

## Strategy Objective

The First Trust Small Cap Core is a strategy that seeks to provide capital appreciation by investing in small-cap companies trading below their intrinsic value.

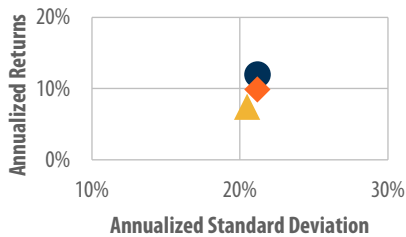
## Investment Strategy

The investment team for the First Trust Small Cap Core strategy combines quantitative and fundamental research capabilities to identify securities trading for less than intrinsic value based on underlying business fundamentals. The team utilizes a quantitatively driven multi-factor model to rank small-cap stocks with what they believe are desirable attributes shown to produce attractive returns. After screening, stock-selection is based on fundamental analysis. Strategy holdings tend to tilt towards profitable companies with consistent cash flows, which could better protect the strategy in a market downturn and provide upside opportunity during a strong market rally. We believe that buying quality firms with durable business at attractive valuations relative to growth will lead to above-average returns through cycles.

## Performance Based Statistics

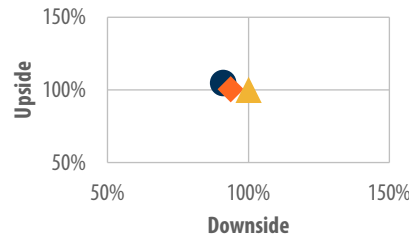
(Since Inception)	Gross	Net	Benchmark
Standard Deviation (%)	21.19	21.17	20.49
Beta	0.96	0.96	1.00
Alpha	4.49	2.59	-
R-Squared	87.00	87.00	100.00
Sharpe Ratio	0.55	0.46	0.36
Upside Capture Ratio	104.82	100.52	100.00
Downside Capture Ratio	91.05	93.69	100.00

## Risk/Reward (Since Inception)



● Gross    ◆ Net    ▲ Benchmark

## Upside/Downside (Since Inception)



## Period Returns (%)

Strategy Performance	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Gross	-8.82	-8.40	10.65	22.22	13.27	11.96
Net	-9.15	-9.72	8.80	20.24	11.41	9.87

## Benchmark Performance

Russell 2000® Index	-9.48	-4.01	0.52	13.27	6.30	7.48
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Returns are average annualized total returns except for periods less than one year which are cumulative. Gross performance does not reflect the deduction of any expenses, including investment management fees, custodian fees, trading costs and other administrative fees. Net performance includes investment management fees, custodian fees, trading costs and all other administrative fees.

## Past performance is not a guarantee of future results.

Please refer to the performance disclosures included on page three of this document.

## Overall Morningstar Rating™



As of 12/31/24, among 212 separate accounts in the Small Growth category. This separate account was rated 5 stars/212 separate accounts (3 years), 5 stars/208 separate accounts (5 years), 5 stars/185 separate accounts (10 years) based on risk adjusted returns.<sup>1</sup>

## Portfolio Information

Inception Date	8/1/99
Investment Advisor	First Trust Advisors L.P.
Strategy Type	Small Cap
Benchmark	Russell 2000® Index
Number of Securities	45
Dividend Yield	1.37%
Annual Turnover	44%
Weighted Average Price-to-Earnings Trailing 12 Months	16.85
Weighted Average Price-to-Cash Flow	9.79
Weighted Average Price-to-Book	2.11
Weighted Average Return on Equity	15%

## Top 10 Holdings<sup>1</sup>

Avista Corporation	3.7%
Curtiss-Wright Corporation	3.5%
First Citizens BancShares, Inc.	3.4%
Liberty Energy, Inc.	3.4%
Life Time Group Holdings, Inc.	3.3%
JBT Marel Corporation	3.1%
Portland General Electric Company	3.1%
UFP Technologies, Inc.	3.0%
Merit Medical Systems, Inc.	2.9%
CyberArk Software Ltd.	2.8%

<sup>1</sup>The listing of "Top 10 Holdings" is not a complete list of all securities in the strategy or which First Trust Advisors L.P. may be currently recommending. Furthermore, application of the investment strategy as of a later date will likely result in changes to the listing.

