

First Trust Barrier Equity Income

The First Trust Barrier Equity Income strategy seeks income and risk-adjusted returns with low to moderate volatility relative to the broader equity markets by investing in contingent coupon barrier notes across multiple issuers.

Portfolio Information

Strategy Minimum	\$1,000,000
Individual Account Minimum	\$50,000
Inception Date	4/1/25
Account Type	Structured Investment SMA

Enhanced Income Potential with a Risk Aware Design

In today's persistently volatile market environment, where income and returns can vary widely, the pursuit of meaningful, consistent income can be a challenge. The First Trust Barrier Equity Income strategy offers a differentiated approach, seeking attractive income while providing a measure of contingent downside protection. The strategy invests in Contingent Coupon Barrier Notes which are structured investments that seek to provide coupon payments that may be higher than those available from traditional fixed income investments. Contingent Coupon Barrier Notes offer periodic coupon payments only if their reference asset is above the coupon barrier level on the stated observation dates.* While barrier notes seek to provide income and conditional protection, outcomes depend on the issuer, structure, and market conditions. We believe an actively managed, disciplined process is essential to help capture potential benefits while managing risk.

Key Features of the Strategy

Laddered Approach: The strategy employs a laddered approach, investing in multiple notes with staggered maturities and observation dates. As notes mature or are called, they are replaced or "rolled" into new notes with maturities of at least 12 months. As notes are added, important features such as coupon rates, barrier levels, and initial index values also reset based on market conditions at issuance.

Downside Risk Mitigation: The barrier feature may help limit losses unless breached at maturity. The potential for positive returns in various up and down market scenarios and diversified call/ maturity points may reduce the risk of negative outcomes and lessen the real loss potential in negative equity market scenarios.

Diversification: The strategy allocates across multiple issuers, maturities, and underlying equity exposures which may help reduce concentration risk.

Active Management: Active process seeks to maximize income potential and manage risk.

Strategy Focus

Reference Assets: Notes can be linked to a variety of indexes, such as:

- S&P 500® Index (SPX)
- Russell 2000® Index (RTY)
- Nasdaq-100® Index (NDX)
- Dow Jones Industrial Average® (DJIA)
- Typically no more than three underlying indexes per CUSIP

Maturities: At least 12 months

Barrier Contingent Protection Target: 30% (70% of initial level)

Issuer Limit: Maximum 50% of strategy assets to a single issuing bank

***Observation Dates:** Specific dates determine when the underlying asset's performance is measured to determine coupon payments, potential calls, and the final value of the note at maturity.

Diversification does not guarantee a profit or protect against loss.

Contingent Coupon Barrier Notes

Contingent Coupon Barrier Notes are issued by financial institutions and are linked to the performance of one or more underlying reference asset, such as an equity market index or an exchange-traded fund (ETF) that tracks an index (e.g. S&P 500® Index). Barrier Notes have three main features that determine an investor's return:

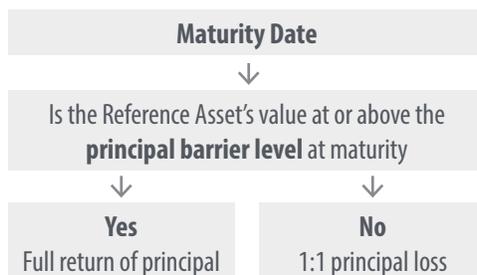
Coupon Barrier

Coupon payments are not guaranteed. Periodic coupon payments are made only if the underlying reference asset's value is at or above a set "coupon barrier" level on specific observation dates.



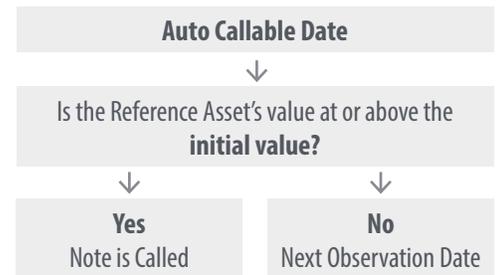
Principal Barrier

Principal is considered "at risk" because repayment is not guaranteed and is contingent on the reference asset staying at or above the "principal barrier level" at maturity. If the reference asset is at or above the barrier, principal is fully returned. If the reference asset declines below the barrier, investors are exposed to full losses from the initial level to the final level of the reference asset.



