

A Guide To

**FIRST TRUST® UNIT
INVESTMENT TRUSTS**

WHAT IS A UNIT INVESTMENT TRUST?

A unit investment trust — or UIT for short — is a pooled investment vehicle in which a fixed portfolio of stocks, bonds or other securities is selected by a professional investment manager and held in the trust for a predetermined period of time. UITs enable you to gain targeted investment exposure to an asset class, investment style, or market sector in a single transaction. A wide variety of UITs are available to help you construct a diversified portfolio that's appropriate for your specific needs, financial goals, and risk tolerance.

WHAT SETS UITs APART FROM OTHER INVESTMENT OPTIONS?

UITs offer many features found in other pooled investments like mutual funds and exchange-traded funds, but with two major differences — a defined portfolio and a defined lifespan.

DEFINED PORTFOLIO

Unlike actively managed funds that continually buy and sell securities, thereby changing their investment mix, a UIT's holdings remain fixed. Because the underlying holdings in a UIT are transparent and do not change, you and your financial advisor can take greater control of your overall investment exposures in order to avoid concentrated positions and portfolio overlap when implementing an investment or financial planning strategy.

DEFINED LIFESPAN

UITs have a finite life which typically ranges from 13 to 24 months but can be as long as 25 years. This defined maturity can help you align UITs with both your short-term and long-term goals while helping adhere to a disciplined approach. When a trust matures, you can take the cash value of your units or invest the proceeds into another First Trust® UIT that is in-line with your goals.

NOT FDIC INSURED | NOT BANK GUARANTEED | MAY LOSE VALUE

UIT FEATURES

KNOWN PORTFOLIO

The securities held in a UIT remain fixed, giving you the comfort of knowing what you own and helping eliminate emotional investing.

PROFESSIONAL PORTFOLIO SELECTION

The securities selected for each trust are carefully evaluated by teams of experienced professionals who specialize in all major asset classes.

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. It is important to note that diversification does not guarantee a profit or protect against loss.

FULLY INVESTED PORTFOLIO

UITs do not typically hold cash which can be a drag on overall portfolio performance.

EASE OF OWNERSHIP

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

DAILY LIQUIDITY

Should your investing needs change, UITs can be redeemed on any business day at the redemption price, which may be more or less than the original purchase price.

REINVESTMENT OPTIONS

Most UITs allow you to elect to have distributions reinvested into additional units of the same trust. There are no sales charges incurred on units purchased through the reinvestment option.

INCOME POTENTIAL

Possible monthly income from dividends or interest.

HOW DO UITs COMPARE TO OTHER INVESTMENTS?

	INDIVIDUAL SECURITIES	MUTUAL FUNDS	FIRST TRUST UITs
Fully Invested	●	Possible	●
Known Portfolio	●	Possible	●
Daily Liquidity	●	●	● ¹
Convenience		●	●
Professional Selection	Possible	●	●
Reinvestment Options	● ²	●	●
Managed Portfolio		●	
Supervised Portfolio			●
Sales Charges, Fees, and/or Expenses ³		●	●
Risks ⁴	●	●	●

¹Units may be redeemed on any business day at the redemption price which may be more or less than the original purchase price.

²Only available for companies with dividend reinvestment plans.

³There are costs associated with an investment in each type of security. Consult your brokerage firm and/or the security's prospectus (if applicable) for complete details.

⁴Investing involves risk, including possible loss of principal. Please see Risk Considerations in the prospectus for risks specific to an individual unit investment trust.

WHAT TYPES OF UITs ARE AVAILABLE?

First Trust offers a wide range of UITs to help you and your financial advisor construct a diversified portfolio that matches your needs and risk tolerance level.

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/SPECIALITY

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

Strategy trusts seek to outperform a benchmark index by applying rigorously tested, rules-based stock selection models which use fundamental valuation factors to select stocks based on their investment merit.

FOREIGN/GLOBAL

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 seek 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 seek to provide income that is exempt from federal income taxes. A portion of the income, however, may be subject to the alternative minimum tax.

HYBRID

These types of trusts invest in a combination of securities which represent different asset classes, typically stocks and bonds.

RISK CONSIDERATIONS

There is no assurance an unmanaged unit investment trust will achieve its investment objective(s). An investment in a unit investment trust is subject to market risk. Market risk is the risk that a particular security owned by a trust may fall in value.

Trusts which invest in common stocks are subject to certain risks, including the risk that the financial condition of the issuers of the stocks or the general condition of the stock market may worsen.

Trusts which invest in debt securities are subject to certain risks including rising interest rates, economic recession, deterioration of the bond market, possible downgrades, increased volatility, reduced liquidity and defaults of interest and/or principal.

Trusts which invest in foreign securities are subject to certain risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting foreign issuers. Risks associated with investing in foreign securities may be more pronounced in emerging markets.

Trusts which are concentrated in individual sectors or industries are subject to additional risks, including limited diversification.

Trusts which invest in small-cap and mid-cap companies are subject to certain risks, as the share prices of small-cap companies and certain mid-cap companies are often more volatile than those of larger companies due to several factors, including limited trading volumes, products, financial resources, management inexperience and less publicly available information.

Short-term strategy trusts should be considered as part of a long-term investment plan and you should consider your ability to pursue investing in successive portfolios, if available.

There may be tax consequences unless units are purchased in an IRA or other qualified plan.

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 and the Internal Revenue Code. First Trust has no knowledge of and has not been provided any information regarding any investor. Financial advisors must determine whether particular investments are appropriate for their clients. First Trust believes the financial advisor is a fiduciary, is capable of evaluating investment risks independently and is responsible for exercising independent judgment with respect to its retirement plan clients.

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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