

The **First Trust TCW Opportunistic Fixed Income ETF** is an exchange-traded fund (ETF) that seeks to maximize long-term total return by applying management expertise seeking value in many fixed income market segments. The portfolio is sub-advised and managed by TCW Investment Management Company LLC (TCW or Sub-Advisor). Fixed income securities have the potential to provide a steady flow of income and may provide a number of additional potential advantages. We believe an allocation to fixed income securities that is skillfully managed may improve overall total return potential.

### WHY CONSIDER FIXD?

- FIXD is a multi-sector portfolio that invests primarily in investment grade bonds and may benefit from active portfolio management that focuses on a value driven approach.
- The fund will allocate capital among corporate and government debt securities and other fixed income instruments including high yield and floating rate securities. The fund may also invest in other securities, such as derivatives, primarily used to hedge (offset) and reduce volatility.
- The fund may provide enhanced return potential through an expanded opportunity set and the ability to manage duration and yield curve exposures, seeking to minimize volatility.
- TCW's fixed income management philosophy reflects a goal of consistently outperforming the broader bond market over full market cycles while maintaining below average volatility with an emphasis on capital preservation, particularly in rising interest rate environments.

### INVESTMENT STRATEGY FOCUS

- Maximize long-term total return
- Monthly income potential
- Exposure to core and satellite fixed income assets
- Potential to outperform the broad bond market

### Fund Details

Fund Ticker	FIXD
Investment Advisor	First Trust Advisors L.P.
Investment Sub-Advisor	TCW Investment Management Company LLC
CUSIP	33740F805
Intraday NAV	FIXDIV
Fund Inception Date	2/14/2017
Primary Listing	Nasdaq
Benchmark	Bloomberg US Aggregate Bond Index
Expected Average Duration	Within 1 year of the benchmark

### TCW INVESTMENT MANAGEMENT COMPANY LLC

TCW Investment Management Company LLC is a wholly owned subsidiary of The TCW Group, Inc. (TCW Group), which is a leading global asset management firm with nearly five decades of investment experience. Established in 1971 and based in Los Angeles, California, TCW Group manages a broad range of products across fixed income, equities, emerging markets and alternative investments. Through the TCW and MetWest Fund Families, TCW manages one of the largest mutual fund complexes in the U.S. Its clients include many of the world's largest corporate and public pension plans, financial institutions, endowments and foundations, as well as financial advisors and high net worth individuals. With a high level of employee ownership, TCW is committed to providing disciplined, team-managed investment processes that have been tested across market cycles. As of December 31, 2023, TCW Group had \$210 billion in assets under management with \$189 billion of that in fixed income.

### FIXD PORTFOLIO MANAGEMENT TEAM

**Stephen M. Kane, CFA**  
Co-Chief Investment Officer  
Generalist Portfolio Manager  
Co-Director Fixed Income

**Bryan T. Whalen, CFA**  
Co-Chief Investment Officer  
Generalist Portfolio Manager  
Co-Director Fixed Income

**Jerry Cudzil**  
Group Managing Director  
Generalist Portfolio Manager

**Ruben Hovhannisyan, CFA**  
Managing Director  
Generalist Portfolio Manager

### TCW FIXED INCOME ACCOLADES

- MetWest Fund family named best large company fixed income fund family by Lipper Fund Awards, 2016.<sup>1</sup>
- Named by Morningstar as a U.S. Fixed income Manager of the Year in 2005 and nominated for the award eight times.<sup>2</sup>
- MetWest manages one of the largest actively managed fixed income mutual funds.

**Diversification does not guarantee a profit or protect against loss.**

<sup>1</sup>The Lipper Fund Awards recognize funds and fund management firms for their consistently strong risk-adjusted three-, five-, and ten-year performance, relative to their peers, based on Lipper's proprietary performance-based methodology.

<sup>2</sup>Morningstar's Fund Manager of the Year award winners were chosen based on Morningstar's proprietary research and in-depth qualitative evaluation by its fund analysts. 2005 performance as well as long-term risk adjusted performance were among the factors considered for qualification.

