When securities are out on loan, they are transferred into the borrower's name and are voted by the borrower, in its discretion. In most cases, FTA will not take steps to recall securities on loan in order to vote a proxy. However, where FTA determines that a proxy vote, or other shareholder action, is materially important to the client's account, FTA will make a good faith effort to recall the security for purposes of voting, understanding that in certain cases, the attempt to recall the security may not be effective in time for voting deadlines to be met.
- Unjustifiable Costs - In certain circumstances, based on a cost-benefit analysis, FTA may choose not to vote when the cost of voting on behalf of a proxy client would exceed any anticipated benefits of the proxy proposal to the proxy client (e.g., foreign securities).
- International Markets Share Blocking - Share blocking is the "freezing" of shares for trading purposes at the custodian/sub-custodian bank level in order to vote proxies. While shares are frozen, they may not be traded. Therefore, the potential exists for a pending trade to fail if trade settlement falls on a date during the blocking period. In international markets where share blocking applies, FTA typically will not, but reserves the right to, vote proxies due to the liquidity constraints associated with share blocking.

Certain US Funds invest in other registered investment companies ("*acquired funds*") in reliance on Section 12 or Rule 12d1-4 of the 1940 Act. This may require FTA to vote proxies on behalf of these Funds in the same proportion as other holders of the acquired fund's shares. This is referred to as "mirror voting."

Clients who wish to obtain a summary of how FTA voted proxies for securities held in his/her account or who wish to obtain a copy of FTA's proxy voting policies and procedures, should contact FTA at 120 E. Liberty Dr., Suite 400, Wheaton, IL 60187 (Attention: SMA Operations).

## **ITEM 18 – FINANCIAL INFORMATION**

FTA has discretionary authority over client accounts and is therefore required to disclose any financial condition that is reasonably likely to impair FTA's ability to meet its contractual commitments to its clients. Clients are advised that FTA has no such financial condition to disclose.

## **PRIVACY POLICY OF FIRST TRUST PORTFOLIOS L.P. AND FIRST TRUST ADVISORS L.P. (“FIRST TRUST”)**

First Trust values our relationship with you and considers your privacy an important priority in maintaining that relationship. We are committed to protecting the security and confidentiality of your personal information.

### **SOURCES OF INFORMATION**

We collect nonpublic personal information about you from the following sources:

- Information we receive from you and your broker-dealer, investment professional or financial representative through interviews, applications, agreements or other forms;
- Information about your transactions with us, our affiliates or others;
- Information we receive from your inquiries by mail, e-mail or telephone; and
- Information we collect on our website through the use of “cookies”. For example, we may identify the pages on our website that your browser requests or visits.

### **INFORMATION COLLECTED**

The type of data we collect may include your name, address, social security number, age, financial status, assets, income, tax information, retirement and estate plan information, transaction history, account balance, payment history, investment objectives, marital status, family relationships and other personal information.

### **DISCLOSURE OF INFORMATION**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. In addition to using this information to verify your identity (as required under law), the permitted uses may also include the disclosure of such information to unaffiliated companies for the following reasons:

- In order to provide you with products and services and to effect transactions that you request or authorize, we may disclose your personal information as described above to unaffiliated financial service providers and other companies that perform administrative or other services on our behalf, such as transfer agents, custodians and trustees, or that assist us in the distribution of investor materials such as trustees, banks, financial representatives, proxy services, solicitors and printers.
- We may release information we have about you if you direct us to do so, if we are compelled by law to do so, or in other legally limited circumstances (for example to protect your account from fraud).

In addition, in order to alert you to our other financial products and services, we may share your personal information within First Trust.

### **USE OF WEBSITE ANALYTICS**

We currently use third party analytics tools, Google Analytics to gather information for purposes of improving First Trust’s website and marketing our products and services to you. These tools employ cookies, which are small pieces of text stored in a file by your web browser and sent to websites that you visit, to collect information, track website usage and viewing trends such as the number of hits, pages visited, videos and PDFs viewed and the length of user sessions in order to evaluate website performance and enhance navigation of the website. We may also collect other anonymous information, which is generally limited to technical and web navigation information such as the IP address of your device, internet browser type and operating system for purposes of analyzing the data to make First Trust’s website better and more useful to our users. The information collected does not include any personal identifiable information such as your name, address, phone number or email address unless you provide that information through the website for us to contact you in order to answer your questions or respond to your requests. To find out how to opt-out of these services click on: [Google Analytics](#)

### **CONFIDENTIALITY AND SECURITY**

With regard to our internal security procedures, First Trust restricts access to your nonpublic personal

information to those First Trust employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards to protect your nonpublic personal information.

#### **POLICY UPDATES AND INQUIRIES**

As required by federal law, we will notify you of our privacy policy annually. We reserve the right to modify this policy at any time, however, if we do change it, we will tell you promptly. For questions about our policy, or for additional copies of this notice, please go to [www.ftportfolios.com](http://www.ftportfolios.com), or contact us at 1-800-621-1675 (First Trust Portfolios) or 1-800-222-6822 (First Trust Advisors).

March 2024



# **First Trust Advisors L.P.**

## **Form ADV – Part 2B Brochure Supplement**

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120 E. Liberty Dr., Suite 400  
Wheaton, IL 60187  
(630) 765-8000  
[www.ftportfolios.com](http://www.ftportfolios.com)

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**March 28, 2024**

This brochure supplement provides information about the supervised persons that supplements the information contained in the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement.

