Americans deal with a number of different taxes in their everyday lives, perhaps none more noticeable than individual income taxes. In fact, individual income taxes comprise the largest component of Americans’ tax bill. Tax Freedom Day is the day on which Americans have earned enough money to pay all federal, state and local taxes for the year. On average, Americans have to work a full 42 days in 2019 just to earn enough money to pay for these taxes.1

**AMERICA WILL SPEND MORE ON TAXES IN 2019 THAN IT WILL ON FOOD, CLOTHING, AND HOUSING COMBINED**

As you can see in the chart below, in 2019, Americans will pay $3.42 trillion in federal taxes and $1.86 trillion in state and local taxes, for a total tax bill of $5.29 trillion, or 29% of national income.2

### CLOSED-END FEATURES

**PORTFOLIO CONTROL** | Since closed-end funds maintain a relatively fixed pool of investment capital, portfolio managers are better able to adhere to their investment philosophies through greater flexibility and control. In addition, closed-end funds don’t have to manage fund liquidity to meet potentially large redemptions.

**INCOME DISTRIBUTIONS** | Closed-end funds are structured to generally provide a more stable income stream than other managed fixed-income investment products because they are not subjected to cash inflows and outflows, which can dilute dividends over time. However, as a result of bond calls, redemptions and advanced refundings, which can dilute a fund’s income, the portfolio cannot guarantee consistent income. Although the portfolio’s objective seeks monthly tax-free income, there is no assurance the objective will be met.

### TAX-FREE VS. TAXABLE EQUIVALENT YIELD

<table>
<thead>
<tr>
<th>2019 FEDERAL TAX RATES</th>
<th>22%</th>
<th>24%</th>
<th>32%</th>
<th>35%</th>
<th>37%</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEDERALLY TAX-FREE YIELD</td>
<td>3.00%</td>
<td>3.85%</td>
<td>3.95%</td>
<td>4.11%</td>
<td>4.41%</td>
</tr>
<tr>
<td>TAXABLE EQUIVALENT YIELD</td>
<td>4.00%</td>
<td>5.13%</td>
<td>5.26%</td>
<td>5.88%</td>
<td>6.15%</td>
</tr>
<tr>
<td>5.00%</td>
<td>6.41%</td>
<td>6.58%</td>
<td>7.35%</td>
<td>7.69%</td>
<td>7.94%</td>
</tr>
<tr>
<td>6.00%</td>
<td>7.69%</td>
<td>7.89%</td>
<td>8.82%</td>
<td>9.23%</td>
<td>9.52%</td>
</tr>
</tbody>
</table>

The chart above is for educational and illustrative purposes only and should not be regarded as tax advice. Investors should consult their tax professional for more complete information with regard to their specific tax situation. Note that the federal tax rates do not reflect any (i) federal limitations on the amount of allowable itemized deductions, phase-outs of personal or dependent exemption credits or any other credits, (ii) alternative minimum taxes or any taxes other than federal personal income taxes, or (iii) state or local taxes.

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1 The Tax Foundation. These examples are based on an overall average tax rate for the nation which is calculated by dividing the nation's total tax payments by the nation's income as projected by the Tax Foundation for 2019.

2 These examples are based on an overall average tax rate for the nation which is calculated by dividing the nation's total tax payments by the nation's income as projected by the Tax Foundation for 2019.
RISK CONSIDERATIONS | An investment in this unmanaged unit investment trust should be made with an understanding of the risks associated with an investment in a portfolio of closed-end funds which invest in municipal bonds. Closed-end funds are subject to various risks, including management's ability to meet the fund's investment objective, and to manage the fund's portfolio when the underlying securities are redeemed or sold, during periods of market turmoil and as investors' perceptions regarding the funds or their underlying investments change. Unlike open-end funds, which trade at prices based on a current determination of the fund's net asset value, closed-end funds frequently trade at a discount to their net asset value in the secondary market. All of the closed-end funds employ the use of leverage, which increases the volatility of such funds.

All of the closed-end funds invest in high-yield securities or “junk” bonds. Investing in high-yield securities should be viewed as speculative and you should review your ability to assume the risks associated with investments which utilize such securities. High-yield securities are subject to numerous risks, including higher interest rates, economic recession, deterioration of the junk bond market, possible downgrades and defaults of interest and/or principal. High-yield security prices tend to fluctuate more than higher rated securities and are affected by short-term credit developments to a greater degree.

All of the closed-end funds invest in investment grade securities. Investment grade securities are subject to numerous risks including higher interest rates, economic recession, deterioration of the investment grade bond market or investors' perception thereof, possible downgrades and defaults of interest and/or principal. Municipal bonds are subject to numerous risks, including higher interest rates, economic recession, deterioration of the municipal bond market, possible downgrades and defaults of interest and/or principal.

Although this portfolio terminates in approximately 15 months, the strategy is long-term. Investors should consider their ability to pursue investing in successive portfolios, if available. It is important to note that an investment can be made in the underlying funds directly rather than through the trust. These direct investments can be made without paying the trust's sales charge, operating expenses and organizational costs. As the use of Internet technology has become more prevalent in the course of business, the trust has become more susceptible to potential operational risks through breaches in cyber security. The value of the securities held by the trust may be subject to steep declines or increased volatility due to changes in performance or perception of the issuers. The markets for credit instruments, including municipal securities, have experienced periods of extreme illiquidity and volatility. For a discussion of additional risks of investing in the trust see the “Risk Factors” section of the prospectus.

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 advisors are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.