## A Value Oriented Approach to Generating Income

TCW uses a value-oriented fixed income strategy focused on generating alpha primarily through sector allocation and security selection, while seeking to control risk through a disciplined application of dollar cost averaged exposure across duration, yield curve, sectors and securities. TCW believes value opportunities can arise systematically through major changes in the macroeconomic environment, or idiosyncratically because of technical dislocations, changing risk preferences, or complexity of the underlying sector/security. As such, the investment process focuses on seeking to maximize long-term total returns by understanding the primary drivers of the underlying collateral cash flows and focusing on those securities/sectors that TCW believes have the most attractive risk/return potential.

### TCW INVESTMENT PROCESS AND PHILOSOPHY

The portfolio is selected using a top-down business cycle analysis to shape the duration, yield curve and sector decisions, anchored by bottom-up fundamental research to drive the security selection and execution strategies.

#### Duration

At the core of the investment process is TCW's long-term economic outlook, which drives the duration strategy.

#### Yield Curve

Yield curve positioning is based on TCW's fundamental outlook, evaluation of yield spread relationships and total return analysis.

#### Sector Allocation

The portfolio is allocated across domestic fixed income sectors. Shifts in sector allocations are based on relative value decisions, allocating to the most attractive sectors at pronounced, though generally infrequent, turning points in market cycles.

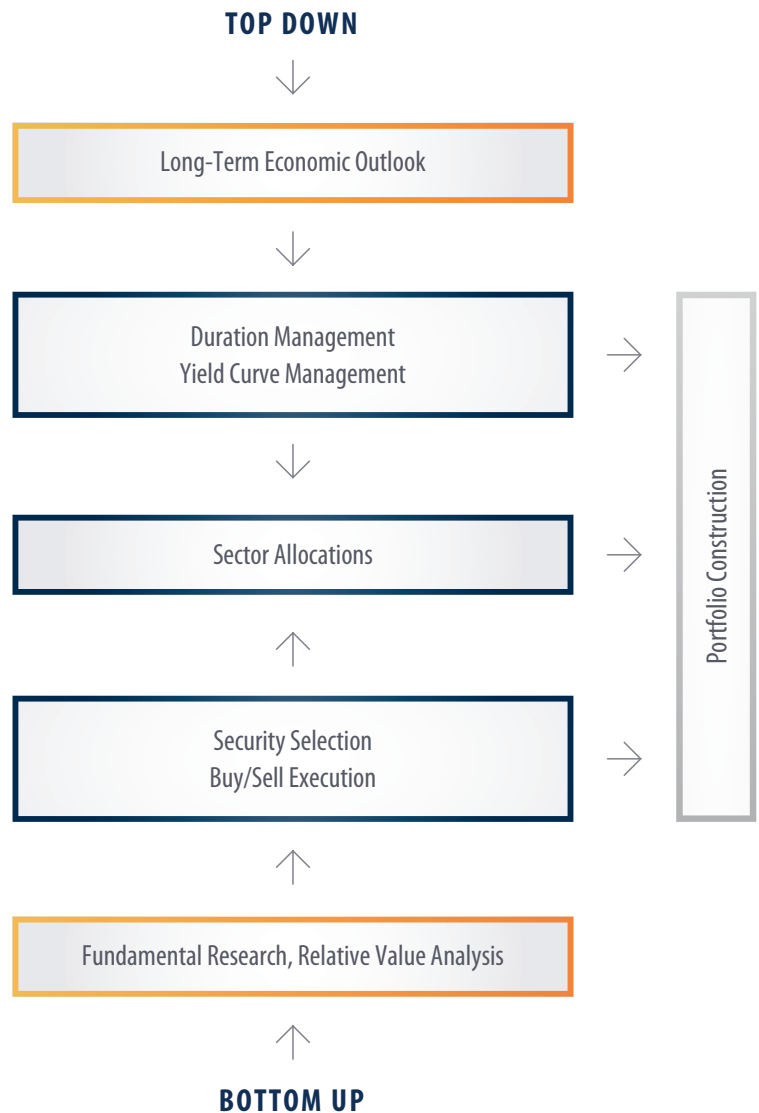
#### Issue Selection

Security selection involves evaluation of credit discipline and intensive fundamental credit analysis considering factors such as cash flow consistency, liquidity, collateral coverage, capital structure analysis and management quality.