**Christopher R. Bush, CFA  
Vice President, Research  
First Trust Advisors L.P.  
120 E. Liberty Dr., Suite 400  
Wheaton, IL 60187  
(630) 765-8000**

This brochure supplement provides information about Christopher R. Bush, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option #1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Bush, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Educational Background and Business Expertise**

Christopher R. Bush, CFA, was born in 1982. Mr. Bush earned a B.S. in Business Administration from John Brown University in Arkansas. He has been with FTA since 2005 and is a research analyst and a member of the Strategy Research Group which develops and implements quantitative equity strategies.

Mr. Bush earned the Chartered Financial Analyst (CFA) charter designation in 2009. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by the CFA Institute, the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

## **Item 3 - Disciplinary Information**

Christopher R. Bush, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

## **Item 4 - Other Business Activities**

Christopher R. Bush, CFA, is a Vice President of FTA and First Trust Portfolios L.P. (FTP). FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Bush’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

## **Item 5 - Additional Compensation**

Mr. Bush’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**Thomas Byron**  
**Senior Vice President, Municipal Income**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Thomas Byron that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Byron is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Mr. Byron was born in 1959. Mr. Byron earned a B.S. in Finance from Marquette University and an M.B.A. from DePaul University. He has been with FTA since 2022 and is a Senior Portfolio Manager responsible for managing municipal bond portfolios. Prior to joining FTA, Mr. Byron held various positions in portfolio management and research.

Mr. Byron has over 40 years of experience in municipal bond portfolio management. His current duties include co-portfolio manager, alongside Johnathan Wilhelm, of all seven First Trust actively managed municipal ETFs as well as the municipal bond SMAs. Prior to joining First Trust, Mr. Byron was a Director and Portfolio Manager at BMO Global Asset Management for over six years, co-managing municipal assets and separately managed accounts in ultra-short, short, intermediate, and long strategies. He associated with client portfolio managers and wholesalers on sales calls with existing or prospective clients. Mr. Byron also was an Executive Director and Senior Portfolio Manager at Invesco for five years and Morgan Stanley for thirteen years, co-managing sixteen funds utilizing short, intermediate, and long strategies, a portion of which were high yield securities. Mr. Byron was also the lead manager of five municipal closed-end funds.

**Item 3 - Disciplinary Information**

Mr. Byron has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 - Other Business Activities**

Mr. Byron is a Senior Vice President of FTA and First Trust Portfolios L.P. (FTP). FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Byron’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

**Item 5 - Additional Compensation**

Mr. Byron’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**Jeremiah B. Charles**  
**Senior Vice President, Securitized Products**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Jeremiah B. Charles that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Charles is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Jeremiah B. Charles was born in 1979. Mr. Charles earned a B.S. in Finance from the University of Colorado and has a M.S. from DePaul University in Real Estate Finance. He has been with FTA since 2013 and is a Portfolio Manager for the Securitized Products Group. Prior to joining FTA, Mr. Charles held various positions in portfolio management, trading and institutional sales. Mr. Charles is responsible for managing fixed income portfolios, principally focusing on mortgage-backed securities.

**Item 3 - Disciplinary Information**

Jeremiah B. Charles has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 - Other Business Activities**

Jeremiah B. Charles is Senior Vice President of FTA and FTP. Mr. Charles is also registered with First Trust Portfolios L.P. (FTP). FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Charles’ responsibilities to FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

**Item 5 - Additional Compensation**

Mr. Charles’ compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

**Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist’s direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA’s Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA’s Investment Committee.

**Steven M. Collins, CFA**  
**Senior Vice President, Fixed Income Research**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Steven M. Collins, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Collins, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Steven M. Collins, CFA, was born in 1973. Mr. Collins earned a B.S. from Illinois State University and has an M.B.A. from DePaul University. He has been with FTA since 2007 and is a Senior Vice President in the Research Group.

Mr. Collins earned the Chartered Financial Analyst (CFA) charter designation in 2010. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

**Item 3 - Disciplinary Information**

Mr. Collins, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 - Other Business Activities**

Mr. Collins, CFA, is Senior Vice President of FTA and First Trust Portfolios L.P. (FTP). FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Collins’ responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

**Item 5 - Additional Compensation**

Mr. Collins’ compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

**Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is

represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.



**Jon C. Erickson, CFA**  
**Senior Vice President, Equity and Fixed Income Research**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Jon C. Erickson, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Erickson, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Mr. Erickson, CFA, was born in 1966. Mr. Erickson earned a B.S. in Computer Science from the University of Illinois and has an MBA from the University of Illinois in Finance. He has been with FTA since 1994 and he is a Portfolio Manager and Senior Vice President. As the Head of FTA’s Equity and Fixed Income Research Group, Mr. Erickson is responsible for determining the securities to be purchased and sold by Funds that do not utilize quantitative investment strategies on behalf of the Investment Committee.

Mr. Erickson earned the Chartered Financial Analyst (CFA) charter designation in 1993. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

**Item 3 - Disciplinary Information**

Mr. Erickson, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 - Other Business Activities**

Mr. Erickson, CFA, is Senior Vice President of FTA and First Trust Portfolios L.P. (FTP). FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub- accounts and exchange-traded funds (“First Trust Funds”)). Mr. Erickson’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

**Item 5 - Additional Compensation**

Mr. Erickson’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio. Mr. Erickson also has an indirect stake in the firm and will therefore receive ownership-related distributions.

## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**Thomas J. Evans, CFA**  
**Vice President, Fixed Income Research Analyst**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Thomas J. Evans, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Evans, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Thomas J. Evans, CFA, was born in 1968. Mr. Evans earned a B.S. from the University of Wisconsin- Madison and has a J.D. from DePaul University College of Law. He has been with FTA since 2002. Mr. Evans is Vice President and a research analyst in the Research Group.

