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INVESTMENT EXPERTISE

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INVESTMENT MANAGEMENT TEAMS

LEVERAGED FINANCE

William Housey, CFA, MBA, 29 years Jeffrey Scott, CFA, MBA, 35 years Kevin Ziets, CFA, MBA, 28 years Scott D. Fries, CFA, MBA, 31 years Gregory Olsen, CFA, MBA, 32 years Henry Reukauf, CFA, MBA, 30 years Brian Kessler, CFA, CMT, 21 years Berk Kisal, MBA, 28 years Andy Rybak, CFA, MBA, 25 years Jeffrey Johnson, CFA, 11 years Ryan Kommers, 28 years Brian Buscher, 32 years Daniel Nagode, CFA, 8 years Daniel Waldron Jr., 8 years Sam Cafi, MBA, 15 years Brandon Nelson, CFA, 4 years Nathan Barewin, 2 years John Zimmermann, 2 years Ethan Rosen, CFA, MBA, 8 years Joslyn Boyer, MBA, < 1 year

GLOBAL BONDS

(First Trust Global Portfolios Limited) Derek Fulton, 28 years Leonardo DaCosta, CFA, 20 years Anthony Beevers, CFA, 14 years

GOVERNMENT AND SECURITIZED PRODUCTS GROUP

Jim Snyder, MBA, 36 years Jeremiah Charles, MS, 23 years Jud Tigerman, MBA, 29 years Austin Stockfisch, 15 years Alex DeRochie, 8 years Minhua Wu, MS, 8 years Owen Aronson, 18 years Samuel Cecil, MBA, 14 years Jordan Pflum, MS, 4 years Aiden Cremins, 2 year Amrit Sandhu, 2 year German Gaymer, 19 years Buo Zhang, 18 years Travis Cable, 8 years Mikala Lowrance, 1 year

INVESTMENT GRADE

Todd Larson, CFA, 35 years Eric Maisel, CFA, MS, 33 years Scott Skowronski, CFA, 28 years Zach Natale, 18 years Ying Timmerman, CFA, 28 years David Worniak, CFA, 14 years Nathan Simons, CFA, 15 years Charles Kovarik, 6 years Lee Mizell, 3 years Trevor King, 1 year

CLOSED-END FUNDS Ken Fincher MBA 33 years

Ken Fincher, MBA, 33 years Nick Grant, 2 years

MUNICIPAL SECURITIES

Tom Byron, 42 years Johnathan Wilhelm, JD, 35 years Nick Novosad, CFA, 13 years Jeff Samuel, 32 years Sarah Galpin, CFA, MPA, 20 years Shari Sikes, MS, 31 years Aaron Cook, 22 years John Loch, MBA, 30 years Andrew Folland, MBA, 31 years Andrea McKeague, 33 years Shawn O'Leary, MS, 21 years

PREFERRED SECURITIES

(Stonebridge Advisors LLC) Scott Fleming, MBA, 44 years Robert Wolf, MBA, 25 years Eric Weaver, MS, 18 years Angelo Graci, CFA, MBA, 30 years Connor Fleming, CFA, CIPM, 13 years Scott Hubbell, CFA, 17 years Jeff Vinca, 21 years Marie-Belle Mikue, 12 years Jeff Bernstein, MBA, CPA, 36 years Celeste Guerrero, 19 years

Chris Fallow. CFA

SVP, Portfolio Oversight

RESEARCH

David McGarel, CFA, CPA, 35 years Jon Erickson, CFA, MBA, 35 years Chris Peterson, CFA, MBA, 27 years

FIXED INCOME RESEARCH

Jim Vavrek, CFA, 26 years Steve Collins, CFA, MBA, 19 years Orlando Becerra, 13 years

PRODUCT SPECIALIST

Jeff Margolin, MBA, 29 years Ryan O. Issakainen, CFA, MA, 24 years Andrew Hull, CFA, 17 years Bob Derochie, MBA, 36 years Robby Fatta, 20 years

STRATEGY RESEARCH

Chris Bush, CFA, 20 years Bob Hensley, CFA, MS, 23 years Omar Sepulveda, CFA, 28 years Graham Homberg, CFA, 19 years Elliott Papineau, 18 years Brad Phillips, CFA, 14 years Steve Rinn, CFA, 10 years John Bria, CFA, 12 years Grayson Harris, CFA, 3 years Reece Sparling, 2 year Lilly Nikkel, 2 year Ethan Walter, < 1 year

EQUITY RESEARCH

John Sherren, CFA, MBA, 27 years Jared Wollen, CFA, MS, 15 years Jack Wagner, 3 years Eric Glombicki, 4 years Connor Fries, 1 year

QUANT TECH

Dan Godoy, MBA, 19 years Jeff Sommars, PhD, CFA, MBA, 10 years John Hagerson, CFA, 25 years Landon Kavlie, PhD, CFA, 10 years Matthew Goldsberry. 10 years Nathan Bliss, PhD, CFA, 7 years Jordan Freitag, 4 years Matt Adomshick, 4 years Natan Jara, 4 years Joel Stapleton, PhD, 9 years Johannes Byle, 3 year Josiah Elliott, 2 years Matthew Erickson, 2 years Stephen Lovett, PhD, 1 year Stephen Kil, 2 year Jonathan Barrett, 2 years Jacob Book, 1 year David Stapleton, PhD, < 1 year Jack Brandt, < 1 year Jacob Walsh. < 1 year Luke Rogers, < 1 year Silas Kyun, < 1 year