#### Trading

Diligent pursuit of best execution and opportunistic trading opportunities are essential to the investment process.

The portfolio is monitored and reviewed with a focus on identifying factors which might produce a favorable risk/reward profile. Informal projections of total returns are made for each sector over a range of interest rates. Supply and demand conditions as well as yield spread relationships are also taken into consideration when assessing portfolio rebalancing/adjustments.



*You should consider the fund's investment objectives, risks, and charges and expenses carefully before investing. Contact First Trust Portfolios L.P. at 1-800-621-1675 or visit [www.ftportfolios.com](http://www.ftportfolios.com) to obtain a prospectus or summary prospectus which contains this and other information about the fund. The prospectus or summary prospectus should be read carefully before investing.*

## ACTIVE VS. PASSIVE INVESTING

Traditionally, ETFs that follow a passive indexing approach tend to invest a higher percentage of the fund's assets in the companies in the index that have the largest market capitalizations. While this market-cap weighted approach is conventional for ETFs that invest in common stocks, we believe it is problematic when applied to fixed income. The effect of market-cap weighting on fixed income ETFs is to favor the most indebted companies irrespective of their relative ability to repay their debt. In our opinion, this crucial difference provides important opportunities for actively managed fixed income ETFs to add value versus passively managed index ETFs. It is important to note that actively managed ETFs may have a higher portfolio turnover rate than passive indexing strategies, which may result in higher transaction costs and taxes.

We believe one of the greatest potential benefits of active management for fixed income ETFs is the enhanced ability to manage risk. TCW's active approach builds the portfolio using a combination of top down/bottom up strategies. The fund's portfolio management team positions the portfolio for changing market environments using several tactical approaches. Unlike passive indexing strategies, TCW can use sector allocation and security selection as key components of managing risk. The ability to invest across domestic and international fixed income sectors provides the portfolio managers with another way to manage market risk while adding a potential source of return. In addition, interest rate exposure may be limited through careful duration and yield curve management as well as by holding convertible and floating rate securities. The result is a portfolio that is diversified not only in a traditional sense across maturities, sectors and securities, but also across strategies that provide the opportunity to seek higher risk-adjusted returns.

## LOW CORRELATION AIDS DIVERSIFICATION

Effective diversification requires combining assets with low correlations or those that have performed differently over varying market conditions. One way to evaluate the potential diversification benefits of combining different assets is by comparing correlation, which is a statistical measure of the similarity of performance of two securities.

Correlation is measured on a scale ranging between -1 and +1. A correlation of +1 means that the two investments have moved in perfect tandem with each other. Alternatively, perfect negative correlation of -1 means that when one security moves in one direction, the other security will move in the opposite direction. Because bonds are not highly correlated with other asset classes, they can potentially decrease portfolio volatility, enhance overall return and provide meaningful diversification to an asset allocation strategy.

### Correlation of Asset Classes (12/31/08 – 12/31/23)

	U.S. Core Bonds	U.S. Equities	Preferred Stocks	MLPs	Commodities	REITs	International Equities	Emerging Market Equities	U.S. High Yield	EM Debt
U.S. Core Bonds	1.00	0.26	0.45	0.07	-0.04	0.42	0.28	0.30	0.38	0.62
U.S. Equities	0.26	1.00	0.62	0.59	0.50	0.78	0.88	0.74	0.73	0.61
Preferred Stocks	0.45	0.62	1.00	0.34	0.32	0.71	0.63	0.60	0.64	0.60
MLPs	0.07	0.59	0.34	1.00	0.49	0.45	0.54	0.50	0.64	0.47
Commodities	-0.04	0.50	0.32	0.49	1.00	0.38	0.56	0.59	0.50	0.40
REITs	0.42	0.78	0.71	0.45	0.38	1.00	0.73	0.63	0.69	0.64
International Equities	0.28	0.88	0.63	0.54	0.56	0.73	1.00	0.84	0.77	0.71
Emerging Market Equities	0.30	0.74	0.60	0.50	0.59	0.63	0.84	1.00	0.74	0.76
U.S. High Yield	0.38	0.73	0.64	0.64	0.50	0.69	0.77	0.74	1.00	0.83
EM Debt	0.62	0.61	0.60	0.47	0.40	0.64	0.71	0.76	0.83	1.00

