

Investment Selection Process
Identify Universe

Breakdown funds by sector/strategy/size

Allocation — Fundamental and Performance Elements Scoring
Fundamental Elements:

 Leverage • Duration • Credit Quality • Volume
Call Exposure • Premium/Discount • Z Statistics

Performance Elements:

NAV Returns • SP Returns • Earnings • UNII

Portfolio Team Analysis

 Review Model Results
Economic Assessment
External Research Review
Portfolio Allocation
Review Corp. Actions, Calendar Events,
and Identify Tactical Opportunities

Portfolio

Z-Statistics - A statistical measure designed to see whether a current observation is close to the mean for a given period. A positive Z-statistic indicates the current value is higher than the mean and a negative that it is lower.

UNII - Undistributed net income investment per share, given in U.S. dollars.

Strategy Objective

The FTA Balanced Closed-End Fund is a strategy which seeks to provide total return, with the potential for income as a secondary objective. Under normal conditions, at least 80% of the strategy will invest in a blend of equity and taxable fixed-income based closed-end funds. The strategy may also invest in Business Development Companies (BDC), as well as equity and fixed-income exchange-traded funds (ETFs), which may include inverse equity and taxable fixed-income ETFs.

Equity Statistics

Number of Holdings	26
Percent of Assets	56%
Weighted Average Premium/(Discount)	-6.61%
Market Cap	
Mega	30.9%
Large	35.5%
Mid	24.6%
Small	6.8%
Micro	2.3%
World Regions	
Americas	76.5%
Greater Europe	12.0%
Greater Asia	11.6%
Developed Markets	94.2%
Emerging Markets	5.8%

Fixed-Income Statistics

Number of Holdings	23
Percent of Assets	39%
Weighted Average Premium/(Discount)	-8.01%
Weighted Average Effective Maturity	2.17 years
Weighted Average Option Adj Portfolio Duration	2.96 years
Weighted Average Leverage Option Adj Portfolio Duration	4.43 years
Weighted Average Credit Quality Breakdown	
AAA	4.9%
AA	0.6%
A	2.5%
BBB	13.3%
BB	25.1%
B	32.5%
Other	21.1%
Weighted Average Credit Quality	BB-

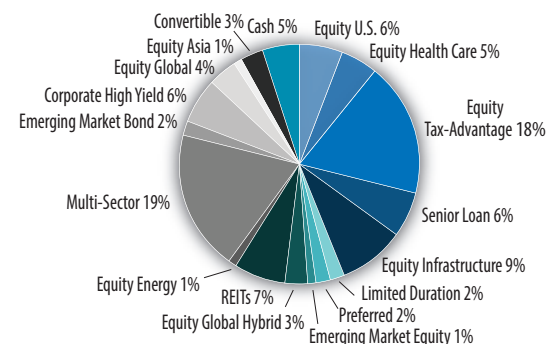
Largest Holdings
Equity

BST	BlackRock Science & Technology Trust	4.1%
ETG	Eaton Vance Tax-Advantaged Global Dividend Income	3.9%
EVT	Eaton Vance Tax-Advantaged Dividend Income Fund	3.6%
UTF	Cohen & Steers Infrastructure Fund Inc.	3.2%
HTD	John Hancock Tax-Advantaged Dividend Income	3.1%

Fixed-Income

PCI	PIMCO Dynamic Credit Income Fund	4.1%
KIO	KKR Income Opportunities	4.0%
DSL	Doubleline Income Solutions Fund	3.8%
ARDC	Ares Dynamic Credit Allocation Fund	3.6%
GHY	Prudential Global Short Duration High Yield Fund	2.9%

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

Fund Sector Breakdown

Strategy Characteristics

Weighted Average Distribution Rate	6.88%
Weighted Average Premium/(Discount)	-6.82%
Weighted Average Fund Leverage	23.3%
Number of Holdings	49
Top Ten Holdings	37%
Annual Turnover	31%

Portfolio Breakdown

Closed-End Funds	92%
Term Closed-End Funds	3%
Closed-End Funds-Listed Traded Preferred	0%
ETFs	0%
Cash	5%

Key Investment Personnel

 Ken Fincher
Jordan Ramsland
Investment Committee Oversight

You could lose money by investing in the Strategy. There can be no assurance that the Strategy will achieve its investment objectives.

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 %	Blended Benchmark Return %
YTD	3.99	2.85	2.85
1 Year	5.57	4.05	4.80
3 Year Annualized	12.30	10.60	12.13
5 Year Annualized	8.25	6.59	6.60
Since Inception (7/1/09) Annualized	11.76	10.05	9.90

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 FTA Balanced Closed-End Fund Composite has been examined for periods July 1, 2009 through June 30, 2017. The verification and performance examination reports are available upon request.

Year	Pure Gross-of-Fees Return*	Net-of-Fees Return	Blended Benchmark Return	Composite 3-Year St. Dev.	Blended Benchmark 3-Year St. Dev.	Number of Portfolios	Composite Dispersion	Composite Market Value (in millions)	Total Firm Assets (in millions)
2009 (7/1/09 thru 12/31/09)	24.35%	23.61%	25.41%	N/A	N/A	9	N/A	\$ 1.4	\$ 9,683.6
2010	18.72%	16.81%	15.48%	N/A	N/A	58	0.22%	12.4	16,879.5
2011	-0.01%	-1.58%	-1.65%	N/A	N/A	88	0.15%	20.3	16,444.5
2012	16.50%	14.66%	16.02%	12.57%	12.25%	78	0.35%	20.4	22,603.8
2013	16.55%	14.74%	10.09%	10.87%	10.51%	85	0.58%	28.9	32,021.6
2014	7.99%	6.30%	6.01%	8.70%	8.72%	141	0.42%	42.8	39,743.5
2015	-4.96%	-6.46%	-9.73%	9.20%	9.69%	148	0.31%	39.2	44,272.5
2016	12.07%	10.26%	14.42%	9.54%	10.62%	159	0.96%	40.8	45,620.1
2017	16.73%	15.05%	16.94%	8.98%	10.34%	211	0.36%	60.1	62,193.2
2018 (1/1/18 thru 9/30/18)	3.99%	2.85%	2.85%	N/A	N/A	244	N/A	69.0	77,161.5