MARKET ANALYSIS

Bob Carey, CFA, 38 years Peter Leonteos, 17 years

MODEL INVESTMENT COMMITTEE

Daniel J. Lindquist, CFA, MBA Chairman and Managing Director 32 years David McGarel, CFA, CPA CIO, COO and Managing Director 35 years William Housey, CFA, MBA Managing Director of Fixed-Income 29 years Chris Peterson, CFA, MBA SVP. Head of Strategy Research

26 years

24 years **Steve Collins**, CFA, MBA SVP, Senior Fixed-Income Analyst 19 years

ECONOMICS

Brian Wesbury, MBA, 42 years Robert Stein, CFA, 29 years Strider Elass, 17 years Andrew Opdyke, CFA, MBA, 13 years Bryce Gill, MBA, 11 years Nate Gerze, 5 years Mary Buchanan, 21 years

TABLE OF CONTENTS

[First Trust

MARKET DATA

- 3. SECULAR BULL AND BEAR EQUITY MARKETS
- 4. WEEKLY S&P 500 INDEX
- 5. WEEKLY 2 YR AND 5 YR U.S. TREASURY YIELD
- 6. WEEKLY 10 YR AND 30 YR U.S. TREASURY YIELD
- MONTHLY 10 YR U.S. TREASURY YIELD 1980 – PRESENT
- WEEKLY 10 YR GOVERNMENT BOND YIELDS (GERMANY & JAPAN)
- 9. WEEKLY 10 YR GOVERNMENT BOND YIELDS (U.K. & ITALY)
- 10. 10 YR U.S. TREASURY YIELD AND 10 YR GERMAN BUND YIELD
- 11. 10 YR U.S. TREASURY REAL YIELD
- 12. INFLATION: BREAKEVENS
- 13. MOVE INDEX
- 14. FEDERAL FUNDS RATE
- 15. US TREASURY YIELD CURVE
- 16. 2-YR/10-YR U.S YIELD CURVE & 3-MO/10 YR U.S YIELD CURVE
- 17. MUNICIPAL YIELD CURVE
- 18. REAL FEDERAL FUNDS RATE
- 19. NET DEALER TREASURY HOLDINGS
- 20. GLOBAL NEGATIVE YIELDING DEBT
- 21. CENTRAL BANK BALANCE SHEETS
- 22. WEEKLY U.S. DOLLAR INDEX (DXY)

LEADING INDICATORS

- 23. THE BUSINESS CYCLE
- 24. U.S. PICKUP TRUCK & TOTAL MOTOR VEHICLE SALES
- 25. CONSUMER CREDIT
- 26. COMMODITIES

FIXED INCOME OPPORTUNITY SET

- 27. FIXED INCOME DASHBOARD
- 28. FIXED INCOME DASHBOARD (CONT.)
- 29. FIXED INCOME DASHBOARD (CONT.)
- 30. MUNICIPAL / TREASURY YIELD RATIO
- 31. FIXED INCOME ASSET CLASS PRICE ANALYSIS
- 32. FIXED INCOME OPPORTUNITY SET DURATION VS YTM
- 33. FIXED INCOME OPPORTUNITY SET NOMINAL & REAL YIELDS
- 34. YIELD PER UNIT OF DURATION
- 35. SIZE AND GROWTH OF THE U.S. DEBT MARKET
- 36. SIZE AND CREDIT QUALITY OF THE U.S. CORPORATE DEBT MARKET
- 37. YTM DIFFERENCE OF HIGH-YIELD BONDS VS LOANS
- 38. SENIOR LOAN AND HIGH-YIELD BOND DEFAULT RATE
- 39. MONEY MARKET RATES
- 40. FIXED INCOME ASSET CLASS RETURNS
- 41. ASSET CLASS CORRELATION
- 42. DEFINITIONS
- 43. DEFINITIONS CONTINUED

All index data shown herein is for illustrative purposes only and not indicative of any actual investment. Index returns do not reflect any fees, expenses, or sales charges. Investors cannot invest directly in an index. 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.

SECULAR BULL AND BEAR EQUITY MARKETS

Dow Jones Industrial Average (January 31, 1900 – June 30, 2025)

MARKET DATA



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WEEKLY S&P 500 INDEX

December 31, 1999 – June 27, 2025







Source: Bloomberg. See Index Definitions. Past performance is no guarantee of future results.

WEEKLY 2-YEAR AND 5-YEAR U.S. TREASURY YIELD

December 31, 2005 – June 27, 2025

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MARKET DATA



Source: Bloomberg. Past performance is no guarantee of future results. The 2 Year U.S. Treasury return is represented by the ICE BofA Current 2-Year U.S. Treasury Index. The 5 Year U.S. Treasury return is represented by the ICE BofA Current 5-Year U.S. Treasury Index. See Index Definitions.