Chart Source: Bloomberg. **Past performance is not a guarantee of future results.** Diversification does not guarantee a profit or protect against loss. For illustrative purposes only and not indicative of the fund. All of the indices are unmanaged and cannot be purchased directly by investors. The asset classes shown here offer different characteristics in terms of income, tax treatment, capital appreciation and risk. Equities are subject to risks, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market. Foreign stocks are subject to additional risks including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting foreign issuers. REITs are subject to certain risks, including changes in the real estate market, vacancy rates and competition, volatile interest rates and economic recession. MLPs are subject to certain risks, including price and supply fluctuations caused by international politics, energy conservation, taxes, price controls, and other regulatory policies of various governments. Bonds are subject to fluctuations due to higher interest rates, economic recession, deterioration of the bond market or investors' perception thereof, possible downgrades and defaults of interest and/or principal. All futures and futures-related products are highly volatile and the prices of commodities and commodities-linked instruments may fluctuate quickly and dramatically. See endnotes for a description of the indices used to represent each asset class.

# Risk Considerations

**You could lose money by investing in a fund. An investment in a fund is not a deposit of a bank and is not insured or guaranteed. There can be no assurance that a fund's objective(s) will be achieved. Investors buying or selling shares on the secondary market may incur customary brokerage commissions. Please refer to each fund's prospectus and Statement of Additional Information for additional details on a fund's risks. The order of the below risk factors does not indicate the significance of any particular risk factor.**

Asset-backed securities are a type of debt security and are generally not backed by the full faith and credit of the U.S. government and are subject to the risk of default on the underlying asset or loan, particularly during periods of economic downturn.

Unlike mutual funds, shares of the fund may only be redeemed directly from a fund by authorized participants in very large creation/redemption units. If a fund's authorized participants are unable to proceed with creation/redemption orders and no other authorized participant is able to step forward to create or redeem, fund shares may trade at a premium or discount to a fund's net asset value and possibly face delisting and the bid/ask spread may widen.

Investments in bank loans are subject to the same risks as other debt securities, but the risks may be heightened because of limited public information available and because loan borrowers may be leveraged and tend to be more adversely affected by changes in market or economic conditions. The secondary market for bank loans may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

During periods of falling interest rates if an issuer calls higher-yielding debt instruments, a fund may be forced to invest the proceeds at lower interest rates, likely resulting in a decline in the fund's income.

A fund that effects all or a portion of its creations and redemptions for cash rather than in-kind may be less tax-efficient.

Collateralized loan obligations ("CLOs") carry additional risks, including the possibility that distributions from collateral securities will not be adequate to make interest or other payments, the quality of the collateral may decline in value or default, the possibility that the investments in CLOs are subordinate to other classes or tranches, and the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

A fund may be subject to the risk that a counterparty will not fulfill its obligations which may result in significant financial loss to a fund.

Covenant-lite loans contain fewer maintenance covenants than traditional loans and may not include terms that allow the lender to monitor the financial performance of the borrower and declare a default if certain criteria are breached. This may hinder a fund's ability to mitigate problems and increase a fund's exposure to losses on such investments.

An issuer or other obligated party of a debt security may be unable or unwilling to make dividend, interest and/or principal payments when due and the value of a security may decline as a result.

An investment in credit default swaps involves greater risks than if a fund had invested in the reference obligation directly. These risks include general market, liquidity, counterparty, credit and leverage risks.

