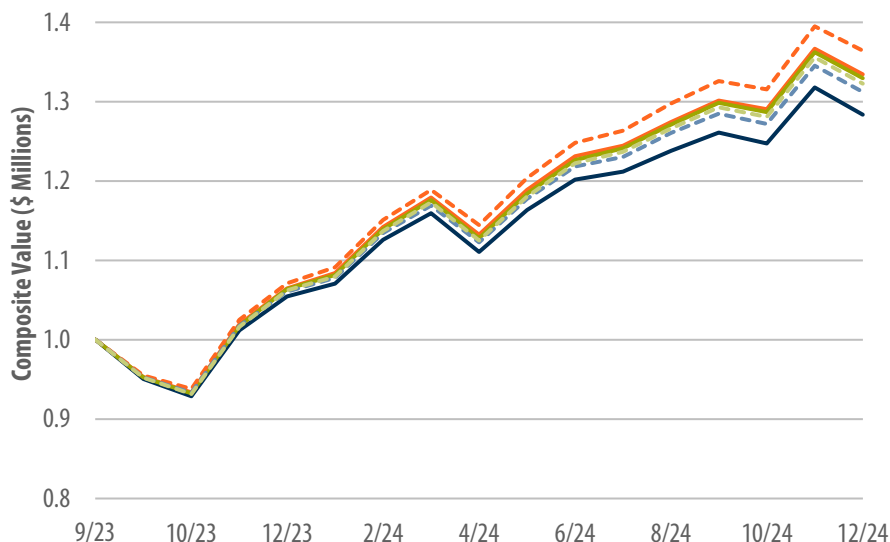


## Strategy Objective

The First Trust S&P 500 Taxable strategy seeks capital appreciation by providing exposure to the large cap segment of U.S. equity markets. The strategy is expected to closely track the performance of the S&P 500® Index while allowing for greater tax efficiency and customization.

## Performance Summary | Growth of \$1M Since Inception



### Composite Net

— Pre-tax: **\$1,283,602**  
--- After-tax: **\$1,312,406**

### Composite Gross

— Pre-tax: **\$1,334,423**  
--- After-tax: **\$1,364,293**

### Benchmark

— Pre-tax: **\$1,329,789**  
--- After-tax: **\$1,322,849**

## Composite Tax Alpha (%)

	3 Month	YTD	1 Year	Since Inception	2024
Gross-of-Fees*	0.45	2.53	2.53	2.56	2.53
Net-of-Fees	-0.31	-1.11	-1.11	-1.05	-1.11

\*Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Net-of-fees returns are calculated by deducting a model management fee of 3.0%, the highest management fee, from the monthly gross composite return.

The above characteristics stem from a representative portfolio that is closest to the median of characteristics of all accounts and that has been open longer than similar accounts.

Actual account characteristics of individual accounts may be different. Portfolio characteristics are as of the date indicated and are based on individual securities in the Portfolio on that date. Securities in the Portfolio are subject to change. Statistics shown are not indicative of future statistics and are not representative of future Portfolio performance.

References to specific securities should not be construed as a recommendation to buy or sell and should not be assumed profitable.

**Past performance is not a guarantee of future results.** All performance information is as of the date indicated and is subject to change. Indexes are unmanaged and investors cannot invest directly in an index. After-tax returns of performance benchmarks are estimated and may vary. Investors are advised to consult a tax advisor when considering the tax impact of their investments. There are risks inherent in investing and you could lose money by investing in the strategy. There can be no assurance that the strategy will achieve its investment objectives.