WEEKLY 10-YEAR AND 30-YEAR U.S. TREASURY YIELD

December 31, 1999 – June 27, 2025

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MARKET DATA



Source: Bloomberg. Past performance is no guarantee of future results. The 10 Year U.S. Treasury return is represented by the ICE BofA Current 10-Year U.S. Treasury Index. The 30 Year U.S. Treasury return is represented by the ICE BofA Current 30-Year U.S. Treasury Index. See Index Definitions.

MONTHLY 10-YEAR U.S. TREASURY YIELD 1980 - PRESENT

January 31, 1980 – June 30, 2025

MARKET DATA



Source: Bloomberg. Past performance is no guarantee of future results. See Index Definitions.

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WEEKLY 10-YEAR GOVERNMENT BOND YIELDS (GERMANY & JAPAN)

December 31, 2005 – June 27, 2025

MARKET DATA

WEEKLY 10-YEAR GERMAN BUND YIELD



WEEKLY 10-YEAR JAPANESE GOVERNMENT BOND YIELD



Source: Bloomberg. Past performance is no guarantee of future results. See Index Definitions.

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WEEKLY 10-YEAR GOVERNMENT BOND YIELDS (U.K. & ITALY)

December 31, 2005 – June 27, 2025

MARKET DATA

WEEKLY 10-YEAR U.K. GOVERNMENT BOND YIELD



WEEKLY 10-YEAR ITALIAN GOVERNMENT BOND YIELD



Source: Bloomberg. Past performance is no guarantee of future results. See Index Definitions.

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10-YEAR U.S. TREASURY YIELD AND 10-YEAR GERMAN BUND YIELD

December 31, 1988 – June 27, 2025



YIELD SPREAD BETWEEN THE 10 YEAR U.S. TREASURY YIELD AND THE 10 YEAR GERMAN BUND YIELD



Source: Bloomberg. Past performance is no guarantee of future results. See Index Definitions.

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10-YEAR U.S. TREASURY REAL YIELD

August 3, 1998 – June 30, 2025

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Real Yield is an interest rate that has been adjusted to remove the effects of inflation. Real Yield is calculated as the difference in yields between U.S Treasury bonds and Treasury Inflation-Protected Securities (TIPS). The breakeven rate is a market-based gauge for the expected annual inflation. See Index Definitions. Source: Bloomberg. **Past performance is no guarantee of future results**.

11

INFLATION: BREAKEVENS

October 27, 2004 - June 30, 2025

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Source: Bloomberg. The breakeven rate is a market-based gauge for the expected annual inflation. Past performance is no guarantee of future results. See Index Definitions.

MOVE INDEX

As of June 30, 2025



MARKET DATA



Source: Bloomberg. Data from 4/4/88 – 6/30/25. Past performance is no guarantee of future results. The ICE BofA MOVE Index is shown above. See Index Definitions. The area shaded in gray represents 2 standard deviations above and below the mean of the MOVE Index inception to date.

FEDERAL FUNDS RATE

As of June 30, 2025

MARKET DATA

The current Effective Federal Funds Rate is 4.33% and the market is pricing in an additional 67 basis points (bps) of cuts by the end of 2025 and 135 bps of cuts by the end of 2026.

HISTORICAL FEDERAL FUNDS RATE

IMPLIED FEDERAL FUNDS RATE & NUMBER OF HIKES/CUTS



Source: Bloomberg.

The assumed rate movement for one rate hike or cut is equivalent to +/- 0.25%. There is no assurance forecasts will be achieved.

The Federal Funds Rate is the interbank overnight lending rate for commercial banks' excess reserves. The Implied Federal Funds Rate for the US is the estimated forward rate for the United States and is derived from Federal Funds Futures contracts to determine the probability of the Federal Reserve changing monetary policy at a particular meeting.

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U.S. TREASURY YIELD CURVE

As of June 30, 2025

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Source: Bloomberg. Past performance is no guarantee of future results.

2-YR/10-YR U.S YIELD CURVE & 3-MO/10-YR U.S YIELD CURVE



Source: Bloomberg, as of 6/30/2025. Past performance is no guarantee of future results. The yield spread is the difference between yields on the varying Treasury maturities. A basis point is a common unit of measure for interest rates and is equal to 1/100th of 1% or 0.01%. A 1% change is equal to 100 basis points. See Index Definitions.

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MUNICIPAL YIELD CURVE

As of June 30, 2025

□ First Trust

MARKET DATA



Source: Bloomberg. Past performance is no guarantee of future results.

*YTM represents the Tax-Equivalent Yield (TEY) for the highest federal tax bracket of 37% plus a Medicare tax rate of 3.8% for a total tax rate of 40.8%.

REAL FEDERAL FUNDS RATE

December 31, 1970 – June 30, 2025

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Source: Bloomberg, FRED. The Real Federal Funds Rate is the effective Federal Funds Rate minus 12-month core PCE inflation. The Effective Federal Funds Rate is the interest rate banks charge each other for overnight lending. See Index Definitions.