Mr. Evans earned the Chartered Financial Analyst (CFA) charter designation in 2006. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

**Item 3 - Disciplinary Information**

Mr. Evans, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 - Other Business Activities**

Mr. Evans, CFA, is Vice President of FTA and First Trust Portfolios L.P. (FTP). FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Evans’ responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

**Item 5 - Additional Compensation**

Mr. Evans’ compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**Christopher R. Fallow, CFA**  
**Senior Vice President, Advisory Oversight**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
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This brochure supplement provides information about Christopher R. Fallow, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Fallow, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Christopher R. Fallow, CFA, was born in 1979. Mr. Fallow earned his B.S. in Economics from Wheaton College. He has been with FTA since 2005 and is responsible for supervising portfolio managers and sub-advisors of actively-managed First Trust funds from a risk and performance perspective. Mr. Fallow is a member of the First Trust Model Investment Committee, providing on-going oversight and risk monitoring of the ETF Models, the underlying portfolios, and the investment teams.

Mr. Fallow earned the Chartered Financial Analyst (CFA) charter designation in 2007. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

**Item 3 - Disciplinary Information**

Mr. Fallow, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 - Other Business Activities**

Mr. Fallow, CFA, is a Senior Vice President of FTA and First Trust Portfolios L.P. (FTP). FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Fallow’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

**Item 5 - Additional Compensation**

Mr. Fallow’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**Kenneth S. Fincher**  
**Senior Vice President, Closed-End Funds**  
**First Trust Advisors L.P.**  
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This brochure supplement provides information about Kenneth S. Fincher that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Fincher is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Mr. Fincher was born in 1966. Mr. Fincher earned a B.A. in Financial Administration from Michigan State University and has an MBA from Loyola University Graduate School of Business. He has been with FTA since 2008 and is a Portfolio Manager for the Separately-Managed Accounts and Exchange-Traded Fund strategies that primarily invest in Closed-End funds.

**Item 3 - Disciplinary Information**

Mr. Fincher has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 - Other Business Activities**

Mr. Fincher is Senior Vice President of FTA and First Trust Portfolios L.P. (FTP). FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Fincher’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

**Item 5 - Additional Compensation**

Mr. Fincher’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

**Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist’s direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA’s Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA’s Investment Committee.

**John W. Gambla, CFA, FRM, PRM**  
**Senior Vice President, Alternatives and Active Equity**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
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This brochure supplement provides information about John W. Gambla, CFA, FRM, PRM, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Gambla, CFA, FRM, PRM, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Educational Background and Business Expertise**

John W. Gambla, CFA, FRM, PRM, was born in 1966. Mr. Gambla earned a B.S. in Genetics and Developmental Biology and a B.A. in Finance from the University of Illinois at Urbana/Champaign and an MBA from the University of Chicago Booth School of Business. He has been with FTA since 2011 and is a Senior Vice President and Senior Portfolio Manager. Prior to joining FTA, Mr. Gambla held various positions in portfolio management, research and trading.

Mr. Gambla earned the Chartered Financial Analyst (CFA) chartered designation in 1995. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute, the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed- income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

Mr. Gambla was awarded the Financial Risk Manager (FRM™) designation in 1999. The FRM program, established in 1997 and certified by the Global Association of Risk Professionals (GARP), is a globally recognized standard for those who manage risk. The requirements for becoming certified as a FRM include passing both the Part I and Part II exams as well as a minimum of two years’ professional work experience in financial risk management related positions. The FRM curriculum emphasizes the practical applications of risk management theory and ensures that candidates have firm knowledge of the major areas of financial risk management particularly those who are involved in analyzing, controlling, or assessing potential credit, market and liquidity risk.

Mr. Gambla also earned the Professional Risk Manager (PRM) designation in 2002. The PRM designation is an independent valuation of skills and commitment to the highest standard of professionalism, integrity and best practices within the risk management profession. To achieve the PRM designation candidates must demonstrate sufficient knowledge and understanding of the building blocks essential for the successful practice of modern risk management by passing four exams as well as additional experience requirements. Successful candidates walk away with a detailed understanding of risk issues, risk management concepts, best practices and tolls with sophisticated leadership, managerial and organizational skills.



### **Item 3 - Disciplinary Information**

Mr. Gambla, CFA, FRM, PRM, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

### **Item 4 - Other Business Activities**

Mr. Gambla, CFA, FRM, PRM, is a Senior Vice President of FTA and FTP. Mr. Gambla is also registered with First Trust Portfolios L.P. (FTP). FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Gambla’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

### **Item 5 - Additional Compensation**

Mr. Gambla’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

### **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist’s direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA’s Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA’s Investment Committee.

**Rob A. Guttschow, CFA**  
**Senior Vice President, Alternatives and Active Equity**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Rob A. Guttschow, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Guttschow, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Educational Background and Business Expertise**

Rob A. Guttschow, CFA, was born in 1968. Mr. Guttschow earned a B.S. in Materials/Ceramic Engineering and an MBA from the University of Illinois in Urbana/Champaign. Mr. Guttschow has been with FTA since 2011 and is a Senior Portfolio Manager and Senior Vice President. Prior to joining FTA, Mr. Guttschow held various positions in portfolio management, research and trading.