## Sector Allocation

Industrials	22%
Information Technology	16%
Consumer Discretionary	15%
Financials	14%
Health Care	13%
Energy	8%
Utilities	7%
Consumer Staples	2%
Materials	2%
Communication Services	1%

## Asset Allocation

Small-Cap	54%
Mid-Cap	20%
Micro	26%

### Key Investment Personnel

**Chris Bush, CFA**

**Chris Peterson, CFA**

Investment Committee Oversight

## Disclosures

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 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.

An SMA strategy with significant exposure to a single asset class, country, region, industry, or sector may be more affected by an adverse economic or political development than a broadly diversified strategy.

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. 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.

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.

<sup>†</sup>The Morningstar Rating™ or "star rating", is calculated for separate accounts with at least a three-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. ©2025 Morningstar, Inc. All Rights Reserved. The Morningstar Rating™ information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

## Definitions

**Standard Deviation (St. Dev.)** – a measure of price variability (risk) over a period of time. A higher Standard Deviation indicates more variability in returns from month to month.

**Beta** – a measure of a portfolio's volatility (systematic risk) compared to an appropriate benchmark index.

**Alpha** – measure of performance of a portfolio after adjusting for risk.

**R-Squared** – indicates whether the comparison index is an appropriate benchmark based on correlation. Generally an R-Squared above 70 is desirable.

**Sharpe Ratio** – quantifies risk-adjusted performance by measuring the excess return per unit of risk. A higher Sharpe Ratio suggests better risk-adjusted performance.

**Upside Capture Ratio** – indicates a portfolio's performance in up-markets. For example, a ratio of 120 indicates that a portfolio performed 20% better than the benchmark in up-markets for a specified period.

**Downside Capture Ratio** – indicates a portfolio's performance in down-markets. For example, a ratio of 80 indicates that a portfolio declined only 80% as much as the benchmark in down-markets for a specified period.

	Pure Gross-of-Fees Return* (%)	Net-of-Fees Return (%)	Benchmark Return (%)
1 Year	13.92	12.21	11.54
3 Year Annualized	9.39	7.56	1.24
5 Year Annualized	17.19	15.29	7.40
10 Year Annualized	14.81	12.91	7.82
Since Inception (8/1/99) Annualized	12.49	10.39	7.98

First Trust Advisors L.P. (FTA) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. FTA has been independently verified for the periods August 1, 1999 through June 30, 2023. 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. The FTA Small Cap Core Composite has had a performance examination for the periods August 1, 1999 through June 30, 2023. The verification and performance examination reports are available upon request.

Year	Pure Gross-of-Fees Return* (%)	Net-of-Fees Return (%)	Benchmark Return (%)	Composite 3-Year St. Dev.	Benchmark 3-Year St. Dev.	Number of Portfolios	Composition Dispersion	Composite Assets (\$ millions)	Strategy Model Assets* (\$ millions)	Firm Assets (\$ millions)
2015	4.02	2.19	-4.41	14.28	14.16	3	0.21	0.9	0.1	44,272.5
2016	20.93	18.67	21.31	14.69	15.99	3	0.43	1.1	0.5	45,620.1
2017	14.22	12.26	14.65	12.47	14.11	8	0.20	6.0	2.2	62,193.2
2018	-3.41	-4.94	-11.01	16.19	16.01	14	1.68	6.9	2.0	65,708.7
2019	29.70	27.75	25.52	16.76	15.93	10	0.44	6.6	5.1	90,689.3
2020	25.68	23.63	19.96	25.33	25.63	8	1.20	7.4	8.8	116,247.3
2021	34.36	32.40	14.82	22.40	23.68	12	0.68	10.8	35.4	153,912.6
2022	-15.04	-16.29	-20.44	25.25	26.39	6	0.23	0.9	51.9	135,657.7
2023	35.25	32.49	16.93	19.52	21.41	6	0.81	1.2	155.6	152,663.2
2024	13.92	12.21	11.54	22.00	23.63	22	0.18	8.1	497.2	189,041.5

\*Pure gross-of-fees returns and Strategy Model Assets are presented as supplemental information to the disclosures required by GIPS®.

