First Trust Portfolios L.P. Customer Relationship Summary

June 30, 2020

Item 1 – Introduction

First Trust Portfolios L.P. (“FTP”) is registered with the Securities and Exchange Commission as a broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”).

Please note that brokerage and investment advisory services and fees differ and that it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers and investing.

Item 2 – What investment services and advice can you provide me?

FTP does not provide traditional brokerage services, maintain customer accounts or execute securities orders for retail investors. FTP’s services can be broadly broken down into three principal lines of business: (1) sponsorship and wholesale distribution of unit investment trusts (“UITs”), mutual funds, and exchange-traded funds (the “Funds”); (2) wholesale distribution of structured products and other alternative investments; and (3) the private placement of securities directly to retail and institutional investors.

When FTP is sponsoring UITs or distributing Funds and structured products, we do not have a customer relationship with you, even if you may have purchased or currently hold a First Trust UIT or Fund. Your relationship is with an unaffiliated broker-dealer or financial adviser that recommends the UIT, Fund or structured product.

Private placements are purchased directly by a retail investor from the issuer of the securities. Each private placement that we offer has its own minimum investment amount with no secondary trading market and is generally illiquid pending a projected investment exit event described in the offering materials and investor agreements for each private placement. FTP does not offer investment advice or monitor private placement investments once they are purchased by investors.

Our private placements are marketed only to “accredited investors” and typically sold in minimum denominations of $250,000 but that amount may be reduced in the discretion of the issuer of the securities.

In order to gather additional information, you should ask questions of our firm and our representatives such as:

- Given my financial situation, should I invest in a private placement? Why or why not?
- How will you choose private placement investment opportunities to present to me?
- What is your relevant experience in relation to private placements, including your licenses, education and other qualifications and what do these qualifications mean?

Item 3 – Fees, Costs, Conflicts and Standards of Conduct

What fees will I pay?

Our fees vary depending on our agreement with the issuer of the private placement and are disclosed in the private placement offering materials. Our fee is not typically paid directly by you, the investor, but rather by the issuer of the private placement or indirectly by you as an investor in the entity in which you have made an investment.

Our fee is transaction based and is typically computed as a percentage of the total amount an investor chooses to invest in the private placement. Fees payable to other parties (including to certain affiliates of FTP), such as management fees, disposition fees and promote interest fees in each private placement are disclosed in the offering materials and investor agreements for each private placement.

We offer a limited selection of investments to retail investors. Other firms offer a far wider range of investment choices to more types of investors, some of which might have lower costs or minimum investments.

In order to understand the fee arrangement and the impact on your investment, you should ask your representative:

- Help me understand how these fees and costs might affect my private placement investment. If I give you $10,000 to invest, how much will go to fees and costs, and how much will be invested for me?
What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?

We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect recommendations that we provide you. Here are some examples to help you understand what this means:

- We do not provide recommendations in the traditional sense, we present investment opportunities to accredited investors who are able to perform their own review of a private placement opportunity, although the way we make money creates some conflicts with your interests because we are paid our fees based on amounts you invest in a private placement. The more you invest the more we will be paid.
- Several of the private placements that we offer are issued and/or managed by affiliates of FTP, creating additional conflicts of interest, including providing FTP with a greater incentive to sell securities of the affiliated issuer than it may otherwise possess with respect to an unaffiliated issuer due to the quarterly or annual fees to be paid to the issuer or any affiliated service provider to the issuer. Any transaction among the issuer or any of its affiliates, including our fees, has not been, or will not be, negotiated or conducted on an independent basis.
- Additional conflicts of interest may be disclosed in the offering materials for each private placement, depending on the particular offering. You should understand and ask us about conflicts of interest and other risks associated with each private placement because they can affect any recommendation that we provide you.

As FTP does not offer traditional brokerage services, a comparison between an advisory account with our affiliate, First Trust Advisors L.P. (“FTA”) and brokerage account with FTP will not be provided:

In order to facilitate a conversation about conflicts of interest, you should ask our representative:
- How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

FTP’s financial professionals are compensated through a salary and quarterly discretionary bonus. The discretionary bonus is determined based on a number of factors our senior management deems appropriate such as, among other things overall sales of First Trust products and services, profitability of the firm, employee commitment, work ethic and effectiveness in carrying out their duties, investment performance and servicing of clients. This creates a conflict of interest since an FTP representative could receive a larger discretionary bonus based on the overall success of the private placement offering including the amount of your investment in the private placement.

Item 4 – Do you or your financial professionals have legal or disciplinary history?

We have legal and disciplinary events.

Please go to Investor.gov/CRS for a free and simple search tool to research First Trust Portfolios L.P. and our financial professionals and ask your representative:
- As a financial professional, do you have any disciplinary history? For what type of conduct?

Item 5 – Additional Information

Additional information about First Trust Portfolios L.P. can be obtained by making a request to www.ftportfolios.com, by going to Investor.gov, FINRA’s BrokerCheck (brokercheck.finra.org), or by calling us at 800-621-1675 to request up-to-date information about the firm and a copy of Form CRS.

To report a problem to the SEC, visit Investor.gov or call the SEC’s toll-free investor assistance line at (800) 732-0330. To report a problem to FINRA, visit FINRA.org or call FINRA’s toll-free investor assistance line at (240) 386-4357.

Please ask your representative:
- Who is my primary contact person at FTP?
- Are you a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how you are treating me?