Mr. Guttschow earned the Chartered Financial Analyst (CFA) charter designation in 1996. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

## **Item 3 - Disciplinary Information**

Mr. Guttschow, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

## **Item 4 - Other Business Activities**

Mr. Guttschow, CFA, is a Senior Vice President of FTA and First Trust Portfolios L.P. (FTP). Mr. Guttschow is also registered with FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed- end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Guttschow’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

## **Item 5 - Additional Compensation**

Mr. Guttschow’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**Robert A. Hensley, CFA  
Vice President, Research  
First Trust Advisors L.P.  
120 E. Liberty Dr., Suite 400  
Wheaton, IL 60187  
(630) 765-8000**

This brochure supplement provides information about Robert A. Hensley, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Hensley, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Educational Background and Business Expertise**

Robert A. Hensley, CFA, was born in 1970. Mr. Hensley earned a bachelor’s degree in Economics and Accountancy from the University of Oklahoma and a Master of Science in Finance degree from DePaul University’s Kellstadt Graduate School of Business. He has been with FTA since 2005. Mr. Hensley is a research analyst and a member of the Strategy Research Group which develops and implements quantitative equity strategies.

Mr. Hensley earned the Chartered Financial Analyst (CFA) charter designation in 2002. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

## **Item 3 - Disciplinary Information**

Mr. Hensley, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

## **Item 4 - Other Business Activities**

Mr. Hensley, CFA, is a Vice President of FTA and First Trust Portfolios L.P. (FTP). FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Hensley’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

## **Item 5 - Additional Compensation**

Mr. Hensley’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**William A. Housey, CFA**  
**Managing Director, Fixed Income**  
**Senior Portfolio Manager, Leveraged Finance**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about William A. Housey, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Housey, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Educational Background and Business Expertise**

William A. Housey, CFA, was born in 1973. Mr. Housey earned a B.S. in Finance from Eastern Illinois University and an M.B.A. in Finance and Management & Strategy from Northwestern University’s Kellogg School of Business. Mr. Housey joined FTA in 2010 as Senior Portfolio Manager for the Leveraged Finance Investment Team and has over 23 years of investment experience having held various positions in portfolio management and research. Mr. Housey is responsible for managing fixed-income portfolios, principally focusing on below investment- grade credit.

Mr. Housey earned the Chartered Financial Analyst (CFA) charter designation in 2001. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

## **Item 3 - Disciplinary Information**

Mr. Housey, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

## **Item 4 - Other Business Activities**

Mr. Housey, CFA, is a Managing Director of FTA and First Trust Portfolios L.P. (FTP) and is a member of the First Trust Strategic Model Investment Committee and the Fixed Income Sub- committee. Mr. Housey is also registered with FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Housey’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

## **Item 5 - Additional Compensation**

Mr. Housey's compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio. Mr. Housey also has an indirect stake in the firm and will therefore receive ownership-related distributions.

## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**Todd W. Larson, CFA**  
**Senior Vice President, Fixed Income**  
**First Trust Advisors L.P.**  
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**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Todd W. Larson, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Larson, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Todd W. Larson, CFA, was born in 1964. Mr. Larson earned a B.A. in Business Administration from North Park College. He has been with FTA since 2007 and he is a Portfolio Manager and Senior Vice President. As Head of FTA’s Fixed Income Group, Mr. Larson shall be responsible for implementation and execution of strategies involving fixed income securities.

Mr. Larson earned the Chartered Financial Analyst (CFA) charter designation in 2003. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

**Item 3 - Disciplinary Information**

Mr. Larson, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 - Other Business Activities**

Mr. Larson, CFA, is Senior Vice President of FTA and First Trust Portfolios L.P. (FTP). Mr. Larson is also registered with FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open- end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Larson’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

**Item 5 - Additional Compensation**

Mr. Larson’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.



## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**Daniel J. Lindquist, CFA**  
**Managing Director**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Daniel J. Lindquist, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Lindquist, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Educational Background and Business Expertise**

Daniel J. Lindquist, CFA, was born in 1970. Mr. Lindquist earned a B.A. in Business Economics from Wheaton College and has an MBA in Finance from the University of Chicago. He has been with FTA since 2004 and is a Managing Director. Mr. Lindquist is the Chairman of the Investment Committee and is responsible for overseeing the investment management operations of FTA.

Mr. Lindquist earned the Chartered Financial Analyst (CFA) charter designation in 2001. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

## **Item 3 - Disciplinary Information**

Mr. Lindquist, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

## **Item 4 - Other Business Activities**

Mr. Lindquist, CFA, is a Managing Director of FTA and First Trust Portfolios L.P. (FTP). FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Lindquist’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

## **Item 5 - Additional Compensation**

Mr. Lindquist’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio. Mr. Lindquist also has an indirect stake in the firm and will therefore receive ownership-related distributions.

## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**Eric R. Maisel, CFA**  
**Senior Vice President, Fixed Income**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Eric R. Maisel, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Maisel, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Eric R. Maisel, CFA, was born in 1966. Mr. Maisel earned a B.A. in Economics, Japanese, and Political Science from the University of Pittsburgh, and a M.Sc. in Economics for Development from the University of Oxford. He has been with FTA since 2008 and he is a Portfolio Manager and Senior Vice President responsible for managing fixed income portfolios.

Mr. Maisel earned the Chartered Financial Analyst (CFA) charter designation in 1996. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

**Item 3 - Disciplinary Information**

Mr. Maisel, CFA has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 - Other Business Activities**

Mr. Maisel, CFA, is Senior Vice President of FTA and First Trust Portfolios L.P. (FTP). Mr. Maisel is also registered with FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open- end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Maisel’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA’s clients.

**Item 5 - Additional Compensation**

Mr. Maisel’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**David G. McGarel, CFA**  
**Managing Director, Chief Investment Officer, Chief Operating Officer**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about David G. McGarel, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. McGarel, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

David G. McGarel, CFA, was born in 1966. Mr. McGarel earned a B.S. in Accounting from the University of Notre Dame. He has been with FTA since 1997. Mr. McGarel is the Managing Director, Chief Investment Officer and Chief Operating Officer of FTA and First Trust Portfolios

L.P. (FTP). As the Chief Investment Officer, Mr. McGarel oversees the FTP Research and Evaluations Department and sits on the FTA Investment Committee. As the Chief Operating Officer, Mr. McGarel is responsible for FTA and FTP operations, including information systems, trust administration and FTA administration.

