

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.

Portfolio Objective

The FTA Municipal Closed-End Fund is a strategy which seeks to provide total return, with the potential for income as a secondary objective. Under normal conditions, the strategy will invest at least 80% of its assets in municipal bond closed-end funds. The strategy may also invest in fixed-income exchange-traded funds (ETFs), which may include inverse fixed-income ETFs.

Fixed-Income Statistics

Weighted Average Effective Maturity	6.3 years
Weighted Average Option Adj Portfolio Duration	5.3 years
Weighted Average Leverage Option Adj Portfolio Duration	7.7 years
Weighted Average Credit Quality Breakdown	
AAA	10.3%
AA	27.8%
A	26.2%
BBB	18.0%
Other	17.7%
Weighted Average Credit Quality	A-

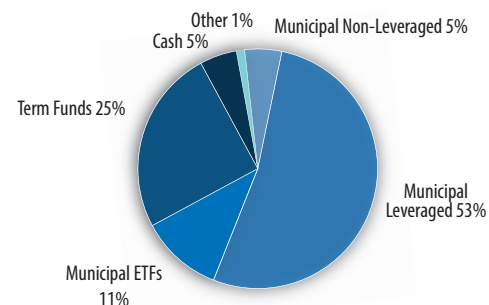
Largest Holdings

NID	Nuveen Intermediate Duration Municipal Term Fund	4.5%
BTT	BlackRock Municipal 2030 Target Term Trust	4.3%
SMMU	PIMCO Short Term Municipal Bond Active ETF	4.1%
MUNI	PIMCO Intermediate Municipal Bond ETF	4.1%
MUI	BlackRock Muni Intermediate Duration Fund, Inc.	4.0%
NUV	Nuveen Municipal Value Fund	3.9%
MYI	BlackRock MuniYield Quality Fund III	3.7%
ETX	Eaton Vance Municipal Income 2028 Term Trust	3.5%
MMD	MainStay Defined Term Municipal Opportunities Fund	3.1%
NZF	Nuveen Enhanced Municipal Credit Opportunities Fund	3.0%

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.

Strategy Characteristics

Weighted Average Distribution Rate	4.11%
Taxable Equivalent Yield (32% tax bracket)	6.05%
Taxable Equivalent Yield (35% tax bracket)	6.33%
Taxable Equivalent Yield (37% tax bracket)	6.50%
Weighted Average Premium/(Discount)	-7.13%
Weighted Average Fund Leverage	25.5%
Number of Holdings	40
Top Ten Holdings	38%
Annual Turnover	30%

Fund Sector Breakdown

Portfolio Breakdown

Closed-End Funds	59%
Term Closed-End Funds	25%
Closed-End Funds-Listed Traded Preferred	0%
ETFs	11%
Cash	5%

Top Five States

Illinois	11%
California	10%
Texas	8%
Pennsylvania	8%
New York	7%

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 %	Benchmark Return %
YTD	-2.98	-3.91	-4.12
1 Year	-3.43	-4.65	-4.23
3 Year Annualized	3.57	2.26	3.98
5 Year Annualized	5.60	4.20	6.26
Since Inception (1/1/09) Annualized	9.39	7.93	9.32

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 Municipal Closed-End Fund Composite has been examined for periods January 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	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)
2009	45.41%	43.79%	43.14%	N/A	N/A	40	N/A	\$ 11.6	\$ 9,683.6
2010	5.72%	4.17%	3.98%	N/A	N/A	93	0.33%	27.3	16,879.5
2011	16.75%	15.22%	20.46%	11.21%	12.27%	86	0.35%	28.6	16,444.5
2012	12.17%	10.77%	12.07%	7.10%	8.59%	79	0.22%	32.0	22,603.8
2013	-8.82%	-10.32%	-12.73%	7.96%	10.04%	48	0.32%	16.5	32,021.6
2014	15.14%	13.56%	18.95%	7.78%	9.85%	55	0.56%	22.8	39,743.5
2015	7.29%	5.85%	7.68%	7.56%	9.54%	45	0.29%	21.0	44,272.5
2016	2.02%	0.72%	1.81%	6.88%	8.43%	63	0.18%	23.1	45,620.1
2017	6.88%	5.53%	8.75%	6.43%	7.72%	73	0.20%	24.4	62,193.2
2018 (1/1/18 thru 9/30/18)	-2.98%	-3.91%	-4.12%	N/A	N/A	74	N/A	23.6	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 Municipal Closed-End Fund Composite consists principally of closed-end municipal bond funds. The composite creation date was January 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 2011.
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 the Morningstar U.S. National & High Yield Municipal Index - a weighted average of the market price of closed-end funds which invest in U.S. National and High Yield municipals.
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.

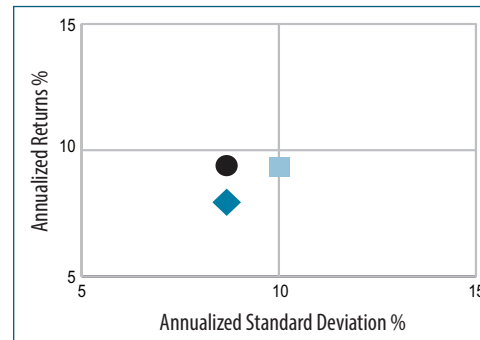
Requests for further information may be made by calling (800) 222-6822 or emailing SMAOperations@FTAdvisors.com.

Performance Based Statistics: (Since Inception)

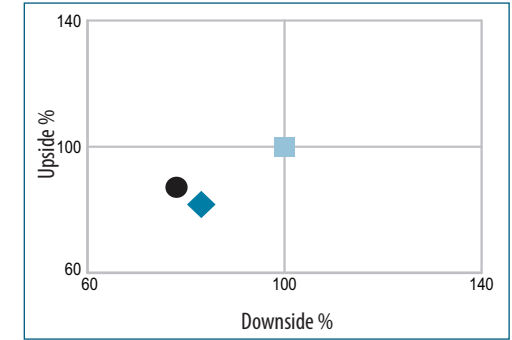
	Pure Gross-of-Fees	Net-of-Fees	Benchmark
Standard Deviation %	8.68	8.68	10.03
Beta	0.86	0.86	1.00
Alpha	1.30	-0.05	—
R-Squared	98.06	97.71	100.00
Sharpe Ratio	1.05	0.88	0.90
Upside Capture Ratio	87.15	81.63	100.00
Downside Capture Ratio	78.13	83.14	100.00

Strategy Benchmark:
Morningstar U.S. National & High Yield Municipal Index
Risk/Reward Scatterplot

Since inception


Upside/Downside Scatterplot

Since inception



● Pure Gross-of-Fees ◆ Net-of-Fees ■ 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.

Taxable Equivalent Yield — is the pretax yield that a taxable bond needs to possess for its yield to be equal to that of a tax-free municipal bond. This calculation can be used to fairly compare the yield of a tax-free bond to that of a taxable bond to see which bond has a higher applicable yield. It is also known as after-tax yield.

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.