NET DEALER TREASURY HOLDINGS

December 31, 2014 – June 18, 2025

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MARKET DATA



Source: Bloomberg, Federal Reserve. See Index Definitions.

GLOBAL NEGATIVE YIELDING DEBT

December 31, 2013 – June 30, 2025

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MARKET DATA



Source: Bloomberg. Global negative yielding debt is comprised by summing the negative yielding debt within the Bloomberg Global Aggregate Index. See Index Definitions.

December 31, 1999 – June 27, 2025

MARKET DATA

□First Trust



WEEKLY U.S. DOLLAR INDEX (DXY)

December 31, 2010 – June 27, 2025

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MARKET DATA

DXY is a measure of the U.S dollar's value relative to the following currencies:

- Euro: 57.6%
- Japanese Yen: 13.6%
- British Pound: 11.9%
- Canadian Dollar: 9.1%
- Swedish Krona: 4.2%
- Swiss Franc: 3.6%

Tested 100 resistance but failed to breakthrough. Upside resistance remains 100 and 105 with support of 90 then 84.



Source: Bloomberg. Past performance is no guarantee of future results. See Index Definitions.

THE BUSINESS CYCLE

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LEADING INDICATORS



Source: Goldman Sachs Global Investment Research. Past performance is no guarantee of future results. This chart is for illustrative purposes only and not indicative of any actual investment. See Index Definitions.

U.S. MOTOR VEHICLE SALES

LEADING INDICATORS



TOTAL U.S. MOTOR VEHICLE SALES (JANUARY 1, 1980 – JUNE 30, 2025)

Source: Bloomberg, Citigroup Global Markets Inc. U.S. Motor Vehicle Sales reflect the seasonally adjusted annual rate (SAAR) where data has been adjusted for the effects of seasonal patterns.

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CONSUMER CREDIT

March 31, 2003 - March 31, 2025

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LEADING INDICATORS



Source: Bloomberg. The Federal Reserve Bank of New York's Center for Microeconomic Data: Quarterly Report on Household Debt and Credit. Data as of 3/31/25 (Most recent available data).

COMMODITIES

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LEADING INDICATORS

\$40

\$20





Source: Bloomberg. Past performance is no guarantee of future results. See Index Definitions.

6/25

04/19

04/23

10-year daily historical spread distribution

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Mode OAS: 399

The frequency in which observations fell within Option Adjusted Spread range.

1.045-1.165

FIXED INCOME OPPORTUNITY SET

High Yield Bonds Spreads over U.S. Treasuries

198-318



682-802

803-923

924-1.044

561-681

Option Adjusted Spread (bps)

Senior Loans

Spreads over the Secured Overnight Financing Rate (SOFR)

440-560

319-439



*3-Year Life. Data excludes defaults.

Source: Bloomberg, Standard & Poor's Leveraged Loan Commentary and Data. Data is from 6/30/2015 through 6/30/2025. For illustrative purposes only and not indicative of any actual investment. See index definitions at the end of the presentation. **Past performance is no guarantee of future results.**

FIXED INCOME DASHBOARD

10-year daily historical spread distribution

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The frequency in which observations fell within Option Adjusted Spread range.

FIXED INCOME OPPORTUNITY SET

Investment-Grade Corporate Bonds Spreads over U.S. Treasuries

56.89% of historical spread 43.11% of historical spread observations were below the mean. observations were above the mean. 55% **Current OAS: 86** 40% 44.0% Frequency of Observations 30.9% 30% Mean OAS: 126 20% 12.9% 8.8% 2.2% 10% 0.6% 0.1% 0.3% 0.2% 0.1% 0.0% 0% Mode OAS: 92 60-92 93-125 126-158 159-191 192-224 258-290 225-257 291-323 324-356 357-389 390-422 Option Adjusted Spread (bps)

Fixed Rate CMBS Bonds



Source: Bloomberg. Data is from 6/30/2015 through 6/30/2025. For illustrative purposes only and not indicative of any actual investment. See index definitions at the end of the presentation. Past performance is no guarantee of future results.

FIXED INCOME DASHBOARD

10-year daily historical spread distribution

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The frequency in which observations fell within Option Adjusted Spread range.

FIXED INCOME OPPORTUNITY SET

Agency MBS Spreads over U.S. Treasuries



Emerging Markets



Source: Bloomberg. Data is from 6/30/2015 through 6/30/2025. For illustrative purposes only and not indicative of any actual investment. See index definitions at the end of the presentation. Past performance is no guarantee of future results.

MUNICIPAL / TREASURY YIELD RATIO

January 2, 2001 – June 30, 2025

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FIXED INCOME OPPORTUNITY SET









Source: Bloomberg. Past performance is no guarantee of future results. The Municipal/Treasury ratio is a percentage of municipal yields against equivalent Treasury yields.