1. First Trust Advisors L.P. (FTA) was founded in 1991 and is a registered investment advisor with the Securities and Exchange Commission (SEC). FTA provides investment advisory services using equity, fixed-income and balanced strategies for individuals, organizations and institutions. The firm consists of all portfolios managed by FTA. Since 2011, the Firm Assets are presented net and have been reduced for the effects of leverage. Prior to 2011, the Firm Assets are presented gross and have not been reduced for the effects of leverage.
2. The FTA Small Cap Core Composite invests in small-capitalization companies which FTA believes are capable of achieving consistent long-term earnings growth. The composite creation date was October 2005 and the inception date is August 1, 1999. A list of composite descriptions and a list of broad distribution pooled funds are available upon request.
3. The composite includes all portfolios for which FTA has full discretionary investment authority and the composite net-of-fees returns reflect 100% of accounts paying a wrap fee. The composite includes 100% wrap portfolios, except for periods prior to March 2005 when the composite contained all non-wrap portfolios. Starting June 1, 2020, the composite includes one proprietary account. The composite does not utilize a material level of leverage.
4. Composite net-of-fees returns are presented net of actual fees for wrap portfolios or for non-wrap portfolios, by using the maximum model wrap fee of 3.00%. Net-of-fees returns include investment management fees, custodian fees, trading costs and all other administrative fees. Pure gross-of-fees returns do not reflect the deduction of any expenses, including investment management fees, custodian fees, trading costs and other administrative fees. Prior to December 31, 2011, quarterly and annual composite returns were calculated by linking monthly returns. Each portfolio in the composite was valued at least on a monthly basis. If cash flows exceed 10% of the composite's value, the composite was revalued on the day prior to the cash flow and the return was calculated for the interim period. Starting January 1, 2012, composite returns are calculated on a daily basis.
5. Valuations and returns are computed and stated in U.S. Dollars. Returns include the reinvestment of dividends and other earnings. Returns are calculated net of foreign taxes recorded on a cash basis and dividend accruals do not include pending withholding tax reclaims. Policies for valuing investments, calculating performance and preparing GIPS Reports are available upon request.
6. The three-year annualized standard deviation measures the variability of the composite pure gross-of-fees returns and the benchmark returns over the preceding 36-month period. The standard deviation is not presented prior to 2011 because it was not required.
7. Composite dispersion is measured by standard deviation, which is an asset-weighted calculation that measures the consistency of composite pure gross-of-fees returns with respect to the individual portfolio returns within the composite. Dispersion of portfolios in the composite is not applicable if the period presented is less than a full year or if there were fewer than five portfolios in the composite for the entire year.
8. The benchmark is the Russell 2000® Index - a capitalization-weighted index comprised of the smallest 2000 companies in the Russell 3000® Index.
9. The securities comprising the benchmark are not identical to those in any portfolio in the composite, but FTA believes they may be useful in evaluating performance. Unlike the composite, the benchmark is not actively managed and does not reflect the deduction of advisory fees. Differences in composite performance versus benchmark performance may also result due to high concentrations of individual securities holdings in certain portfolios, timing of security transactions and tax considerations. Such factors may contribute to higher standard deviation of portfolio returns within the composite. The benchmark is rebalanced daily. Benchmark returns have not been examined by the verifier.
10. The FTA management fee schedule is an annual fee of 0.50%. FTA, at its discretion, may negotiate a management fee which is different from the standard fee schedule listed here. The overall wrap fee expense for accounts in the composite will typically range from 1.00% to 3.00%.
11. Strategy Model Assets represents assets which are invested on the basis of a model provided by FTA. FTA has no control over the implementation of the model in these accounts or trading authority over the account assets.
12. Past performance is not indicative of future results. The results for individual portfolios and for different periods may vary depending on market conditions and the composition of the portfolio. Care should be used when comparing these results to those published by other investment advisers, other investment vehicles and unmanaged indices due to possible differences in calculation methods.
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Requests for further information may be made by calling (800) 222-6822 or emailing [smaoperations@ftadvisors.com](mailto:smaoperations@ftadvisors.com).