Mr. McGarel earned the Chartered Financial Analyst (CFA) charter designation in 2000. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

**Item 3 - Disciplinary Information**

Mr. McGarel, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 - Other Business Activities**

Mr. McGarel, CFA, is a Managing Director, Chief Operating Officer and the Chief Information Officer of FTA and FTP. Mr. McGarel is also registered with FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. McGarel’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

## **Item 5 - Additional Compensation**

Mr. McGarel's compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio. Mr. McGarel also has an indirect stake in the firm and will therefore receive ownership-related distributions.

## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**Chris A. Peterson, CFA**  
**Senior Vice President, Strategy Research**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Chris A. Peterson, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Peterson, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Educational Background and Business Expertise**

Chris A. Peterson, CFA was born in 1975. Mr. Peterson earned a B.S in Finance from Bradley University and has an MBA from the University of Chicago Booth School of Business with concentrations in Analytic Finance & Accounting. He has been with FTA since 2000. As Head of FTA’s Strategy Research Group, Mr. Peterson is responsible for developing and implementing quantitative equity strategies on behalf of the Investment Committee.

Mr. Peterson earned the Chartered Financial Analyst (CFA) charter designation in 2001. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

## **Item 3 - Disciplinary Information**

Mr. Peterson, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

## **Item 4 - Other Business Activities**

Mr. Peterson, CFA, is a Senior Vice President of FTA and First Trust Portfolios L.P. (FTP). Mr. Peterson is also registered with FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Peterson’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

## **Item 5 - Additional Compensation**

Mr. Peterson’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio. Mr. Peterson also has an indirect stake in the firm and will therefore receive ownership-related distributions.



## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**Erik D. Russo**  
**Vice President, Exchange-Traded Funds**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Erik D. Russo that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Russo is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Erik D. Russo was born in 1988. Mr. Russo earned a B.S. in Business/Economics from Wheaton College. Mr. Russo has been with FTA since 2011 and he is a portfolio manager responsible for implementing the investment strategies of the exchange traded funds. Mr. Russo held various positions in portfolio management and credit research.

**Item 3 - Disciplinary Information**

Mr. Russo has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 - Other Business Activities**

Mr. Russo is Senior Vice President of FTA and First Trust Portfolios L.P. (FTP). Mr. Russo is also registered with FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Russo’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

**Item 5 - Additional Compensation**

Mr. Russo’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

**Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist’s direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA’s Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA’s Investment Committee.

**Jeffrey M. Scott, CFA**  
**Senior Vice President, Leveraged Finance**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Jeffrey M. Scott, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Scott, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Jeffrey M. Scott, CFA, was born in 1967. Mr. Scott earned a B.S. in Finance and Economics from Elmhurst College and an M.B.A. with specialization in Finance, Statistics, and Econometrics from the University of Chicago Booth School of Business. Mr. Scott joined FTA in 2010 as Deputy Credit Officer for the Leveraged Finance Investment Team and has over 30 years of investment experience having held various positions in portfolio management and research. Mr. Scott is responsible for managing fixed-income portfolios, principally focusing on below investment- grade credit.

Mr. Scott earned the Chartered Financial Analyst (CFA) charter designation in 2000. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

**Item 3 - Disciplinary Information**

Mr. Scott, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 - Other Business Activities**

Mr. Scott, CFA, is a Senior Vice President of FTA and First Trust Portfolios L.P. (FTP). Mr. Scott is also registered with FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open- end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Scott’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

**Item 5 - Additional Compensation**

Mr. Scott’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**Omar Sepulveda, CFA  
Vice President, Research  
First Trust Advisors L.P.  
120 E. Liberty Dr., Suite 400  
Wheaton, IL 60187  
(630) 765-8000**

This brochure supplement provides information about Omar Sepulveda, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Sepulveda, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Educational Background and Business Expertise**

Omar Sepulveda, CFA, was born in 1973. Mr. Sepulveda earned a B.S. in Finance from Northern Illinois University. He has been with FTA since 1997. Mr. Sepulveda is a research analyst and a member of the Strategy Research Group which develops and implements quantitative equity strategies.

Mr. Sepulveda earned the Chartered Financial Analyst (CFA) charter designation in 2009. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

## **Item 3 - Disciplinary Information**

Mr. Sepulveda, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

## **Item 4 - Other Business Activities**

Mr. Sepulveda, CFA, is a Vice President of FTA and First Trust Portfolios L.P. (FTP). Mr. Sepulveda is also registered with FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Sepulveda’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

## **Item 5 - Additional Compensation**

Mr. Sepulveda’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**John H. Sherren, CFA**  
**Vice President, Equity Research**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about John H. Sherren, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Sherren, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Educational Background and Business Expertise**

John H. Sherren, CFA, was born in 1963. Mr. Sherren earned a B.A.Sc. in Geo-Engineering from the University of Toronto and has an MBA from Queen’s University. He has been with FTA since 1998. Mr. Sherren is a Vice President in the Equity Research group.

Mr. Sherren earned the Chartered Financial Analyst (CFA) charter designation in 2001. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

## **Item 3 - Disciplinary Information**

Mr. Sherren, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

## **Item 4 - Other Business Activities**

Mr. Sherren, CFA, is Vice President of FTA and FTP. Mr. Sherren is also registered with First Trust Portfolios L.P. (FTP). FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Sherren’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

## **Item 5 - Additional Compensation**

Mr. Sherren’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.