FIXED INCOME ASSET CLASS PRICE ANALYSIS

As of June 30, 2025

FIXED INCOME OPPORTUNITY SET



Source: S&P LCD and Bloomberg. Past performance is no guarantee of future results. U.S. High-Yield Bonds are represented by the ICE BofA U.S. High Yield Constrained Index. Preferred Securities are represented by a blended benchmark consisting of 30% ICE BofA Core Plus Fixed Rate Preferred Securities Index (POP4) / 30% ICE BofA U.S. Investment Grade Institutional Capital Securities Index (CIPS) / 30% ICE BofA USD Contingent Capital Index (CDLR) / 10% ICE BofA U.S. High Yield Institutional Capital Securities Index (HIPS). U.S. Senior Loans are represented by the Morningstar® LSTA® US Leveraged Loan Index. Investment Grade Corporates are represented by the ICE BofA U.S. Corporate Index. Core Bonds are represented by the Bloomberg U.S. Aggregate Bond Index. Government Bonds are represented by the Bloomberg U.S. Government Index. TIPS are represented by the Bloomberg US Treasury Inflation-Linked Bond Index. Mortgage Backed Securities are represented by the ICE BofA U.S. CMBS is represented by ICE BofA AAA-A US Fixed Rate CMBS Index. See Index Definitions.

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Source: S&P LCD, and Bloomberg. **Past performance is no guarantee of future results.** *YTM represents the Tax-Equivalent Yield (TEY) for the highest tax bracket of 37% plus a Medicare tax rate of 3.8% for a total tax rate of 40.8%. U.S. Senior Loans are represented by the Morningstar[®] LSTA[®] US Leveraged Loan Index. High-Yield Bonds are represented by the ICE BofA U.S. High Yield Constrained Index. Investment Grade Corporates are represented by the ICE BofA U.S. Corporate Index. Municipal Bonds are represented by the Bloomberg U.S. Municipal Index. Mortgage Backed Securities are represented by the ICE BofA U.S. Mortgage Backed Securities Index. Core Bonds are represented by the Bloomberg U.S. Government Index. TIPS are represented by the Bloomberg US Treasury Inflation-Linked Bond Index. See Index Definitions.

FIXED INCOME OPPORTUNITY SET – DURATION VS YTM

As of June 30, 2025

FIXED INCOME OPPORTUNITY SET



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Source: S&P LCD, and Bloomberg. **Past performance is no guarantee of future results**. *YTM represents the Tax-Equivalent Yield (TEY) for the highest tax bracket of 37% plus a Medicare tax rate of 3.8% for a total tax rate of 40.8%. Real yield is represented by nominal yield-to-maturity minus the 5-yr inflation breakeven rate, which is calculated as the difference in yields between U.S Treasury bonds and Treasury Inflation-Protected Securities (TIPS). Senior Loans are represented by the Morningstar[®] LSTA[®] US Leveraged Loan Index. High-Yield Bonds are represented by the ICE BofA U.S. High Yield Constrained Index. Investment Grade Corporates are represented by the Bloomberg U.S. Municipal Index. Mortgage Backed Securities are represented by the ICE BofA U.S. Mortgage Backed Securities Index. Core Bonds are represented by the Bloomberg U.S. Aggregate Bond Index. Government Bonds are represented by the Bloomberg U.S. Government Index. TIPS are represented by the Bloomberg US Treasury Inflation-Linked Bond Index. See Index Definitions.

FIXED INCOME OPPORTUNITY SET – NOMINAL & REAL YIELDS As of June 30, 2025



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YIELD PER UNIT OF DURATION

Bloomberg U.S. Aggregate Bond Index (January 30, 1976 – June 30, 2025)

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FIXED INCOME OPPORTUNITY SET



Source: Bloomberg. Past performance is no guarantee of future results. 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. See Index Definitions.

SIZE AND GROWTH OF THE U.S. DEBT MARKET

March 31, 1997 – June 30, 2025

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FIXED INCOME OPPORTUNITY SET



Source: ICE and Standard & Poor's Leveraged Loan Commentary and Data. Data as of 6/30/25 (Most recent available data). U.S. High-Yield Bonds are represented by the ICE BofA U.S. High Yield Constrained Index. Preferreds are represented by the sum of ICE BofA Fixed Rate Preferred Securities Index and the ICE BofA Investment Grade Institutional Capital Securities Index. Investment Grade Corporates are represented by the Bloomberg U.S. Municipal Index. Senior Loans are represented by the Morningstar® LSTA® US Leveraged Loan Index. Mortgages are represented by the ICE BofA U.S. Treasury & Agency Index. See Index Definitions.

SIZE AND CREDIT QUALITY OF THE U.S. CORPORATE DEBT MARKET

December 31, 2007 vs. June 30, 2025

FIXED INCOME OPPORTUNITY SET



Source: Bloomberg. Investment Grade represented by the ICE BofA U.S. Corporate Index. High Yield represented by the ICE BofA U.S. High Yield Constrained Index. The Index composite rating is a derived value that is used to classify bonds by credit quality in Bloomberg Indices. It is set as the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; if only one agency rates a bond, that rating is taken. Investment grade bonds have a rating of at least Baa3 from Moody's or BBB- from S&P and Fitch. High-yield bonds have a rating below Baa3 from Moody's or BBB- from S&P and Fitch. Credit ratings are subject to change. See Index Definitions.