Ratings assigned by a credit rating agency are opinions of such entities, not absolute standards of credit quality and they do not evaluate risks of securities. Any shortcomings or inefficiencies in the process of determining credit ratings may adversely affect the credit ratings of the securities held by a fund and their perceived or actual credit risk.

Changes in currency exchange rates and the relative value of non-US currencies may affect the value of a fund's investments and the value of a fund's shares.

Current market conditions risk is the risk that a particular investment, or shares of the fund in general, may fall in value due to current market conditions. As a means to fight inflation, the Federal Reserve and certain foreign central banks have raised interest rates and expect to continue to do so, and the Federal Reserve has announced that it intends to reverse previously implemented quantitative easing. Recent and potential future bank failures could result in disruption to the broader banking industry or markets generally and reduce confidence in financial institutions and the economy as a whole, which may also heighten market volatility and reduce liquidity. Ongoing armed conflicts between Russia and Ukraine in Europe and among Israel, Hamas and other militant groups in the Middle East, have caused and could continue to cause significant market disruptions and volatility within the markets in Russia, Europe, the Middle East and the United States. The hostilities and sanctions resulting from those hostilities have and could continue to have a significant impact on certain fund investments as well as fund performance and liquidity. The COVID-19 global pandemic, or any future public health crisis, and the ensuing policies enacted by governments and central banks have caused and may continue to cause significant volatility and uncertainty in global financial markets, negatively impacting global growth prospects.

A fund is susceptible to operational risks through breaches

in cyber security. Such events could cause a fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss.

Investments in debt securities subject the holder to the credit risk of the issuer and the value of debt securities will generally change inversely with changes in interest rates. In addition, debt securities generally do not trade on a securities exchange making them less liquid and more difficult to value.

The use of derivatives instruments involves different and possibly greater risks than investing directly in securities including counterparty risk, valuation risk, volatility risk, and liquidity risk. Further, losses because of adverse movements in the price or value of the underlying asset, index or rate may be magnified by certain features of the derivatives.

Distressed securities are speculative and often illiquid or trade in low volumes and thus may be more difficult to value and pose a substantial risk of default.

Investments in emerging market securities are generally considered speculative and involve additional risks relating to political, economic and regulatory conditions.

Equity securities may decline significantly in price over short or extended periods of time, and such declines may occur in the equity market as a whole, or they may occur in only a particular country, company, industry or sector of the market.

Extension risk is the risk that, when interest rates rise, certain obligations will be paid off by the issuer (or other obligated party) more slowly than anticipated, causing the value of these debt securities to fall. Rising interest rates tend to extend the duration of debt securities, making their market value more sensitive to changes in interest rates.

Floating rate securities are structured so that the security's coupon rate fluctuates based upon the level of a reference rate. As a result, the coupon on floating rate securities will generally decline in a falling interest rate environment, causing a fund to experience a reduction in the income it receives from the security. A floating rate security's coupon rate resets periodically according to the terms of the security. Consequently, in a rising interest rate environment, floating rate securities with coupon rates that reset infrequently may lag behind the changes in market interest rates.

The market for forward contracts is substantially unregulated and can experience lengthy periods of illiquidity, unusually high trading volume and other negative impacts, such as political intervention. Forward contracts can increase a fund's risk exposure to underlying references and their attendant risks, such as credit risk, currency risk, market risk, and interest rate risk, while also exposing a fund to counterparty risk, liquidity risk and valuation risk, among others.

The risk of a position in a futures contract may be very large compared to the relatively low level of margin a fund is required to deposit and a relatively small price movement in a futures contract may result in immediate and substantial loss relative to the size of margin deposit.

High yield securities, or "junk" bonds, are less liquid and are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, are considered to be highly speculative.

A fund's income may decline when interest rates fall or if there are defaults in its portfolio.

A fund may be a constituent of one or more indices or models which could greatly affect a fund's trading activity, size and volatility.

As inflation increases, the present value of a fund's assets and distributions may decline.