**Nathan Simons, CFA**  
**Senior Vice President, Fixed Income**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
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This brochure supplement provides information about Nathan Simons that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Simons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Nathan Simons, CFA, was born in 1987. Mr. Simons, CFA, earned a Bachelor of Science from Hillsdale College. He has been with FTA since 2020. Mr. Simons is a portfolio manager for the investment grade fixed income portfolios. Prior to joining FTA, Mr. Simons held various positions in portfolio management and credit research.

**Item 3 - Disciplinary Information**

Mr. Simons has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 - Other Business Activities**

Mr. Simons is Senior Vice President of FTA and FTP. Mr. Simons is also registered with First Trust Portfolios L.P. (FTP). FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Simons responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

**Item 5 - Additional Compensation**

Mr. Simons compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

**Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist’s direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA’s Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA’s Investment Committee.

**James W. Snyder**  
**Senior Vice President, Securitized Products**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about James W. Snyder that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Snyder is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

James W. Snyder was born in 1962. Mr. Snyder earned a B.S. and M.A. from DePaul University and has an MBA in Finance from the University of Chicago Booth School of Business. He has been with FTA since 2013 and is a Senior Portfolio Manager for the mortgage-related fixed income portfolios. Prior to joining FTA, Mr. Snyder held various positions in portfolio management and trading. Mr. Snyder is responsible for managing fixed income portfolios, principally focused on mortgage-backed securities.

**Item 3 - Disciplinary Information**

Mr. Snyder has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 - Other Business Activities**

Mr. Snyder is Senior Vice President of FTA and FTP. Mr. Snyder is also registered with First Trust Portfolios L.P. (FTP). FTA provides various services to UITs sponsored by our affiliate, FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Snyder’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

**Item 5 – Additional Compensation**

Mr. Snyder’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

**Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist’s direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA’s Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA’s Investment Committee.

**Roger F. Testin, CFA**  
**Senior Vice President, Portfolio Management**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Roger F. Testin, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Testin, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Roger F. Testin, CFA, was born in 1966. Mr. Testin earned a B.S. in Accounting from the University of Illinois and has an MBA in Finance from the University of Chicago. He has been with FTA since 2001 and he is a Portfolio Manager and Senior Vice President. As Product Manager for the VA’s, SMA’s and International Managed Products, Mr. Testin shall be responsible for the daily implementation and execution of the strategies for these product vehicles on behalf of the Investment Committee.

Mr. Testin earned the Chartered Financial Analyst (CFA) charter designation in 2000. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute – the largest global association of investment professionals. The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

**Item 3 - Disciplinary Information**

Mr. Testin, CFA, has not been the subject of any civil, criminal, administrative proceeding or disciplinary actions.

**Item 4 - Other Business Activities**

Mr. Testin, CFA, is not engaged in any investment-related businesses or other business outside of First Trust Advisors L.P.

**Item 5 - Additional Compensation**

Mr. Testin’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

## **Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist's direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA's Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA's Investment Committee.

**Stanley Ueland**  
**Senior Vice President, Exchange-Traded Funds**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Stanley Ueland that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Ueland is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Stanley Ueland was born in 1970. Mr. Ueland earned a B.A. in Business Economics from Wheaton College. Mr. Ueland is a Vice President of the exchange-traded funds and Senior Vice President of FTA and First Trust Portfolios L.P. (FTP). He started at FTA and FTP in 2005. Mr. Ueland is responsible for executing the investment strategies of the exchange-traded funds and is a member of FTA’s Investment Committee (for exchange-traded funds only). He oversees day to day portfolio management operations and monitors the funds to ensure that fund objectives are achieved. Prior to joining FTA, Mr. Ueland held various positions in portfolio management, research and trading.

**Item 3 - Disciplinary Information**

Mr. Ueland has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 – Other Business Activities**

Mr. Ueland is a Senior Vice President of FTA and FTP. Mr. Ueland is also registered with FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Ueland’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

**Item 5 - Additional Compensation**

Mr. Ueland’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

**Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist’s direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA’s Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA’s Investment Committee.

**Johnathan N. Wilhelm**  
**Senior Vice President, Municipal Income**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Johnathan N. Wilhelm that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Wilhelm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Johnathan N. Wilhelm was born in 1966. Mr. Wilhelm earned a B.S. in Business from Miami University of Ohio and has a J.D. from DePaul University College of Law. He has been with FTA since 2013. Mr. Wilhelm is a portfolio manager responsible for managing municipal bond portfolios. Prior to joining FTA, Mr. Wilhelm held various positions in portfolio management and credit research.

**Item 3 – Disciplinary Information**

Mr. Wilhelm has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 – Other Business Activities**

Mr. Wilhelm is Senior Vice President of FTA and First Trust Portfolios L.P. (FTP). Mr. Wilhelm is also registered with FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”). Mr. Wilhelm’s responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

**Item 5 - Additional Compensation**

Mr. Wilhelm’s compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

**Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist’s direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA’s Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA’s Investment Committee.

**Jared Wollen, CFA**  
**Portfolio Manager, Equity Research**  
**First Trust Advisors L.P.**  
**120 E. Liberty Dr., Suite 400**  
**Wheaton, IL 60187**  
**(630) 765-8000**

This brochure supplement provides information about Jared Wollen, CFA, that supplements the First Trust Advisors L.P. (“FTA”) brochure. You should have received a copy of that brochure. Please contact FTA SMA Operations (1-800-222-6822, option 1) if you did not receive the FTA brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Wollen, CFA, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Educational Background and Business Expertise**

Jared Wollen, CFA, was born in 1984. Mr. Wollen, CFA, earned a Bachelor of Science degree in Business and a Master of Accountancy from University of Kansas. He has been with FTA since 2009 and he is a portfolio manager responsible for managing actively managed ETFs. Prior to joining FTA, Mr. Wollen, CFA, held various positions in portfolio management and equity research.