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YTM DIFFERENCE OF HIGH-YIELD BONDS VS LOANS

December 31, 1998 – June 30, 2025

FIXED INCOME OPPORTUNITY SET



Source: Bloomberg, Standard & Poor's Leveraged Loan Commentary and Data. **Past performance is no guarantee of future results**. High-yield bonds are represented by the ICE BofA U.S. High-Yield Constrained Index (HUC0). Senior loans are represented by the Morningstar[®] LSTA[®] US Leveraged Loan Index (LLI). See Index Definitions.

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SENIOR LOAN AND HIGH-YIELD BOND DEFAULT RATE

March 31, 1999 – June 30, 2025

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Source: Standard & Poor's LCD and JP Morgan high-yield research. Past performance is no guarantee of future results. High-yield bonds are represented by J.P. Morgan's high-yield bond universe based on the last twelve months (LTM). Senior loans are represented by the Morningstar[®] LSTA[®] US Leveraged Loan Index (LLI) and based on the LTM. See Index Definitions.

MONEY MARKET RATES

June 30, 2019 – June 30, 2025

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Source: Bloomberg. Past performance is no guarantee of future results. Tier 1 90d - U.S. Commercial Paper Placed Top 90 Day Yield (DCPB090Y Index), Tier 2 30d - U.S. Commercial Paper Dealer Placed Second 30 Day Yield (DCPD030Y Index), Tier 2 60d- U.S. Commercial Paper Dealer Placed Second 60 Day Yield (DCPD060Y Index), 3m Libor- ICE LIBOR USD 3 Month (US0003M Index), 1m SOFR- CME Term SOFR 1 Month (TSFR1M Index), 3m SOFR- CME Term SOFR 3 Month (TSFR3M Index). For illustrative purposes only.

FIXED INCOME ASSET CLASS RETURNS (%)

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2001 – June 30, 2025

FIXED INCOME OPPORTUNITY SET

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	June'25
12.16	19.59	28.97	11.13	6.50	11.85	10.57	24.03	58.21	15.12	29.93	15.81	7.44	25.07	7.58	17.13	12.21	1.41	23.26	18.10	5.40	-1.06	13.44	9.05	7.54
9.84	16.79	14.78	10.33	5.69	8.10	9.81		44.87	13.66	17.13	13.59	6.15	16.39	3.30	10.22	10.58	1.40	17.71	13.32	5.28	-4.11	13.04	8.19	4.57
9.77	11.92	11.01	9.38	3.76	7.33	8.83	10.23	20.07	10.69	10.70	12.73	0.30	15.44	1.39	9.88	8.53	1.28	15.11	9.50	2.24	-7.77	10.73	7.06	4.45
8.22	10.14	10.43	7.70	3.51	6.44	7.41	7.87	16.80	9.97	7.90	9.43	-0.17	9.05		3.68	7.50	1.14	14.32	7.47	1.52	-8.53	10.21	4.22	4.12
8.16	9.60	9.43	5.60	3.20	4.84	6.98	7.62	15.93	9.38	6.57	8.10	-1.34	5.97	0.90	2.32	7.29	1.02	10.14	7.11	-0.57	-9.40	7.29	3.79	3.98
8.15	9.28	6.91	5.11	2.74	4.61	5.60	-2.47	12.91	7.76	6.33	6.78	-2.12	4.16	0.41	1.65	5.45	0.01	8.17	6.95	-1.00	-10.77	6.40	2.42	3.75
5.28	8.69	5.31	4.48		4.49	3.60	-2.76	5.37	6.67	5.37	3.56	-2.55	2.57	-0.38	1.56	4.25	-0.38	7.54	5.77	-1.18	-11.19	5.40	1.05	2.96
5.13	7.66	2.85	4.35	1.42	3.71	3.36	-3.92	2.63	5.90	4.98	2.42	-3.65	2.45	-1.21	1.33	3.67	-1.84	5.86	5.21	-1.46	-14.60		0.95	2.73
4.21	6.46	2.48	4.08	1.36	3.51	1.88	-25.24	1.29	5.29	4.11	1.83	-4.30	2.06	-3.29	1.06	1.86	-2.08	5.59	3.68		-17.47	4.18	-2.01	-2.59
2.65	1.12	2.20	2.02	0.96	3.47	1.87	-26.16	-1.41	2.38	1.82	1.71	-6.62	0.66	-4.47	0.64	1.14	-4.34		3.07	-4.37	-25.29	3.65	-3.58	1.01
-1.37	-1.41	2.11	0.89	-6.66	1.85	-11.31	-28.75	-12.92	2.35	1.53	0.31	-12.66	-0.79	-4.56	0.25	0.25	-6.76	3.31	2.78	-6.60	-31.09	2.66	-7.98	-0.35

Floating Rate Global Treasury GNMA High Yield Intermediate Corporate Intermediate Treasury Municipal Preferred Short Treasury

Source: Bloomberg. Past performance is no guarantee of future results. An index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. The asset classes shown here offer different characteristics in terms of income, tax treatment, capital appreciation and risk. High-yield securities, or "junk" bonds, are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, may be highly speculative. Fixed rate investment grade (IG) 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. Diversification does not guarantee a profit or protect against loss. Asset classes are represented by the following indices: High Yield - Bloomberg U.S. Corporate High-Yield Bond Index. Intermediate Corporate - Bloomberg U.S. Intermediate Credit Index. Municipal - Bloomberg U.S. Municipal Index. Long Corporate - Bloomberg U.S. Long Treasury - Bloomberg U.S. Long Treasury - Bloomberg U.S. Long Treasury - Bloomberg GNMA Index. Short Treasury - Bloomberg 2-Yr U.S. Treasury Bellwethers Index. Preferred - ICE BofA Fixed Rate Preferred Securities Index. See Index Definitions.