Call Feature

The issuer may redeem (call) the note early at predetermined dates, paying back principal on the call date plus any coupon due if the reference asset's value is at or above the principal barrier and the coupon barrier.



The Strategy includes complex features that make it difficult for investors to fully understand its characteristics and underlying risks. You should consider fully the Strategy's investment objectives, risks, and charges and expenses carefully before investing or recommending to your clients. Please see definitions and additional risk considerations on page 4.

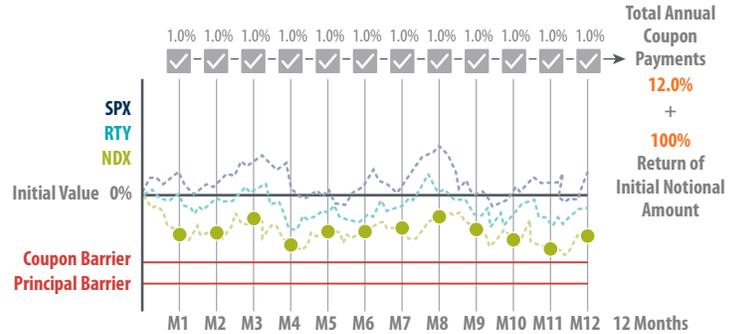
How It Works | Potential Return Scenarios of a Barrier Note at Maturity

The charts below illustrate four potential outcomes for a contingent coupon barrier note. Each scenario reflects a different market condition and demonstrates how the note may respond based on the performance of the underlying reference asset or combination of reference assets ("worst of"). These examples are intended to help investors understand how coupon payments, early calls, and principal outcomes may vary depending on market performance.

SCENARIO 1

Not Called: When the worst performing underlying equity index remains below its initial value, the note is not called on that observation date.

When the worst performing underlying equity index remains above the coupon barrier level, coupon payments are made for that observation date.

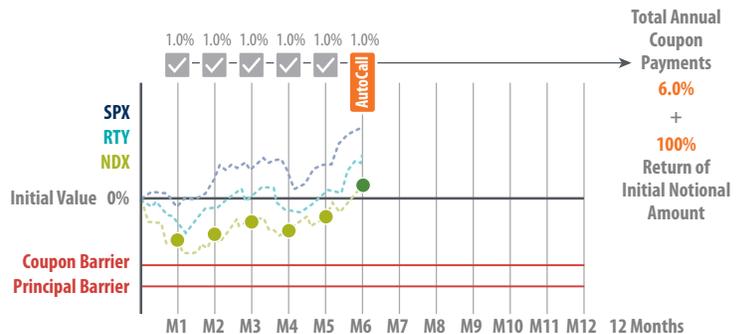


SCENARIO 2

Called: When the worst performing underlying equity index remains above its initial value, the note will be called on that observation date. The coupon for that observation date, as well as 100% of the principal, will be distributed and all future coupons will not be paid.

The strategy will customize a new note as a replacement for the called note, resetting the issuer, coupon, coupon barrier level and maturity barrier level.

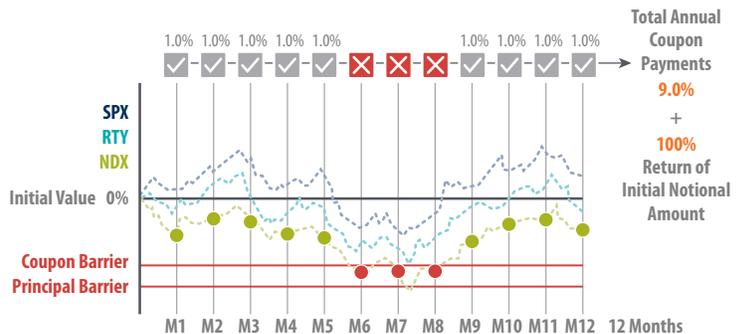
Notes may also be structured as Issuer Callable in which the note is called solely at the issuer's discretion on the pre-determined observation dates.