## Key Investment Personnel

**Peter Weicher, CFA**

**Thomas Walbrun, CFA**

**Samuel Corr**

## Portfolio Information

Inception Date	9/1/23
Investment Advisor	First Trust Advisors L.P.
Account Type	Direct Indexing
Strategy Type	Large Cap
Benchmark	S&P 500® Index

## Representative Account

Characteristics	Account	Benchmark
<b>Predicted Tracking Error</b>	<b>0.4%</b>	—
Number of Holdings	304	503
Dividend Yield	1.2%	1.3%
Beta	1.0	1.0
Weighted Average Market Cap (\$Billions)	\$1,111.5	\$1,103.8

## Top 10 Holdings

	Account	Benchmark
Apple Inc.	7.6%	7.6%
NVIDIA Corporation	6.9%	6.6%
Microsoft Corporation	6.0%	6.3%
Alphabet Inc. Class A	4.2%	4.0%
Amazon.com, Inc.	4.1%	4.1%
Meta Platforms Inc Class A	2.7%	2.6%
Tesla, Inc.	2.3%	2.3%
Broadcom Inc.	2.3%	2.2%
Berkshire Hathaway Inc. Class B	2.0%	1.7%
JPMorgan Chase & Co.	1.4%	1.4%

## Definitions

**Predicted Tracking Error ("TE")** - A statistical measure used to determine how a portfolio's returns correlate with its benchmark returns based on the portfolio's current factor exposures and security concentrations relative to the benchmark. Predicted TE is calculated using a risk model that applies statistical techniques to model risk factor returns. A lower predicted TE signifies closer alignment with the benchmark. Predicted TE does not predict or project the portfolio's future absolute returns. The reliability of the measure depends on the accuracy and completeness of the input data and is subject to limitations in the risk model's methodology or assumptions, which may impact the precision of its predictions.

**Tax Alpha** = (after-tax portfolio return - after-tax benchmark return) - (pre-tax portfolio return - pre-tax benchmark return).

## Composite Performance (%)

Pre-Tax	3 Month	YTD	1 Year	Since Inception	2024
Gross-of-Fees*	2.55	25.32	25.32	24.16	25.32
Net-of-Fees	1.80	21.73	21.73	20.59	21.73
Benchmark	2.41	25.02	25.02	23.83	25.02
<b>After-Tax</b>					
Gross-of-Fees*	2.89	27.38	27.38	26.24	27.38
Net-of-Fees	2.14	23.74	23.74	22.62	23.74
Benchmark	2.31	24.55	24.55	23.35	24.55
<b>Composite</b>					
Composite Assets (\$Millions)	51.2	N/A	N/A	N/A	51.2
Number of Portfolios	69	N/A	N/A	N/A	69

\*Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Net-of-fees returns are calculated by deducting a model management fee of 3.0%, the highest management fee, from the monthly gross composite return.

The First Trust S&P 500 Taxable strategy is for the investor who seeks exposure to the large cap segment of U.S. equity markets.

Returns are calculated net of foreign taxes recorded on a cash basis and dividend accruals do not include pending withholding tax reclaims.

After-tax returns are calculated by applying the client's individual tax rate (which may include federal and state income taxes) to both net realized gains and losses and dividend income in the portfolio. It has been assumed that the investor has or will have sufficient capital gains from sources outside of this portfolio to fully offset any net capital losses realized, and any resulting tax benefit has been included in the computation of after-tax performance. Benchmark after-tax returns are simulated for each benchmark portfolio using a hypothetical, after-tax benchmark portfolio with the same inception date, cash flows, cost basis, and tax rates as the client portfolio. After-tax benchmark returns reflect the deduction of taxes, but do not include any other fees or expenses. After-tax benchmark returns are hypothetical, do not reflect actual trading, and may not be relied upon for investment decisions. Actual client after-tax returns will vary. As with all after-tax performance, the after-tax performance reported here is an estimate.

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.

**For additional information, please refer to First Trust Advisor L.P.'s Form ADV Part 2A.**

Effective October 31, 2024, First Trust Direct Indexing ("FTDI") merged into First Trust Advisors L.P. ("FTA"). All business activities, including portfolio management and business records are now performed under FTA. The investment strategy performance presented for periods prior to October 31, 2024 was achieved by the same portfolio manager while affiliated with FTDI. The investment performance from the prior firm has been linked to the current performance in accordance with the portability requirements of the GIPS standards and the predecessor requirements of Rule 206(4)-1 of the Investment Advisers Act of 1940.