ASSET CLASS CORRELATION

June 30, 2015 – June 30, 2025

□First Trust

FIXED INCOME OPPORTUNITY SET

	Equities	Core Bonds	Senior Loans	High-Yield Bonds	Preferreds	EM	U.S. Convertibles	U.S. MBS	Municipals	IG Corporates	Government Bonds	MLPs	Commodities	Ann. Volatility
Equities	1.00													15.47
Core Bonds	0.38	1.00												5.03
Senior Loans	0.60	0.15	1.00											5.42
High-Yield Bonds	0.80	0.50	0.80	1.00										7.62
Preferreds	0.67	0.64	0.54	0.75	1.00									7.93
EM	0.67	0.70	0.62	0.83	0.75	1.00								8.73
U.S. Convertibles	0.86	0.38	0.70	0.81	0.64	0.67	1.00							12.93
U.S. MBS	0.36	0.95	0.05	0.43	0.61	0.62	0.31	1.00						5.03
Municipals	0.43	0.84	0.29	0.57	0.66	0.77	0.41	0.80	1.00					5.19
IG Corporates	0.59	0.90	0.51	0.74	0.78	0.87	0.61	0.79	0.82	1.00				6.72
Government Bonds	0.14	0.94	-0.13	0.22	0.43	0.47	0.13	0.89	0.72	0.72	1.00			4.81
MLPs	0.64	0.10	0.71	0.67	0.48	0.45	0.63	0.05	0.15	0.40	-0.14	1.00		30.99
Commodities	0.38	-0.05	0.49	0.49	0.21	0.31	0.39	-0.04	0.05	0.13	-0.22	0.52	1.00	13.66

Source: Morningstar. **Past performance is no guarantee of future results.** Annual (Ann) Volatility is based on standard deviation which is a measure of price variability (risk). Equities are represented by the S&P 500 Index. Core Bonds are represented by the Bloomberg U.S. Aggregate Bond Index. Senior Loans are represented by the Morningstar[®] LSTA[®] US Leveraged Loan Index. High-Yield Bonds are represented by the ICE BofA U.S. High Yield Constrained Index. Preferreds are represented by the ICE BofA U.S. Convertible are represented by the ICE BofA U.S. MBS is represented by the ICE BofA U.S. Mortgage Backed Securities Index. Municipals are represented by the Bloomberg U.S. Municipal Index. IG Corporates are represented by the ICE BofA U.S. Investment Grade Corporate Index. Government Bonds are represented by the Bloomberg US Government Index. MLPs are represented by the Alerian MLP Index. Commodities are represented by the Bloomberg Commodity Index. See Index Definitions.

DEFINITIONS

Bloomberg Commodity Index (BCOM) - A highly liquid and diversified benchmark for commodity investments including but not limited to energy, grains, industrial metals, precious metals, softs and livestock.

Bloomberg GNMA Index - Consists of 30-yr and 15-yr pass-through GNMAs and GNMA Graduated Payment Mortgages.

Bloomberg Global Aggregate Index - Measures the global investment grade debt from 24 local currency markets which includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging market issuers.

Bloomberg Global Treasury Index - Tracks fixed-rate, local currency government debt of IG countries, including both developed and emerging markets.

Bloomberg High Yield Municipal Bond Index - Measures the performance of U.S. dollar-denominated high-yield municipal bonds.

Bloomberg Municipal Bond Index - Tracks the performance of the tax-exempt bond market.

Bloomberg Muni High Yield Index - A flagship measure of the non-investment grade and non-rated USD-denominated tax exempt bond market.

Bloomberg U.S. Aggregate Bond Index - Measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS, ABS and CMBS.

Bloomberg U.S. Corporate Bond Index - Measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

Bloomberg U.S. Corporate High Yield Index - Measures the USD-denominated, high yield, fixed-rate corporate bond market.

Bloomberg U.S. Corporate Investment Grade Index - Tracks publicly issued, SEC-registered, U.S. corporate and specified foreign debentures and secured notes that have a maturity greater than one year, at least \$250 M outstanding par balance, and rated Baa3/BBB- or higher.

Bloomberg U.S. Government Index - Consists of securities issued by the U.S. Government.

Bloomberg U.S. Intermediate Credit Index - Measures the Investment Grade (IG), U.S. dollar (USD)-denominated, fixed-rate, taxable corporate and gov't-related bond markets with a maturity greater than 1 yr. and less than 10 yrs.

Bloomberg U.S. Intermediate Treasury Index - Consists of public obligations of the U.S. Treasury with maturities from 1 and up to 10 yrs.

