

## A better way to invest

First Trust Portfolios L.P. and its affiliate First Trust Advisors L.P. (collectively “First Trust”) were established in 1991 with a mission to offer investors a better way to invest. At First Trust, we are single-minded about providing trusted investment products and advisory services. We’re inspired every day by how financial advisors and their customers use our products and services to define goals, solve problems and develop long-term strategies. Everyone in our company is encouraged to work diligently and respectfully to deliver superior products, services and results that will contribute to the prosperity of our clients. This philosophy is carried through to our approach to investing. Our approach is simple, and our company was built with these core principles in mind:

**Know what you own** — When it comes to investing, it is critical to know what you own. We believe that transparency is enormously valuable in aiding investors and advisors in making informed investment decisions.

**Invest for the long-term** — We view market timing as an investment strategy that results in undue risk. Because it is virtually impossible for even the most experienced investors to predict market movements with certainty and consistency, we believe investors are best served by following a well-considered, long-term strategy.

**Employ discipline** — Disciplined investing does not guarantee a profit or protect against loss, but it does reduce the probability of making emotional investing decisions which can result in entering or leaving the market at precisely the wrong time.

**Rebalance** — Over time, the asset mix in a portfolio can begin to drift from its original allocation. Rebalancing “forces” you to periodically reset your portfolio back to its intended allocation. By setting a pattern of rebalancing, you become accustomed to taking profits from winners and adding to losers. This process has the added benefit of helping to remove emotion and avoid the temptation to chase performance or shy away from value.

**Control taxes** — Minimizing taxes is an important part of an overall investing strategy for any investor with securities in a taxable account. Certain of our products are designed to minimize the effect taxes have on your portfolio. This is accomplished in part, due to the tax efficient structure of many of the investment vehicles that we offer.

We take these investing principles into consideration in all aspects of our business. Our reputation has been built on these principles and our reputation is everything. We are committed to providing original ideas, inventive products and the highest level of service. We have a relentless focus on the needs of our clients in fulfilling our mission of providing a better way to invest.

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## First Trust at a glance

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**Broker Dealer: First Trust Portfolios L.P.**

**Registered Investment Adviser: First Trust Advisors L.P.**

**Year founded: 1991**

**Headquarters: Wheaton, Illinois**

We invest across a range of asset classes, including equities, fixed income, commodities, and real estate. These assets are offered through an array of investment vehicles including:

- Unit investment trusts
- Closed-end funds
- Exchange-traded funds
- Variable annuities
- Separate managed accounts
- Exchange-traded notes
- Structured products

Investment services:

- Asset management
- Financial advisory services
- Municipal and corporate investment banking
- Public finance

We serve our clients through the two companies as well as through our affiliates and relationships we maintain with several highly specialized firms. Our clients include:

- Brokerage firms
- Insurance companies
- Foundations
- Endowments
- Pension and retirement systems
- Profit-sharing plans
- Individuals

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We offer additional products and services through our affiliates:

■ **First Defined Portfolio Management Co.** – a Canadian mutual fund dealer.

■ **BondWave LLC** – a registered investment adviser that provides automated portfolio manufacturing and maintenance systems for the fixed income securities markets.

■ **Stonebridge Advisors LLC** – a registered investment adviser based in Wilton, CT that specializes in the management of Preferred Securities.

## Our history

- 1974 The first insured municipal bond unit investment trusts, called the First Trust® of Insured Municipal Bonds, were introduced by the firm Van Kampen, Wauterlek & Brown, thus beginning what would become a long line of innovations in the unit investment trust industry. The First Trust® product line subsequently grew under Clayton Brown & Associates, and included taxable and tax-free fixed income, as well as equity-based trusts.
- 1989 The initial First Trust® equity unit investment trusts were offered.
- 1991 Niké Securities L.P. and First Trust Advisors L.P. were formed and the First Trust® product line was purchased from Clayton Brown & Associates. Niké Securities L.P. and First Trust Advisors L.P. consisted of an asset management division and a capital markets division respectively. Asset management was responsible for structuring, organizing, sponsoring and distributing unit investment trusts and other pooled investment structures. Capital markets was responsible for developing and maintaining portfolio investment strategies for institutional clients, and also providing investment banking services to corporations and municipalities.
- 1995 An affiliate of Niké Securities began offering First Trust® products in Canada. Niké Securities creates the first unit investment trust to offer automatic principal reinvestment within the trust.
- 1998 Niké Securities began offering the First Trust® product line for fee-based accounts.
- 1999 First Trust Advisors became a manager of variable annuity sub-accounts and launched its family of separately managed accounts. In addition, the first unit investment trusts in the 401(k) marketplace were introduced by Niké Securities L.P.
- 2000 Niké Securities became the largest independent sponsor of unit investment trusts, by sales, in the U.S.
- 2002 Niké Securities changed its name to First Trust Portfolios L.P. First Trust Portfolios L.P. distributes its first structured product, a principal protected note designed to track a basket of equity indices.
- 2003 First Trust Advisors became the investment advisor to its first newly-formed closed-end fund which was the first equity closed-end fund offered to the marketplace in nearly a decade. In total, four new funds were launched.
- 2004 Seven additional closed-end funds were brought to market.
- 2005 The firms launched their first exchange-traded fund (ETF). Two more closed-end funds were brought to market.
- 2006 First Trust Advisors reorganized one of its closed-end funds into an exchange-traded fund, a first in the industry. Eight additional new ETFs were brought to market.
- 2007 25 new ETFs were brought to market, including the AlphaDEX® family.
- 2008 The firms offer a first of its kind exchange traded note (ETN). The ETN is linked to an index which is developed and maintained by First Trust Advisors and is based on the firm's proprietary stock selection methodology. In addition, two new ETFs were brought to market.