

## Strategy Characteristics

Dividend Yield	1.8%
Number of Securities	26
Annual Turnover	34%

## Largest Holdings

### Five Largest Equity Holdings

KBE SPDR S&P Bank ETF	6.8%
VGK Vanguard FTSE Europe ETF	6.1%
IVW iShares S&P 500 Growth ETF	5.8%
RSP Guggenheim S&P 500 Equal Weight ETF	5.7%
IJK iShares S&P Mid-Cap 400 Growth ETF	5.0%

### Five Largest Fixed-Income Holdings

LQD iShares Investment Grade Corporate Bond ETF	3.4%
IEF iShares 7-10 Year Treasury Bond ETF	2.9%
MBB iShares MBS ETF	2.5%
TIP iShares TIPS Bond ETF	2.5%
BKLN PowerShares Senior Loan Portfolio	1.9%

The listing of "Largest Holdings" is not a complete list of all securities in the strategy or which First Trust Advisors L.P. (FTA) may be currently recommending. Furthermore, application of the investment strategy as of a later date will likely result in changes to the listing.

## Key Investment Personnel

David McGarel, CFA, CPA	John Sherren, CFA
Daniel Lindquist, CFA	Chris Peterson, CFA
Jon Erickson, CFA	Robert Hensley, CFA
Roger Testin, CFA, CPA	Todd Larson, CFA

## Portfolio Objective

The ETF Asset Allocation – Moderate Growth is a strategy that seeks to provide capital appreciation by investing in exchange-traded funds (ETFs) across multiple asset classes.

## Investment Selection Process

### Core-Satellite Approach

The **Core portion** of the strategy attempts to generate superior returns while achieving ample diversification. The **Satellite portion** utilizes ETFs which are more narrowly focused than ETFs held in the Core portion in order to capitalize on shorter-term thematic, sector and country specific opportunities.

### Core Allocation

Generally, 75-90% of the strategy is allocated to the Core portion, which is comprised of relatively broad-based ETFs representing domestic equity styles, international equity regions, real estate investment trusts (REITs), commodities and major fixed-income categories.

The **Core allocation** is determined by a joint examination of the results of a quantitative optimization procedure and a top-down strategic analysis of asset class level fundamentals. Weight changes to the Core allocation normally occur on a quarterly basis.

### Satellite Allocation

More narrowly-focused sector, country and thematic ETFs are analyzed to identify tactical opportunities.

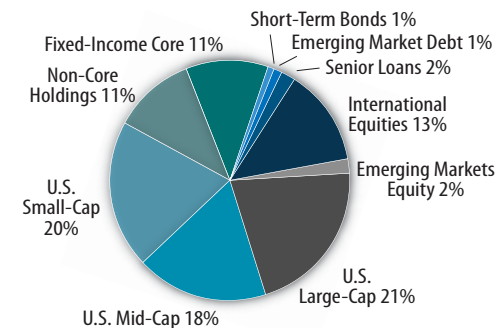
**Potential Sector ETF** holdings are generally evaluated on the basis of fundamentals such as earnings momentum trends and relative valuation; and macro-economic factors such as the business cycle stage or commodity price trends.

**Country ETFs** may be selected on the basis of earnings growth projections, valuation levels, sector exposures in the country, economic prospects or currency trends.

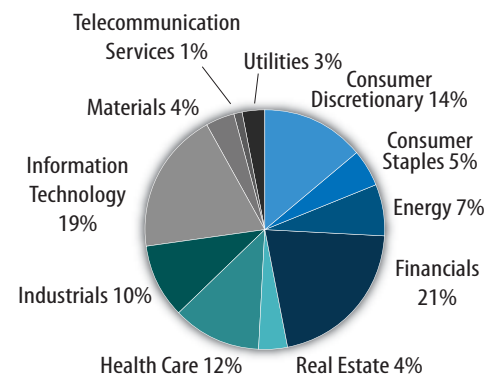
**Thematic ETF** holdings are more narrowly focused than sector or country ETFs and are selected on the basis of improving fundamental trends or compelling valuation levels.

Changes to the **Satellite Allocation** may occur throughout the quarter as conditions warrant.

## Asset Allocation



## Equity Sector Allocation



There can be no assurance that a purchase of the securities in this strategy will be profitable, either individually or in the aggregate, or that such purchase will be more profitable than alternative investments.

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.

	Pure Gross-of-Fees Return*%	Net-of-Fees Return %	Benchmark Return %
<b>YTD</b>	1.83	1.11	0.86
<b>1 Year</b>	10.64	9.08	9.13
<b>3 Year Annualized</b>	8.05	6.44	7.86
<b>5 Year Annualized</b>	9.47	7.84	9.05
<b>10 Year Annualized</b>	7.54	5.82	6.55
<b>Since Inception (1/1/07) Annualized</b>	6.53	4.94	5.48

First Trust Advisors L.P. (FTA) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. FTA has been independently verified for the periods August 1, 1999 through June 30, 2017. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The ETF Asset Allocation Portfolio - Moderate Growth Composite has been examined for periods January 1, 2007 through June 30, 2017. The verification and performance examination reports are available upon request.