**Item 3 - Disciplinary Information**

Mr. Wollen, CFA, has not been the subject of any civil, criminal, administrative proceedings or disciplinary actions.

**Item 4 - Other Business Activities**

Mr. Wollen, CFA, is a fundamental equity analyst with FTA and First Trust Portfolios L.P. (FTP). Mr. Wollen is also registered with FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA provides various services to UITs sponsored by our affiliate, FTP. FTA also serves as portfolio manager to various investment companies (closed-end funds, open-end mutual funds, variable annuity sub-accounts and exchange-traded funds (“First Trust Funds”)). Mr. Wollen, CFA’s, responsibilities for FTP do not cause a material conflict of interest with FTA’s clients or interfere with his responsibilities to FTA clients.

**Item 5 - Additional Compensation**

Mr. Wollen, CFA’s, compensation is based upon a fixed salary, as well as a discretionary bonus determined by FTA management. His salary and bonus are not based on criteria such as performance of any portfolio or the value of the assets in any portfolio.

**Item 6 – Supervision**

The FTA Investment Committee is responsible for the overall investment decisions and supervision relating to the Separately Managed Accounts (SMAs), UITs, and First Trust Funds. Each portfolio management team is represented on the FTA Investment Committee. Daniel J. Lindquist, CFA, Managing Director of FTA, is the Chairman of the Investment Committee and is responsible for the overall supervision of the accounts. Mr. Lindquist’s direct supervisor is James A. Bowen, CEO of FTA, (phone number (630) 765-8000). David G. McGarel, CFA, Chief Operating Officer and Chief Investment Officer and Jon C. Erickson, CFA, Head of the Equity and Fixed Income Research group, are members of FTA’s Investment Committee. Roger F. Testin, CFA, is the Head of the Portfolio Management Group, and is also a member of FTA’s Investment Committee.

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## **PRIVACY POLICY OF FIRST TRUST PORTFOLIOS L.P. AND FIRST TRUST ADVISORS L.P. (“FIRST TRUST”)**

First Trust values our relationship with you and considers your privacy an important priority in maintaining that relationship. We are committed to protecting the security and confidentiality of your personal information.

### **SOURCES OF INFORMATION**

We collect nonpublic personal information about you from the following sources:

- Information we receive from you and your broker-dealer, investment professional or financial representative through interviews, applications, agreements or other forms;
- Information about your transactions with us, our affiliates or others;
- Information we receive from your inquiries by mail, e-mail or telephone; and
- Information we collect on our website through the use of “cookies”. For example, we may identify the pages on our website that your browser requests or visits.

### **INFORMATION COLLECTED**

The type of data we collect may include your name, address, social security number, age, financial status, assets, income, tax information, retirement and estate plan information, transaction history, account balance, payment history, investment objectives, marital status, family relationships and other personal information.

### **DISCLOSURE OF INFORMATION**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. In addition to using this information to verify your identity (as required under law), the permitted uses may also include the disclosure of such information to unaffiliated companies for the following reasons:

- In order to provide you with products and services and to effect transactions that you request or authorize, we may disclose your personal information as described above to unaffiliated financial service providers and other companies that perform administrative or other services on our behalf, such as transfer agents, custodians and trustees, or that assist us in the distribution of investor materials such as trustees, banks, financial representatives, proxy services, solicitors and printers.
- We may release information we have about you if you direct us to do so, if we are compelled by law to do so, or in other legally limited circumstances (for example to protect your account from fraud).

In addition, in order to alert you to our other financial products and services, we may share your personal information within First Trust.

### **USE OF WEBSITE ANALYTICS**

We currently use third party analytics tools, Google Analytics to gather information for purposes of improving First Trust’s website and marketing our products and services to you. These tools employ cookies, which are small pieces of text stored in a file by your web browser and sent to websites that you visit, to collect information, track website usage and viewing trends such as the number of hits, pages visited, videos and PDFs viewed and the length of user sessions in order to evaluate website performance and enhance navigation of the website. We may also collect other anonymous information, which is generally limited to technical and web navigation information such as the IP address of your device, internet browser type and operating system for purposes of analyzing the data to make First Trust’s website better and more useful to our users. The information collected does not include any personal identifiable information such as your name, address, phone number or email address unless you provide that information through the website for us to contact you in order to answer your questions or respond to your requests. To find out how to opt-out of these services click on: [Google Analytics](#)

### **CONFIDENTIALITY AND SECURITY**

With regard to our internal security procedures, First Trust restricts access to your nonpublic personal information to those First Trust employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards to protect your nonpublic personal information.

### **POLICY UPDATES AND INQUIRIES**

As required by federal law, we will notify you of our privacy policy annually. We reserve the right to modify this policy at any time, however, if we do change it, we will tell you promptly. For questions about our policy, or for additional copies of this notice, please go to [www.ftportfolios.com](http://www.ftportfolios.com), or contact us at 1-800-621-1675 (First Trust Portfolios) or 1-800-222-6822 (First Trust Advisors).

**FIRST TRUST ADVISORS L.P.**  
**PROXY VOTING POLICIES AND PROCEDURES**

First Trust Advisors L.P. (“FTA” or the “Adviser”) serves as investment adviser to, among others, separately managed accounts (“Clients”). As part of these services, the Adviser has, in most cases, agreed to or been delegated proxy voting responsibility on such Clients’ behalf (“Proxy Clients”). FTA is required to adopt and implement policies and procedures reasonably designed to ensure proxy voting on behalf of Proxy Clients is conducted in a manner that is in their best interests and addresses how conflicts of interest between FTA’s interests and Proxy Clients’ interests are managed. FTA has adopted the following policies and procedures to comply with this requirement (the “Policy”).