SCENARIO 3

Coupon Barrier Breach: When the worst performing underlying equity index remains below the coupon barrier level on any observation date, the coupon payment for that observation date is not paid.

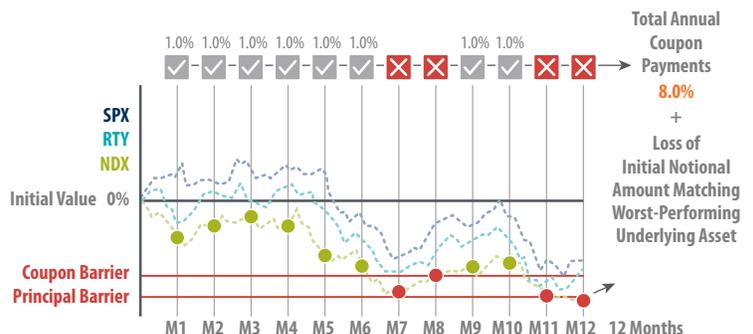
Distributions will resume on the next observation date, if the worst performing underlying equity index returns to a level above the coupon barrier.



SCENARIO 4

Principal Barrier Breach: When the worst performing underlying equity index finishes below the principal barrier level on the maturity date, the note provides a return equal to the losses of the worst performing underlying equity index, which includes the loss of principal.

The strategy will customize a new note as a replacement for the matured note, resetting the issuer, coupon, coupon barrier level and maturity barrier level.



The examples illustrate the intended investment characteristics of a Contingent Coupon Barrier Note in various market conditions and are not indicative of any actual investment or holding in the Strategy. These examples should not be relied upon to gauge the performance of the Strategy. The Strategy performance will be materially different than the examples above. The examples are based on a hypothetical reference asset returns at maturity and do not account for payment of fees and expenses so the actual returns would be lower. A strategy may not be able to achieve the hypothetical returns shown here.

The Strategy includes complex features that make it difficult for investors to fully understand its characteristics and underlying risks. You should consider the Strategy's investment objectives, risks, charges and expenses carefully before investing or recommending this strategy to your clients.

Please see definitions and additional risk considerations on page 4.

A Comprehensive Investment Framework

Our investment approach seeks to maximize the potential benefits of contingent coupon barrier notes while carefully managing the associated risks. We combine disciplined credit analysis, active portfolio management, and thoughtful structuring which enables us to remain agile and responsive throughout the lifecycle of the notes, with a clear focus on optimizing returns and protecting investor capital.

FUNDAMENTAL CREDIT REVIEW

Fixed-Income Sub-Committee
 Credit Risk Management
 Continuous Monitoring



PORTFOLIO CONSTRUCTION & MONITORING

Investment Team
 Active Management
 Competitive Auction & Ongoing Market Insight

Continuous Portfolio Oversight

Credit Review: Safeguarding Credit Quality

The fixed income sub-committee of the First Trust Investment Committee conducts a fundamental credit review each month, evaluating the creditworthiness of the issuers. This ensures high credit quality and allows us to swiftly adapt to any changes in market or issuer conditions. Structured investment issuers are continuously monitored for their credit health.

Portfolio Management

Our investment team is responsible for portfolio construction and monitoring, carefully selecting and managing the notes to balance optimal portfolio positioning with risk diversification. They continuously assess performance and risk factors, including protection levels and investment limits, to ensure that the portfolio remains aligned with the strategic objectives. Key elements of this process include:

- Portfolio positioning and diversification aligned with strategy objectives and constraints.
- Setting return targets and strategy exposures with attention to valuations and risk factors impacting each structured note.
- Daily oversight of performance and risk factors, relative to structure protection levels, investment limits, and alignment with strategic objectives.

Structuring and Execution

Our structuring desk works seamlessly within the investment process, structuring notes through competitive auctions and leveraging ongoing market insights to secure favorable terms. This enables us to customize notes by issuer, maturity, and underlying equity exposure, aligning them with our strategy and risk tolerance.