Year	Pure Gross-of-Fees Return*	Net-of-Fees Return	Benchmark Return	Composite 3-Year St. Dev.	Benchmark 3-Year St. Dev.	Number of Portfolios	Composite Dispersion	Composite Market Value (in millions)	Total Firm Assets (in millions)
2007	6.80%	6.26%	7.72%	N/A	N/A	3	N/A	\$ 0.4	\$ 10,065.9
2008	-30.84%	-31.83%	-32.75%	N/A	N/A	7	N/A	1.2	5,537.2
2009	25.82%	23.90%	20.40%	N/A	N/A	11	0.23%	2.7	9,683.6
2010	18.34%	16.18%	12.24%	N/A	N/A	25	0.07%	6.0	16,879.5
2011	-0.85%	-2.64%	1.39%	16.69%	12.00%	57	0.22%	14.4	16,444.5
2012	12.21%	10.16%	13.00%	13.35%	10.05%	56	0.12%	15.5	22,603.8
2013	21.85%	20.15%	19.28%	11.29%	8.55%	64	0.47%	25.2	32,021.6
2014	6.77%	5.04%	8.18%	8.53%	6.92%	68	0.24%	27.5	39,743.5
2015	-1.38%	-2.91%	-0.09%	9.07%	7.51%	65	0.60%	24.3	44,272.5
2016	10.87%	9.15%	8.72%	9.58%	7.64%	63	0.17%	22.2	45,620.1
2017	16.78%	15.08%	16.52%	8.61%	7.02%	73	0.14%	27.9	62,193.2
2018 (1/1/18 thru 6/30/18)	1.83%	1.11%	0.86%	N/A	N/A	74	N/A	27.8	70,977.8

\* Pure gross-of-fees returns are presented as supplemental information to the disclosures required by GIPS®.

**Notes:**

1. First Trust Advisors L.P. (FTA) was founded in 1991 and is a registered investment advisor with the Securities and Exchange Commission (SEC). FTA provides investment advisory services using equity, fixed-income and balanced strategies for individuals, organizations and institutions. The firm consists of all portfolios managed by FTA. Since 2011, the Total Firm Assets are presented net and have been reduced for the effects of leverage. Prior to 2011, the Total Firm Assets are presented gross and have not been reduced for the effects of leverage.
2. The ETF Asset Allocation-Moderate Growth Composite invests in equity and fixed-income Exchange-Traded Funds designed for a moderate growth investor. The composite creation date was January 2007. A complete list of composites and descriptions is available upon request.
3. The composite includes 100% wrap portfolios since inception for which FTA has full discretionary investment authority and are fee-paying portfolios. The composite does not utilize a material level of leverage.
4. Composite net-of-fees returns are presented net of actual fees, but in instances where actual fees are not identifiable, a maximum model fee of 3% is applied. Net-of-fees returns include investment management fees, custodian fees, trading costs and all other administrative fees. Pure gross-of-fees returns do not reflect the deduction of any expenses, including investment management fees, custodian fees, trading costs and other administrative fees. Prior to 12/31/11, quarterly and annual composite returns were calculated by linking monthly returns. Each portfolio in the composite was valued at least on a monthly basis. If cash flows exceed 10% of the composite's value, the composite was revalued on the day prior to the cash flow and the return was calculated for the interim period. Starting 1/1/12, composite returns are calculated on a daily basis.
5. Valuations and returns are computed and stated in U.S. Dollars. Returns are calculated net of foreign taxes recorded on a cash basis and dividend accruals do not include pending withholding tax reclaims. Additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations is available upon request.
6. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented prior to 2011 because it was not required.
7. Composite dispersion is measured by standard deviation, which is an asset-weighted calculation that measures the consistency of composite performance with respect to the individual portfolio returns within the composite. Dispersion of portfolios in the composite is not applicable if the period presented is less than a full year or if there were fewer than five portfolios in the composite for the entire year.
8. The benchmark return is a blend of the following indexes; Russell 3000 Index (55%) - composed of 3000 large U.S. companies, as determined by market capitalization, MSCI All Country World ex U.S. Net Return Index (15%) - a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the United States, and Bloomberg Barclays US Aggregate Bond Index (30%) - comprised of government securities, mortgage-backed securities, asset-backed securities and corporate bonds to simulate the universe of bonds in the market. Prior to 2009 the benchmark was a blend of the following indexes: Russell 3000 Index (65%), MSCI All Country World ex U.S. Net Return Index (15%) and Bloomberg Barclays US Aggregate Bond Index (20%). The change in benchmark was made to more accurately reflect the strategy.
9. The securities comprising the benchmark are not identical to those in any portfolio in the composite, but FTA believes they may be useful in evaluating performance. Unlike the composite, the benchmark is not actively managed and does not reflect the deduction of advisory fees. Differences in composite performance versus benchmark performance may also result due to high concentrations of individual securities holdings in certain portfolios, timing of security transactions and tax considerations. Such factors may contribute to higher standard deviation of portfolio returns within the composite. The benchmark is rebalanced daily. Benchmark returns have not been examined by the verifier.
10. The FTA management fee schedule is an annual fee of 0.50%. FTA, at its discretion, may negotiate a management fee which is different from the standard fee schedule listed here. The overall wrap fee expense for accounts in the composite will typically range from 1.00% to 3.00%.
11. Past performance is not indicative of future results. Other methods may produce different results, and the results for individual portfolios and for different periods may vary depending on market conditions and the composition of the portfolio. Care should be used when comparing these results to those published by other investment advisers, other investment vehicles and unmanaged indices due to possible differences in calculation methods.

Requests for further information may be made by calling (800) 222-6822 or emailing SMAOperations@FTAdvisors.com.