* 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 FTA Balanced Closed-End Fund Composite consists principally of closed-end equity and fixed-income funds. The composite creation date was July 2009. 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 three-year annualized standard deviation is not presented because 36 monthly composite and benchmark returns were not available prior to 2012.
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 indices; Morningstar U.S. All Equity Closed-End Funds Index (60%) - a weighted average of the market price of closed-end funds which invest in U.S. equity securities, and Morningstar U.S. All Taxable Fixed-Income Index (40%) - a weighted average of the market price of closed-end funds which invest in Taxable Fixed-Income securities.
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.

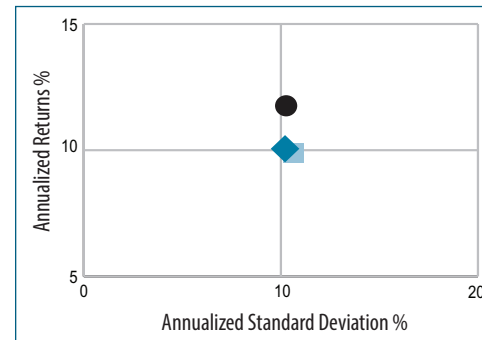
Requests for further information may be made by calling (800) 222-6822 or emailing SMAOperations@FTAdvisors.com.

Performance Based Statistics: (Since Inception)

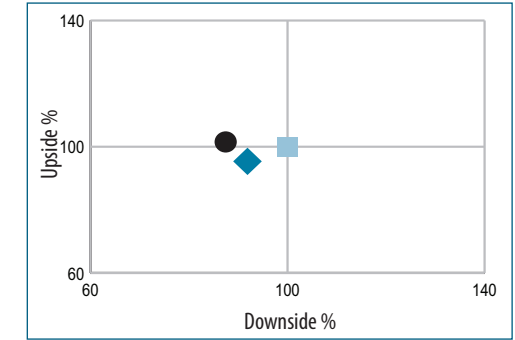
	Pure Gross-of-Fees	Net-of-Fees	Blended Benchmark
Standard Deviation %	10.28	10.22	10.66
Beta	0.94	0.93	1.00
Alpha	2.26	0.75	—
R-Squared	95.51	95.03	100.00
Sharpe Ratio	1.11	0.95	0.90
Upside Capture Ratio	101.52	95.30	100.00
Downside Capture Ratio	87.50	91.91	100.00

Strategy Benchmark - Blend of the following indices:
Morningstar U.S. All Equity Closed-End Funds Index (60%); Morningstar U.S. All Taxable Fixed-Income Index (40%)
Risk/Reward Scatterplot

Since inception


Upside/Downside Scatterplot

Since inception



● Pure Gross-of-Fees ◆ Net-of-Fees ■ Blended Benchmark

Financial Terms

Standard Deviation — a measure of price variability (risk) over a period of time. A higher deviation indicates more variability in returns from month to month.

Beta — a measure of a portfolio's volatility (systematic risk) compared to an appropriate benchmark index.

Alpha — measure of performance of a portfolio after adjusting for risk.

R-Squared — indicates whether the comparison index is an appropriate benchmark based on correlation. Generally an R-Squared above 70 is desirable.

Sharpe Ratio — quantifies risk-adjusted performance by measuring the excess return per unit of risk. A higher Sharpe Ratio suggests better risk-adjusted performance.

Upside Capture Ratio — indicates a portfolio's performance in up-markets. For example, a ratio of 120 indicates that a portfolio performed 20% better than the benchmark in up-markets for a specified period.

Downside Capture Ratio — indicates a portfolio's performance in down-markets. For example, a ratio of 80 indicates that a portfolio declined only 80% as much as the benchmark in down-markets for a specified period.

Weighted Average Distribution Rate — The average distribution rate, weighted in proportion to the dollar amount that is invested in the portfolio.

Weighted Average Premium/(Discount) — The average premium/discount, weighted in proportion to the dollar amount that is invested in the portfolio.

Weighted Average Credit Quality — The average credit quality, weighted in proportion to the dollar amount that is invested in the portfolio.

Weighted Average Effective Maturity — Is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each bond's effective maturity by the market value of the security. Average effective maturity takes into consideration all mortgage prepayments, puts and adjustable coupons.

Weighted Average Option Adj. Portfolio Duration — The duration is a time measure of a bond's interest-rate sensitivity, based on the weighted average of the time periods over which a bond's cash flows accrue to the bondholder.

Weighted Average Leverage Option Adj. Portfolio Duration — The duration is a time measure of a bond's interest-rate sensitivity, based on the weighted average of the time periods over which a bond's cash flows, including leverage, accrue to the bondholder.

Weighted Average Fund Leverage — The average Fund Leverage, weighted in proportion to the dollar amount that is invested in the portfolio.

Credit ratings are by Standard & Poor's and are unaudited. A credit rating is an assessment of the creditworthiness of an issuer with respect to debt obligations. Standard & Poor's ratings are measured on a scale ranging from AAA (highest) to D (lowest). Sub investment-grade ratings are those rated BB+ and lower. Investment-grade ratings are those rated BBB- or higher.