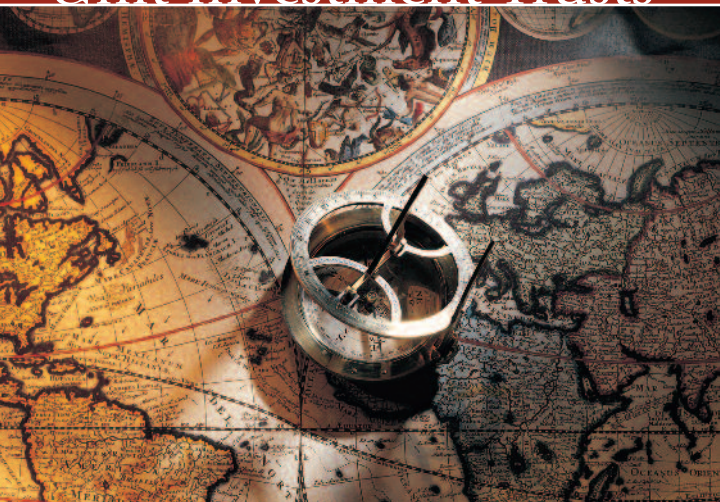


A Guide to First Trust[®] Unit Investment Trusts



- ★ Defined
- ★ Focused
- ★ Disciplined

A better way to invest

□ First Trust

A unit investment trust (UIT) is a pooled investment vehicle in which a portfolio of securities is selected by the sponsor and deposited into the trust. UITs employ a “buy and hold” philosophy of investing. They invest in a fixed portfolio for a predetermined period of time, typically from 12 months to 5 years. Investors purchase units of a trust, which represent an undivided ownership interest in the assets contained in the trust.

The “buy and hold” philosophy maintains that it is far better to purchase a well-chosen portfolio and to hold it for a period of time, rather than “playing the market.” This helps eliminate emotional investing and the temptation to buy and sell for various reasons that an investor cannot control: the volatility of the stock market, interest rates, inflation and the overall economy, political elections, or the latest investment fad. This philosophy requires an investor to have patience and discipline rather than looking only for short-term performance. This approach has the potential to reward investors over the long term while allowing them to be less concerned with the day-to-day fluctuations of the markets.

UITs enable investors to own a basket of securities with one single purchase, rather than trying to select individual stocks or bonds that meet their objectives. UITs are designed to fill a variety of investment needs and risk tolerance levels and may be appropriate for a variety of reasons such as tax control, liquidity, and diversification. Of course, should your needs ever change, UITs can be liquidated on a daily basis at the redemption price, which may be more or less than the original purchase price.

Known Portfolio

The securities held in a UIT remains fixed, giving you the comfort of knowing what you own.

Professional Portfolio Selection

The securities selected for the trust are researched and evaluated using database screening techniques, fundamental analysis, and the judgment of research analysts at First Trust Portfolios L.P.

Diversification

UITs are diversified across many different securities, which helps reduce risk, but does not eliminate it entirely. It would take a substantial time and capital commitment to achieve this type of diversification on your own.

Fully Invested in the Market

A UIT holds limited cash positions so more of your money is working in the market.

Ease of Ownership

With one low minimum purchase, you can own a professionally-selected portfolio of securities.

Daily Liquidity

Units may be redeemed on any business day at the redemption price, which may be more or less than the original purchase price.

In-Kind Distribution

This option is available with certain trusts if you own the required minimum number of units. It allows you to receive shares of the underlying securities held in the trust.

Defined, Focused & Disciplined

UITs offer many features found in other packaged products but with two major differences – a defined portfolio and a defined horizon.

Defined Portfolio

Unlike actively managed funds that continually buy and sell securities, thereby changing their investment mix, the stocks held in a UIT remain fixed. Except in certain limited circumstances, securities will not be sold and new securities will not be added to the trust.

Defined Horizon

UITs have a stated termination date. When the trust terminates investors have two options:

- Receive the cash value of the units.
- Invest the proceeds into another First Trust® UIT at a reduced sales charge.

	Individual Securities	Mutual Funds	First Trust® UITs
• Fully invested	Yes	Possible	Yes
• Known portfolio	Yes	Possible	Yes
• Daily liquidity	Yes	Yes	Yes ¹
• Convenience	Yes	Yes	Yes
• Professional selection	Possible	Yes	Yes
• Reinvestment options	Possible ²	Yes	Yes
• Managed portfolio	N/A	Yes	N/A
• Supervised portfolio	N/A	Yes	Yes

¹Units may be redeemed on any business day at the current market value (less any remaining deferred sales charge) which may be more or less than the original purchase price.

²Only available for companies with dividend reinvestment plans.

What UITs Are Available?

Sector

Sector trusts are composed of companies involved in a specific industry such as energy, technology, financial services, or health care. Sector trusts seek to provide the potential for capital appreciation by identifying market trends in specific areas and investing in the companies that we believe are positioned to benefit from those trends.

Theme/Specialty

These trusts invest in companies across a variety of sectors that share a common theme such as global blue-chip companies or high dividend-yielding companies.

Strategy

Strategies seek to outperform a benchmark universe of stocks by refining the universe through predetermined investment criteria that reflects the historical behavior of the securities.

Country/Region

These types of trusts invest in companies from outside the U.S., typically either from one specific country or from a broad region of the world. Higher levels of risk are often associated with these trusts as compared to those that invest solely in U.S. companies.

Style/Asset Allocation

These trusts invest in different asset classes and styles. The companies selected for each trust must meet the stated style, capitalization, and investment objective of the trust at the time the portfolio is created, enhancing your ability to control your asset allocation needs.

Taxable Income

These trusts typically invest in government-backed securities, mortgage-backed securities, or corporate bonds and are designed to provide income. Various levels of risk are associated with the different types of taxable income securities.

Tax-Free Income

Comprised of bonds issued by states, municipalities, and other municipal bond issuers, these trusts provide income that is exempt from federal income taxes. A portion of the income, however, may be subject to the alternative minimum tax.

Your financial advisor can help you determine which UITs match your needs and risk tolerance level. You should consider a trust's investment objectives, risks, and charges and expenses carefully before investing. Contact your financial advisor or call First Trust Portfolios L.P. at the number listed below to request a prospectus, which contains this and other information about a trust. Read it carefully before you invest.

 **First Trust**

First Trust Portfolios L.P.
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