Inflation-indexed debt securities, such as TIPS, are subject to the same risks as other debt securities. Although the holders of TIPS receive no less than the par value of the security at maturity, if a fund purchases TIPS in the secondary market whose principal values have previously been adjusted upward and there is a period of subsequent declining inflation rates, a fund may receive at maturity less than it invested and incur a loss.

Interest rate risk is the risk that the value of the debt securities in a fund's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term debt securities and higher for longer-term debt securities.

Leverage may result in losses that exceed the amount originally invested and may accelerate the rates of losses. Leverage tends to magnify, sometimes significantly, the effect of any increase or decrease in a fund's exposure to an asset or class of assets and may cause the value of a fund's shares to be volatile and sensitive to market swings.

To the extent a fund invests in floating or variable rate obligations that use the London Interbank Offered Rate ("LIBOR") as a reference interest rate, it is subject to LIBOR Risk. LIBOR has ceased to be made available as a reference rate and there is no assurance that any alternative reference rate, including the Secured Overnight Financing Rate ("SOFR"), will be similar to or produce the same value or economic equivalence as LIBOR. The unavailability or replacement of LIBOR may affect the value, liquidity or return on certain fund investments and may result in costs incurred in connection with closing out positions and entering into new trades. Any potential effects of the transition away from LIBOR on a fund or on certain

instruments in which a fund invests is difficult to predict and could result in losses to the fund.

Certain fund investments may be subject to restrictions on resale, trade over-the-counter or in limited volume, or lack an active trading market. Illiquid securities may trade at a discount and may be subject to wide fluctuations in market value.

The portfolio managers of an actively managed portfolio will apply investment techniques and risk analyses that may not have the desired result.

Market risk is the risk that a particular security, or shares of a fund in general may fall in value. Securities are subject to market fluctuations caused by such factors as general economic conditions, political events, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of a fund could decline in value or underperform other investments as a result. In addition, local, regional or global events such as war, acts of terrorism, spread of infectious disease or other public health issues, recessions, natural disasters or other events could have significant negative impact on a fund.

A fund faces numerous market trading risks, including the potential lack of an active market for fund shares due to a limited number of market makers. Decisions by market makers or authorized participants to reduce their role or step away in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of a fund's portfolio securities and a fund's market price.

A fund that holds cash or invests in money market or short-term securities may be less likely to achieve its investment objective and could lose money.

Mortgage-related securities are more susceptible to adverse economic, political or regulatory events that affect the value of real estate.

The values of municipal securities may be adversely affected by local political and economic conditions and developments. Income from municipal securities could be declared taxable because of, among other things, unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or state tax authorities, or noncompliant conduct of an issuer.

There are no government or agency guarantees of payments in securities offered by non-government issuers, therefore they are subject to the credit risk of the issuer. Non-agency securities often trade "over-the-counter" and there may be a limited market for them making them difficult to value.

Securities of non-U.S. issuers are subject to additional risks, including currency fluctuations, political risks, withholding, lack of liquidity, lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers.

A fund and a fund's advisor may seek to reduce various operational risks through controls and procedures, but it is not possible to completely protect against such risks. The fund also relies on third parties for a range of services, including custody, and any delay or failure related to those services may affect the fund's ability to meet its objective.

The prices of options are volatile and the effective use of options depends on a fund's ability to terminate option positions at times deemed desirable to do so. There is no assurance that a fund will be able to effect closing transactions at any particular time or at an acceptable price.

Because OTC derivatives do not trade on an exchange, the parties to an OTC derivative face heightened levels of counterparty risk, liquidity risk and valuation risk.

High portfolio turnover may result in higher levels of transaction costs and may generate greater tax liabilities for shareholders.

Preferred securities combine some of the characteristics of both common stocks and bonds. Preferred stocks are typically subordinated to other debt instruments in terms of priority to corporate income, and therefore will be subject to greater credit risk than those debt instruments.