Lifecycle Management: Active Monitoring Throughout

We remain engaged across the entire lifecycle of each investment:

- Continuous monitoring of life cycle events such as calls, maturities, and coupon payments.
- Agile response to market shifts and issuer developments.
- Ongoing assessment to maintain portfolio resilience and identify opportunities.



Risk Considerations

There can be no assurance that a strategy will achieve its investment objectives. For additional information, please refer to First Trust Advisor L.P.'s Form ADV Part 2A.

This is not an offer to buy or sell any security and does not include a complete list of all securities purchased or sold in the period or for all clients. Actual holdings will vary and there is no guarantee that any client will hold any mentioned positions. No security or discipline is profitable all of the time and there is always the possibility of loss.

There is no assurance that a separately managed account ("SMA") will achieve its investment objective. Accordingly, you can lose money investing in an SMA. SMAs are subject to market risk, which is the possibility that the market values of the securities in an account will decline and that the value of the securities may therefore be less than what you paid for them. The value of investments held by the strategy may increase or decrease in response to economic, financial, and political events (whether real, expected, or perceived) in the U.S. and global markets. It is difficult to predict the timing, duration, and potential adverse effects (e.g., portfolio liquidity) of events.

High portfolio turnover may result in higher levels of transaction costs and may generate greater tax liabilities for shareholders.

While SMAs can be customized, accounts with smaller balances may struggle to achieve optimal diversification across multiple asset classes due to the higher cost of individual securities.

Fees associated with SMAs can be higher than mutual funds and ETFs that include manager, service, and advisory fees. Being able to withdraw cash from an SMA may be delayed due to the amount and type of positions to be sold. Withdrawals may negatively impact the SMA's performance.

Structured investment strategies are considered complex, risky and are not appropriate for all investors.

Structured notes offer a wide variety of features, with attributes which affect their risks and potential rewards. Before making any investment decision, an investor should refer to a structured note's offering documents for additional information and obtain advice from their financial, legal and tax professionals for information about and analysis of the investment, its risks and its appropriateness in their particular circumstances.

Structured notes lack liquidity. Structured notes are not listed on any securities exchange and an investor may not be able to sell a structured note prior to maturity. An issuer may offer to purchase a structured note in the secondary market, but it is not required to do so. The price, if any, at which an issuer may be willing to purchase a structured note in the secondary market, if at all, may result in significant loss of principal. An investor should be able and willing to hold a structured note to maturity.

Structured notes are classified as senior unsecured debt. Payment on a structured note is subject to the credit risk of the issuer. Credit risk means that if the issuer were to default on its payment obligations, the structured note investor may not receive any amount owed under the structured note and could lose their entire principal investment.

The potential return on a structured note is subject to market volatility and the risks associated with the reference asset. The return of a structured note may be zero or less than what could have been earned on a traditional fixed income security.

Structured notes are not deposit liabilities or other obligations of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other governmental agency or program of the United States or any other jurisdiction.

This summary is not intended to be tax or legal advice. This summary cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. This summary is being used to support the promotion or marketing of the transactions herein. The taxpayer should consult an independent tax advisor regarding the U.S. federal income tax consequences of an investment in the notes in the Strategy.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

Definitions

Principal is the investor's initial amount of money invested.

Barriers are a form of contingent downside protection that protects investors from losses in the underlying asset up to but not past the barrier level. If the underlier falls below this level, the investor's principal protection is lost, and they are exposed to the full downside.

Coupon Barriers reference a predetermined price level that dictates whether an interest payment is made. If the underlying asset is at or above this barrier on a specific date, the coupon is paid. If it falls below, the payment is skipped.

Dow Jones Industrial Average® is a price-weighted average of 30 U.S. blue-chip companies.

Nasdaq-100 Index® includes 100 of the largest domestic and international non-financial companies listed on The Nasdaq Stock Market based on market capitalization.

Russell 2000® Index is an unmanaged market-cap weighted index that includes the smallest 2,500 companies from the Russell 3000 Index.

S&P 500® Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance.