First Trust

Family Office Practice

Empowering Families Through
Education and Resources

First Trust's Family Office Practice offers a tailored platform designed for a select network of families and ultra-high-net-worth individuals, providing access to private investment opportunities. We believe that successful private investing starts with education and research, and we are committed to providing the resources families need to make informed decisions.

The Family Office Practice team within First Trust is comprised of alternatives specialists who provide comprehensive support to navigate the complexities of private investing. Together they leverage the institutional capabilities of a 20-person, in-house private investment team and the alignment of strengths made available through First Trust Capital Management L.P. and First Trust Portfolios L.P.

- **Access to a network of vetted investment opportunities and managers.**
- **Comprehensive support to navigate the complexities of private investing.**
- **Institutional level resources.**
- **Co-investment opportunities.**
- **Dedicated 20-person research team.**
- **Networking, education, and thought leadership events.**

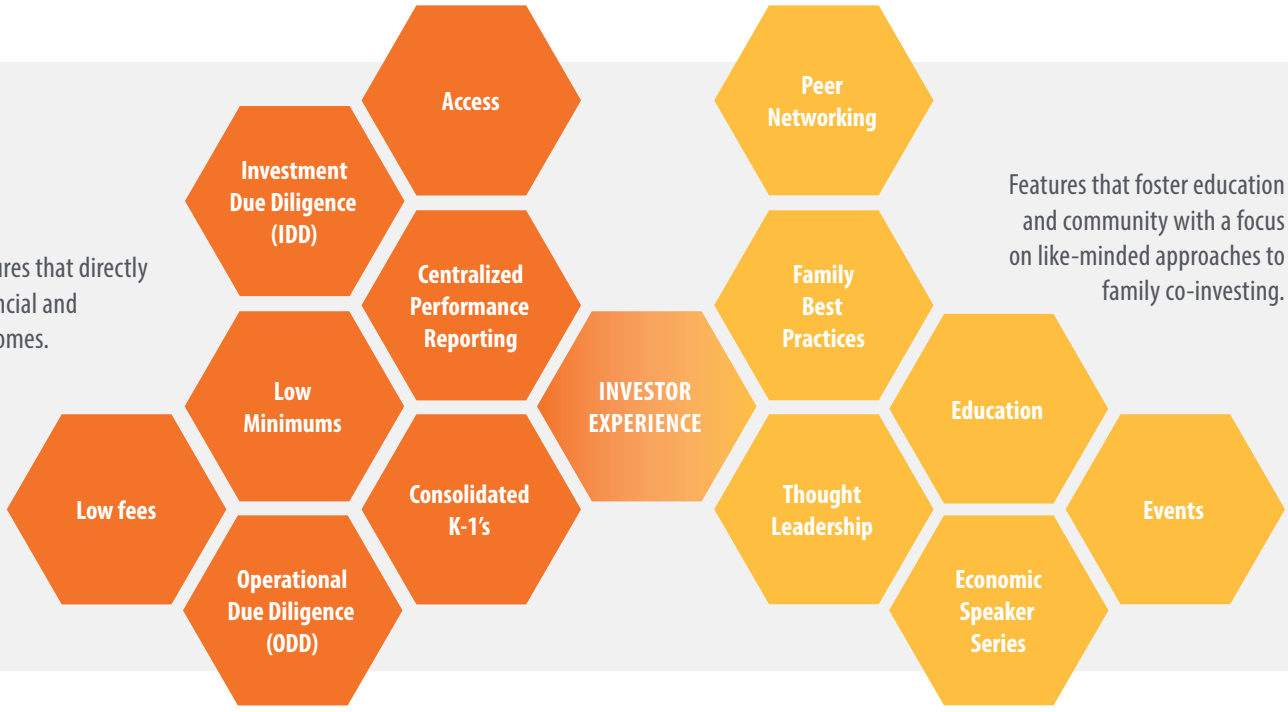
Private Asset Platform

- Private Equity
- Real Estate
- Private Credit
- Hedge Funds
- Co-Investments

Comprehensive Approach to
Private Investing

First Trust's Family Office Practice offers a comprehensive and enriching experience addressing not only financial goals but also the broader, non-financial aspects of private investing. Together, these elements create a holistic approach that seeks to provide both financial growth and meaningful connections that extend beyond the balance sheet.

Measurable features that directly impact your financial and operational outcomes.



Features that foster education and community with a focus on like-minded approaches to family co-investing.

Investing in private securities involves substantial risk and is highly speculative. Investors should be aware that there is the potential for loss of the entire investment. Private investments may not be appropriate for all investors.

Unlocking Growth Potential

with Alternatives and Private Market Investments

Alternatives often include assets like private equity, real estate, and hedge funds, which can tap into opportunities not available in public markets, potentially increasing returns and resilience in an overall portfolio. Incorporating alternative strategies into a traditional portfolio of stocks and bonds has the potential to enhance portfolio performance and alter the risk/return profile. Chart 1 demonstrates the effects of risk and return over a 15-year period when adding alternatives (alts) to traditional asset allocation models.

However, we believe manager selection is critical, as the success of private market strategies depends heavily on the skill and expertise of the managers executing them. Chart 2 shows a comparison of top and bottom quartile funds in both public and private markets over the last five years.

Chart 1: 15-Year Portfolio Effect of Adding Alternatives

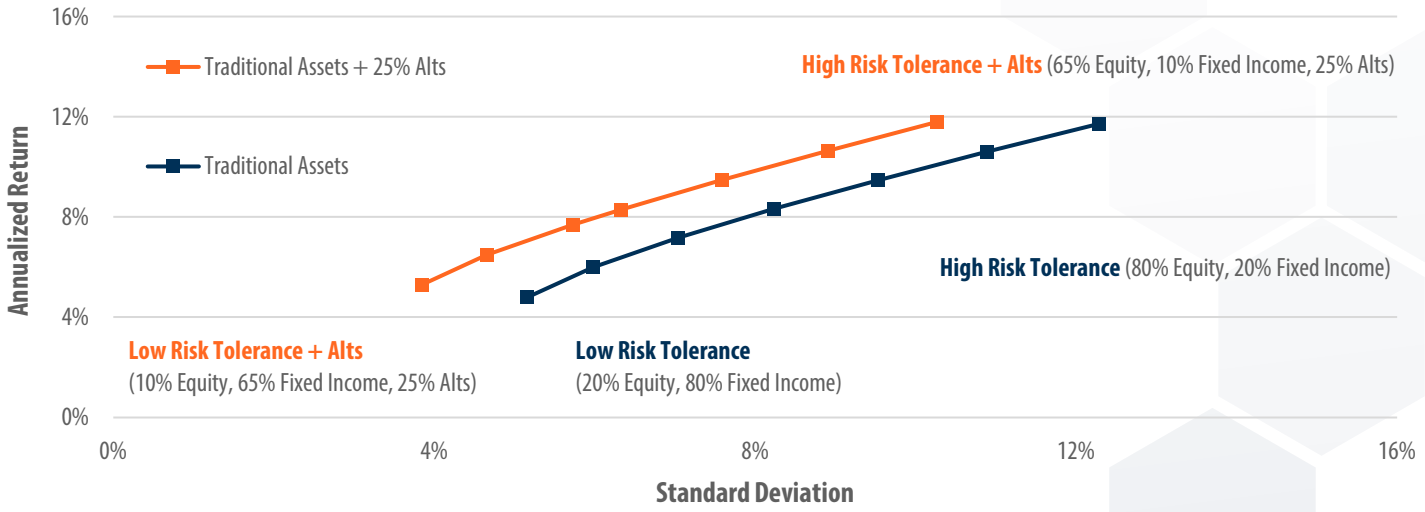
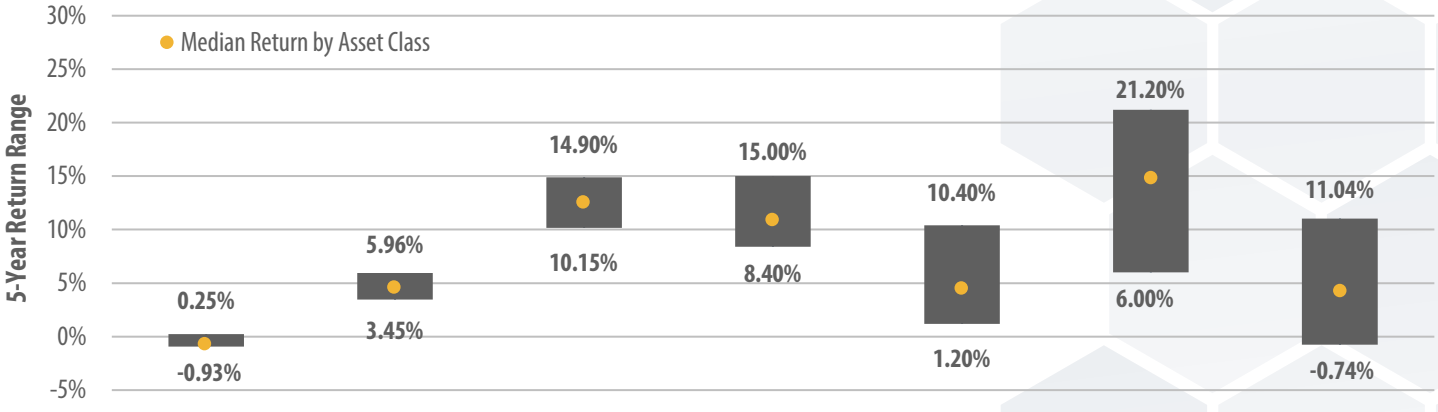


Chart 2: Manager Selection is Critical in Private Markets

Top Quartile/Bottom Quartile Fund Performance



	Public Fixed Income	Public Real Estate	Public Equities	Private Credit	Private Real Estate	Private Equity	Hedge Funds
Top/Bottom Return Spread	1.17%	2.51%	4.75%	6.60%	9.20%	15.20%	11.78%

Past performance is not a guarantee of future results. Investments in less liquid private market strategies are by nature risky and typically involve a high degree of leverage. The returns shown are long-term and represent well-known asset class indices and are not meant to be predictive of future performance of any particular fund, nor are they meant to suggest that all private funds result in positive returns or would avoid loss of principal.*

*Chart 1: Source: Morningstar Direct. The graph illustrates a 15-year investing period from 1/1/2011 through 12/31/2025, most recent data available. The returns of each sample portfolio identified represents the weighted average on the different asset mixes. Chart 2: Source for public funds and hedge funds is Morningstar. Returns are calculated over a five-year period ending 12/31/2025 using open-end funds. Source for private funds is Preqin, returns are for all open and closed private funds in North America with 2021 vintages that have last reported on 12/31/2025, most recent data available. The charts above are for illustrative purposes only and not indicative of any actual investment. Therefore, no investors experienced these returns. In addition, indexes do not charge management fees or brokerage expenses and the returns shown do not account for the reduction of any fees, which would reduce the noted returns. Investors cannot invest directly in an index. **Please see important information as well as index and asset class definitions on the last page of this document.**
Diversification does not guarantee a profit or protect against loss.

First Trust Alternative Investment Research

First Trust Alternative Investment Research ("FT AIR") is the research department within FTCM that has an extensive network to source private investments. FT AIR has built a time-tested track record of sourcing highly-specialized managers that seek to provide superior risk-adjusted returns with a focus on upside opportunity and capital preservation.

