

First Trust Buffered Equity Income

The First Trust Buffered Equity Income strategy seeks income and risk-adjusted returns with low to moderate volatility relative to the broader equity markets by investing in index-linked and/or index-based exchange-traded fund (“ETF”) linked buffered 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

A Differentiated Approach to Income and Risk

In today’s complex market environment, where navigating volatility while seeking income is increasingly important, traditional approaches may fall short. The First Trust Buffered Equity Income strategy offers a differentiated approach that seeks attractive income while incorporating defined downside buffers. The strategy invests in Fixed Coupon Buffered Notes—structured debt obligations that seek to provide consistent fixed coupon payments and specific levels of principal protection linked to the performance of broad-based equity indexes or index-based ETFs (“reference asset”). While these notes offer unique payoff features and access to broad market indices, their outcomes can vary based on issuer and market factors. We believe an actively managed, disciplined process is essential to help generate attractive income and mitigate downside risk within a diversified portfolio.

Key Features of the Strategy

Income | The strategy seeks to provide a high level of current income. Fixed coupons may provide a steady income stream in various market scenarios and are paid monthly or quarterly regardless of the reference asset performance level.

A Level of Downside Protection | Buffered structured notes may help to minimize losses if the underlying reference assets decline in value during market downturns. The strategy seeks to provide investors with a high level of current income while offering a level of protection against the underlying index losses.

Active Management | The portfolio management team actively selects and monitors the structured notes leveraging their extensive knowledge to align with the stated mandate of each separate strategy.

Laddered Approach | The portfolio will focus on investments that have maturities of at least 12 months. The combination of accumulating fixed coupons and longer initial maturities may reduce the risk of negative outcomes and lessen the real loss potential in deep drawdown scenarios.

Strategy Focus

Diversification: Diversification across multiple issuers and equity exposures provides the potential for positive returns in various up and down market scenarios. Staggered maturity dates may reduce the risk of negative outcomes and lessen the real loss potential in deep drawdown scenarios.

Reference Asset: 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)

Maturities: At least 12 months

Downside Buffer: 15% (85% principal at risk).

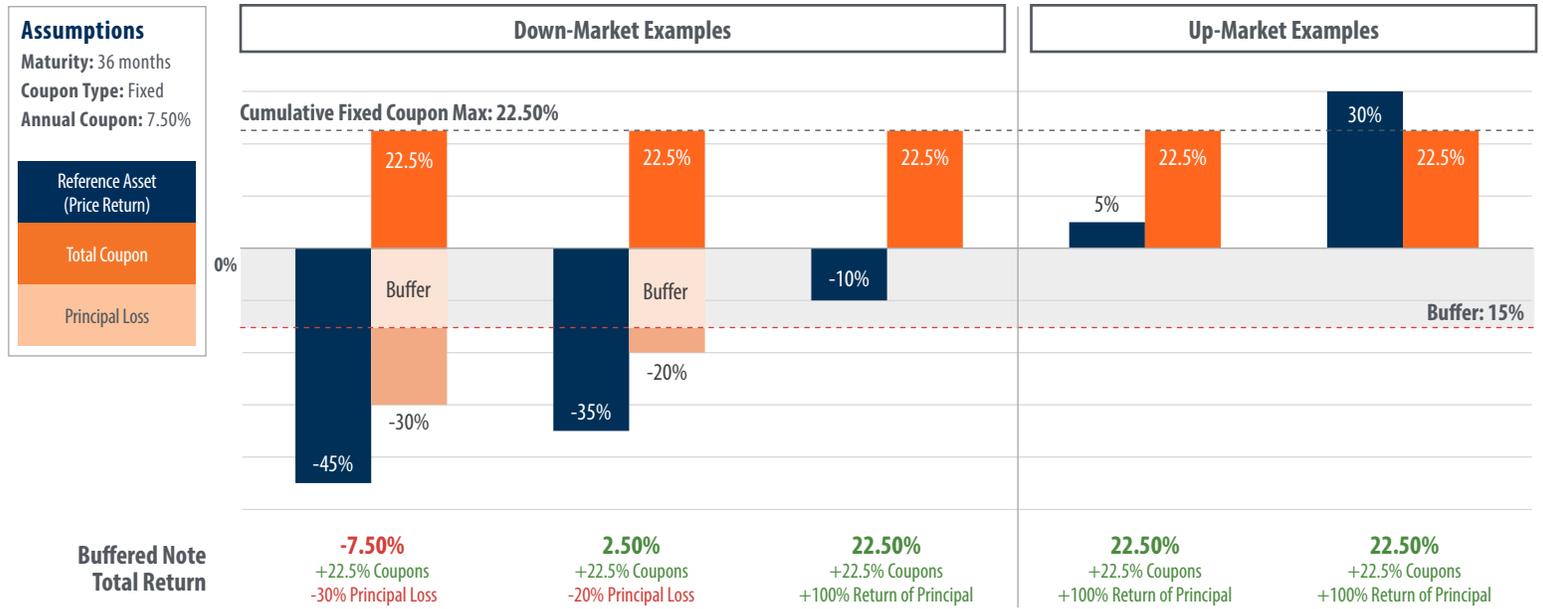
Issuer Limit: Maximum 50% of portfolio to a single issuing bank.

Diversification does not guarantee a profit or protect against loss.

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 on next page and additional risk considerations on page 4.

Structured Approach: A Strategy for Uncertain Markets

The chart below illustrates examples of potential return scenarios of a buffered note in various market conditions. As shown in the up-market examples, if the reference asset posts a positive return, the investor receives the full cumulative coupon and full return of principal at maturity. The cumulative fixed coupon is the note's maximum return potential. In the down-market examples, if the reference asset declines but stays within the buffer range, the investor still receives the full coupon and return of principal, incurring no loss. If the reference asset's return falls beyond the buffer, the investor suffers a principal loss equal to the decline exceeding the buffer, though they still receive the cumulative coupon and any remaining principal making it possible to achieve a positive total return even in down markets. However, in severely down markets, it is possible to incur a negative total return if the buffer and the coupon combined do not cover the full market drop.



The examples illustrate the intended investment characteristics of a Buffered Equity 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 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.

Definitions

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

Buffers are designed to offer limited protection on the downside, up to a certain percentage. The buffer in a buffered note is like a cushion that, at maturity, absorbs the downside loss of the reference asset up to the buffer level.

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.

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A Comprehensive Investment Framework

Our investment approach seeks to maximize the potential benefits of buffered equity 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.