The market price of a fund's shares will generally fluctuate in accordance with changes in the fund's net asset value ("NAV") as well as the relative supply of and demand for shares on the exchange, and a fund's investment advisor cannot predict whether shares will trade below, at or above their NAV.

Prepayment risk is the risk that the issuer of a debt security will repay principal prior to the scheduled maturity date. Debt securities allowing prepayment may offer less potential for gains during a period of declining interest rates, as a fund may be required to reinvest the proceeds of any prepayment at lower interest rates.

If a fund's counterparty defaults on its obligations and a fund is delayed or prevented from recovering collateral, or if the value of the collateral is insufficient, a fund may realize a loss.

A fund may be unable to sell a restricted security on short notice or only sell them at a price below current value.

Companies that issue loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. Loans are usually rated below investment grade but may also be unrated. As a result, the risks associated with these loans are similar to the risks of high-yield fixed income instruments. The senior loan market has seen a significant increase in loans with weaker lender protections which may impact recovery values and/or trading levels in the future.

A fund 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 fund.

Investments in sovereign bonds involve special risks because the governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due. In times of economic uncertainty, the prices of these securities may be more volatile than those of corporate debt or other government debt obligations.

Swap agreements may involve greater risks than direct investment in securities and could result in losses if the underlying reference or asset does not perform as anticipated. In addition, many swaps trade over-the-counter and may be considered illiquid.

Trading on an exchange may be halted due to market conditions or other reasons. There can be no assurance that a fund's requirements to maintain the exchange listing will continue to be met or be unchanged.

Securities issued or guaranteed by federal agencies and U.S. government sponsored instrumentalities may or may not be backed by the full faith and credit of the U.S. government.

A fund may hold securities or other assets that may be valued on the basis of factors other than market quotations. This may occur because the asset or security does not trade on a centralized exchange, or in times of market turmoil or reduced liquidity. Portfolio holdings that are valued using techniques other than market quotations, including "fair valued" assets or securities, may be subject to greater fluctuation in their valuations from one day to the next than if market quotations were used. There is no assurance that a fund could sell or close out a portfolio position for the value established for it at any time.

The purchase of securities on a when-issued, TBA ("to be announced"), delayed delivery or forward commitment basis may give rise to investment leverage and increase a fund's volatility and exposure to default.

First Trust Advisors L.P. (FTA) is the adviser to the First Trust fund(s). FTA is an affiliate of First Trust Portfolios L.P., the distributor of the fund(s).

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.

## Definition of terms:

**Duration** is a measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield. It accounts for the likelihood of changes in the timing of cash flows in response to interest rate movements.

**Alpha** is an indication of how much an investment outperforms or underperforms on a risk-adjusted basis relative to its benchmark.

## Index Definitions:

**U.S. Core Bonds** are represented by the Bloomberg US Aggregate Bond Index which measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

**U.S. Equities** are represented by the S&P 500 Index which is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance.

**Preferred Stocks** are represented by the ICE BofA Fixed Rate Preferred Securities Index which tracks the performance of fixed rate U.S. dollar denominated preferred securities issued in the U.S. domestic market.

**MLPs** are represented by the Alerian MLP Index which is a float-adjusted, capitalization-weighted composite of the 50 most prominent energy Master Limited Partnerships (MLPs).

**Commodities** are represented by the Bloomberg Commodity Index which is made up of exchange-traded futures on physical commodities and represents 20 commodities, which are weighted to account for economic significance and market liquidity.

**REITs** are represented by the FTSE NAREIT Composite Index which is designed to provide a comprehensive assessment of overall real estate investment trust (REIT) industry performance.

**International Equities** are represented by the MSCI EAFE Index which is a float-adjusted market capitalization index designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

**Emerging Market Equities** are represented by the MSCI Emerging Markets Index which measures equity market performance in global emerging markets.

**US High Yield** is represented by ICE BofA US High Yield Index which tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market.

**EM Debt** is represented by Bloomberg EM USD Aggregate Total Return Index Value Unhedged which includes USD-denominated debt from sovereign, quasi-sovereign, and corporate emerging markets issuers.