**Past performance is not a guarantee of future results.** All performance information is as of the date indicated and is subject to change. Indexes are unmanaged and investors cannot invest directly in an index. There are risks inherent in investing and you could lose money by investing in the strategy. There can be no assurance that the strategy will achieve its investment objectives. Other methods may produce different results, and the results for individual portfolios and for different periods may vary depending on market conditions and the composition of the portfolio.

Annualized as of 12/31/24	Composite Gross Return (%)	Composite Model Net (%)	Benchmark (%)
1 Year	25.32	21.73	25.02
Since Inception (9/1/23) Annualized	24.16	20.59	23.83

First Trust Direct Indexing L.P. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. First Trust Direct Indexing L.P. has been independently verified for the periods October 1, 2019 to December 31, 2022. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Year	Total Gross Return AWR (%)	Total Model Net AWR (%)	Benchmark (%)	3 Yr Ex-Post Std. Dev. Composite Gross (%)	3 Yr Ex-Post Std. Dev. Benchmark (%)	Internal Equal Wtd. Dispersion	Number of Portfolios	Composite Assets (MM)	Total Firm Assets (MM)
2023*	6.48	5.45	6.37	N/A	17.29	N/A	11	7	\$152,663
2024	25.32	21.73	25.02	N/A	17.15	0.37	69	51	189,042

\*Represents data from 9/1/2023 through 12/31/2023

1. First Trust Direct Indexing L.P. is an equity investment manager. On July 15, 2022, First Trust Capital Partners LLC acquired a controlling interest in Veriti Management LLC. On January 31, 2023, Veriti Management LLC changed its name to First Trust Direct Indexing L.P.
2. The S&P 500 Taxable Composite includes all fully discretionary taxable portfolios that invest in large-cap US stocks benchmarked to the S&P 500 Index. The account minimum for the composite is \$250,000.
3. The benchmark is the S&P 500 Total Return Index. The S&P 400 Index, S&P 500 Index, S&P 600 Index, and S&P 1500 Index are products of S&P Dow Jones Indices LLC or its affiliates ("SPDJ") and are licensed for use by First Trust Direct Indexing L.P.. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by First Trust Direct Indexing L.P.. First Trust Direct Indexing products are not sponsored, endorsed, sold, or promoted by SPDJI, Dow Jones, S&P, or their respective affiliates and none of such parties make any representation regarding the advisability of investing in such products nor do they have any liability for any errors, omissions, or interruptions of the S&P 400 Index, S&P 500 Index, S&P 600 Index, and S&P 1500 Index.
4. Returns presented are time-weighted returns. Performance includes the reinvestment of dividends and other earnings. Valuations are computed and performance is reported in U.S. dollars.
5. Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Composite and benchmark returns are presented net of withholding taxes. Net-of-fees returns are calculated by deducting a model management fee of 3.0%, the highest potential WRAP fee charged to a client, from the monthly gross composite return. WRAP fees vary across WRAP sponsors, generally ranging between 1.5-3.0% of assets under management. FTDI receives a portion of this fee for investment management services provided. Actual investment advisory fees incurred by clients may vary. The standard management fee schedule for separate retail accounts not part of WRAP programs ranges from 0.40% to 0.25% based on the amount of client assets under management, with a minimum fee of \$1,500 per year.
6. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.
7. The composite was created in October 2023, and the inception date is 1 September 2023.
8. The internal dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. If the composite contained 5 or fewer accounts at any time during the year, the internal dispersion is reported as n.m. (not meaningful).
9. The three-year annualized standard deviation measures the variability of the composite gross returns, and the benchmark returns over the preceding 36-month period.
10. Portfolios are removed from the composite if the net contribution or withdrawal for the month exceeds 25% of the beginning market value of the portfolio. The portfolio is removed from the composite for the month in which the significant net contribution or withdrawal occurred.
11. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
12. In May 2024, an error was discovered in the 2023 data, and the data were restated. The portfolio model net performance was restated from 6.33% to 5.72% to correctly reflect the 3% wrap fee.

**You could lose money by investing in the strategy. There can be no assurance that the strategy will achieve its investment objectives.**