Bloomberg U.S. Long Credit Index - Measures the IG, USD-denominated, fixed-rate, taxable corporate and gov't-related bond markets with 10 or more years to maturity.

Bloomberg U.S. Long Treasury Index - Consists of public obligations of the U.S. Treasury with 10 or more years to maturity.

Bloomberg U.S. MBS Index - Tracks agency mortgage backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae, Fannie Mae, and Freddie Mac.

Bloomberg U.S. Municipal Index - Covers the USD-denominated long-term tax exempt bond market.

Bloomberg U.S. Treasury Index - Measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

Bloomberg US Treasury Inflation-Linked Bond Index - Measures the performance of the US Treasury Inflation Protected Securities (TIPS) market.

Bloomberg 2-Yr U.S. Treasury Bellwethers Index - Consists of U.S. Treasury bonds with an average maturity of 2 years.

Credit Suisse Leveraged Loan Index - Tracks the investable market of the USD-denominated leveraged loan market. All loans are funded term loans with a maturity of at least 1 year and are made by issuers domiciled in developed.

Dow Jones Industrial Average® (The Dow®) - A price-weighted measure of 30 U.S. blue-chip companies. The index covers all industries except transportation and utilities.

Economic Surprise Index - Measures data surprises relative to market expectations and has historically exhibited a positive correlation with 10-Year U.S. Treasury Yields.

DEFINITIONS

ICE BofA AAA-A US Fixed Rate CMBS Index - Tracks the performance of fixed rate commercial mortgage backed securities (CMBS) that are publicly issued in the U.S.

ICE BofA Current 2-Year U.S. Treasury Index - A one-security index comprised of the most recently issued 2-year U.S. Treasury note.

ICE BofA Current 5-Year U.S. Treasury Index - A one-security index comprised of the most recently issued 5-year U.S. Treasury note.

ICE BofA Current 10-Year U.S. Treasury Index - A one-security index comprised of the most recently issued 10-year U.S. Treasury note.

ICE BofA Current 30-Year U.S. Treasury Index - A one-security index comprised of the most recently issued 30-year U.S. Treasury note.

ICE BofA Fixed Rate Preferred Securities Index (POP1) - Tracks the performance of fixed rate USD-denominated preferred securities issued in the domestic market.

ICE BofA MOVE Index - A yield curve weighted index of the normalized implied volatility on 1-month Treasury options. It is the weighted average of volatilities on the CT2, CT5, CT10, and CT30 (weighted average of 1m2y, 1m5y, 1m10y, 1m30y Treasury implied vols with weights 0.2/0.2/0.4/0.2, respectively).

ICE BofA U.S. Convertible Index - Tracks the performance of publicly issued U.S. dollar denominated convertible securities of U.S. companies.

ICE BofA U.S. Corporate Index - Tracks the performance of U.S. dollar denominated investment grade (BBB/Baa-rated or better) corporate debt publicly issued in the U.S. domestic market.

ICE BofA U.S. Emerging Markets External Sovereign Index - Tracks the performance of U.S. dollar emerging markets sovereign debt publicly issued in the U.S. and Eurobond markets.

ICE BofA U.S. High Yield Constrained Index - Tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market but caps issuer exposure at 2%.

ICE BofA U.S. Investment Grade Institutional Capital Securities Index (CIPS) - Tracks the performance of U.S. dollar denominated investment grade hybrid capital corporate and preferred securities publicly issued in the U.S. domestic market.

ICE BofA U.S. Mortgage Backed Securities Index - Tracks the performance of U.S. dollar denominated fixed rate and hybrid residential mortgage pass-through securities publicly issued by U.S. agencies in the U.S. domestic market.

ICE BofA U.S. Municipal Securities Index - Tracks the performance of U.S. dollar denominated investment grade tax-exempt debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market.

ICE BofA U.S. Treasury & Agency Index - Tracks the performance of U.S. dollar denominated U.S. Treasury and non-subordinated U.S. agency debt issued in the U.S. domestic market.

ICE LIBOR - A benchmark designed to produce an average rate that is representative of the rates at which large, leading, internationally active banks with access to the wholesale, unsecured funding market could fund themselves in the market in particular currencies for certain tenors.

J.P. Morgan's High-yield Bond Universe - Consists of fixed income securities of domestic and foreign issuers with a maximum credit rating of BB+ or Ba1.

Morningstar[®] LSTA[®] US Leveraged Loan Index - The Index, formerly the S&P/LSTA Leveraged Loan Index, is a leveraged loan index which covers the U.S. Loan market. The Index reflects the market-weighted performance of institutional leveraged loans in the U.S. loan market based upon real-time market weightings, spreads and interest payments.

Option Adjusted Spread (OAS) - The difference between the yield of a fixed income security and a US Treasury security of similar tenor.

S&P 500 Index - An unmanaged index of 500 companies used to measure large-cap U.S. stock market performance.

Secured Overnight Financing Rate (SOFR) - Is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities.

U.S. Dollar Index (DXY) - Indicates the general international value of the U.S. Dollar (USD). The index calculates this by averaging the exchange rates between the USD and major world currencies.

Indices are unmanaged and investors cannot invest directly in an index.

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