1. It is the Adviser’s policy to seek and to ensure that proxies are voted consistently and in the best economic interests of the Proxy Client. The FTA Investment Committee is responsible for the implementation of the Policy.

2. The Adviser engaged Institutional Shareholder Services (“ISS”) to provide proxy research, recommendations, and voting services. ISS provides a password protected website which is accessible to authorized FTA personnel to download upcoming proxy meeting data, including research reports of companies held in Proxy Client portfolios. The website can be used to view proposed proxy votes and to enter votes for upcoming meetings for Proxy Client portfolio securities.

3. FTA will generally follow the ISS Proxy Voting Guidelines (the “Guidelines”) to vote proxies for Proxy Clients’ accounts, so long as such Guidelines are considered to be in the best interests of the Proxy Client, and there are no noted or perceived conflicts of interest. FTA’s use of the Guidelines is not intended to constrain FTA’s consideration of any proxy proposal, and there are times when FTA deviates from the Guidelines, including but not limited to not withholding votes or not voting against directors solely based on quota criteria. When FTA deviates from the Guidelines, FTA will consider such proxy voting decisions in light of merit-based considerations which it believes may impact shareholder value. Proxy Clients can review the Policy and proxies voted (if any) by contacting FTA SMA Operations at 800-222-6822 option #1 or by email at [smaoperations@ftadvisors.com](mailto:smaoperations@ftadvisors.com).

4. FTA will also vote against shareholder proposals that are not related to a company’s core business and/or do not appear to be an appropriate use of a company’s resources to maximize shareholder value.

5. FTA may vote against the Guidelines in other circumstances as it has final authority and fiduciary responsibility for proxy voting.

6. In certain circumstances, where FTA has determined that it is consistent with Proxy Clients’ best interests, FTA will not vote a proxy on behalf of one or more Proxy Clients. Such circumstances include:

(a) *Limited Value*. Proxies will not be required to be voted on securities in a Proxy Client’s account if the value of the Proxy Client’s economic interest in the securities is indeterminable or insignificant (less than \$1,000). Proxies will also not be required to be voted for any securities that are no longer held in Proxy Client’s account(s).

(b) *Unjustifiable Costs*. In certain circumstances, based on cost-benefit analysis, FTA may choose not to vote when the cost of voting on behalf of a Proxy Client would exceed any anticipated benefits of the proxy proposal to such Proxy Client (e.g. foreign securities).

(c) *International Markets Share Blocking*. Share blocking is the “freezing” of shares for trading purposes at the custodian/sub-custodian bank level in order to vote proxies. While shares are frozen, they may not be traded. Therefore, the potential exists for a pending trade to fail if trade settlement falls on a date during the blocking period.

In international markets where share blocking applies, FTA typically will not, but reserves the right to, vote proxies due to the liquidity constraints associated with share blocking.

7. On a regular basis, FTA Research reviews ISS recommendations on matters determined to have a potential impact of shareholder value to decide whether to vote as the Guidelines recommend and advises the FTA Investment Committee of its determination.

8. FTA may determine voting in accordance with the Guidelines is not in the best interests of a Proxy Client. If there is a decision to vote against the Guidelines, the FTA Investment Committee will document the reason and instruct ISS to change the vote to reflect this decision.

9. Whenever a conflict of interest arises between ISS and a target company subject to a proxy vote, the Adviser will consider the recommendation of the company and what the Adviser believes to be in the best interests of the Proxy Client and will vote the proxy without using the Guidelines. If FTA has knowledge of a material conflict of interest between itself and a Proxy Client, the Adviser shall vote the applicable proxy in accordance with the Guidelines to avoid such conflict of interest. If there is a conflict of interest between a Fund Proxy Client and FTA or other Fund service providers, FTA will vote the proxy based on the Guidelines to avoid such conflict of interest.

10. If a Proxy Client requests the Adviser to follow specific voting guidelines or additional guidelines, the Adviser shall review the request and follow such guidelines, unless the Adviser determines that it is unable to do so. In such case, the Adviser shall inform the Proxy Client that it is not able to honor the Proxy Client's request.

11. FTA periodically reviews proxy votes to ensure compliance with this Policy.

12. This Policy, the Guidelines and votes cast for Proxy Clients are available upon request and such Proxy Client requests must be forwarded to [smaoperations@ftadvisors.com](mailto:smaoperations@ftadvisors.com) for review and response. This Policy is also provided with each advisory contract, and described and provided with the Form ADV, Part 2A.

13. FTA provides reasonable ongoing oversight of ISS. FTA, or ISS on behalf of FTA, maintains the following records relating to proxy voting:

- (a) a copy of this Policy;
- (b) a copy of each proxy form for which it is responsible to vote;
- (c) a copy of each proxy solicitation, including proxy statements and related materials with regard to each proxy issue it votes;
- (d) documents relating to the identification and resolution of conflicts of interest, if any;
- (e) any documents created by FTA or ISS that were material to a proxy voting decision or that memorialized the basis for that decision; and
- (f) a copy of each written request from any Proxy Client for information on how FTA voted proxies on the Proxy Client's behalf, and a copy of any written response by FTA to any written or oral request for information by a Proxy Client on how FTA voted proxies for that Proxy Client's account.

These records are either maintained at FTA's office or are electronically available to FTA through access to the ISS Proxy Exchange portal.