	# of Managers	
Universe of Private Investment Managers	**4,000+**	
Research Database	**1,500+**	
Initial Meetings	**600**	Eliminate managers exhibiting outsized risk and/or unable to execute defined strategy
Follow-up Meetings	**200**	Determine repeatable process, confirm definable edge and begin operational due diligence
Further Analysis	**100**	Further analyze performance history and team as well as trade structuring and investment thesis documentation
Comprehensive Due Diligence	**20**	Annual onsite review to evaluate team, perform exhaustive reference checks, review and negotiate fund terms, legal review
First Trust Annual Commitments	**8-10**	Investment committee approval of highest conviction opportunities with superior risk-adjusted returns and operational controls

First Trust Portfolios L.P. and its affiliate First Trust Advisors L.P. ("First Trust") are privately-held companies established in 1991 to cultivate trusted relationships with financial professionals and help solve the financial needs of their clients. Over its 30+ year history, First Trust has become recognized for its thought leadership and innovation in providing the tools, resources, and investment strategies to seek to meet those needs. First Trust is headquartered in Wheaton, IL and has offices domestically and globally with a reach that spans 27 countries. First Trust had assets under management of $319 billion as of March 31, 2026.

First Trust's affiliate, First Trust Capital Management L.P. (FTCM), is a federally registered investment advisor that manages public and private funds. FTCM provides alternative investment solutions covering a range of asset classes and investment vehicles for all types of investors across the accreditation spectrum. Through our comprehensive platform of products and resources, FTCM seeks to deliver a tailored, streamlined experience to investing in alternatives for the high-net-worth clients of financial professionals, family offices, and institutions.

An investor should carefully consider the investment objectives, risks, and charges and expenses before investing. The Offering Memorandum contains this and other important information and is available through your financial advisor. You must read the Offering Memorandum carefully before investing. This document is not intended as a substitute for the Offering Memorandum and should not be relied upon as such.

Chart 1: Traditional Assets composed of Equity (S&P 500 Index) and Fixed Income (Bloomberg U.S. Aggregate Bond Index). **Alternatives (Alts)** composed of equally weighted portfolio across the HFN Aggregate Hedge Fund Index, NCREIF Open-End Diversified Core Equity Fund Index (NFI-ODCE), Preqin Capital Quarterly Index and Cliffwater Direct Lending Index. This mix was used to capture alternative investments broadly across the major alternative asset classes: Private Equity, Private Real Estate, Private Credit, and Hedge Funds. **The S&P 500 Index** is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. **The Bloomberg U.S. Aggregate Bond Index** represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. **The HFN Aggregate Hedge Fund Index ®** is an equal weighted average of all single-manager hedge funds and CTA/managed futures products. **The Preqin Private Capital Quarterly Index** is an average of private capital portfolios, based on the actual amount of money invested in private capital. **The NCREIF Open End Diversified Core Equity Fund Index** is an equal-weighted index of the investment returns from a collection of open-end commingled funds which focus on core real estate investment strategy. **The Cliffwater Direct Lending Index** is comprised of over 10,000 directly originated middle market loans, providing a benchmark for private debt. **Chart 2: Public Equities** are represented by Morningstar US Large Blend category. **Public Fixed Income** is represented by Morningstar US Intermediate Core Bond category. **Public Real Estate** is represented by Morningstar US Real Estate category. **Hedge Funds** are represented by the Morningstar Unlisted Closed-End Hedge Fund category. **Private Equity** represents all private equity as classified by Preqin. **Private Credit** represents all private debt strategies as classified by Preqin. **Private Real Estate** represents all co-investment, core, core+, debt, value added, and fund of fund real estate strategies.

First Trust Capital Management L.P. ("FTCM") has entered into a contractual agreement with an affiliate, First Trust Portfolios L.P. ("First Trust"), to solicit investors in private funds managed by FTCM and offered through the First Trust Private Investment Platform. For private funds issued by FTCM for which First Trust is the placement agent, First Trust is paid 20% of FTCM's management fee, performance shares or other incentive fees or allocations received by FTCM with respect to each investment in a private fund. In addition, since First Trust's affiliate, First Trust Capital Partners LLC, owns 50% of FTCM's parent, First Trust Capital Solutions L.P., First Trust will indirectly benefit from an increase in fees received by FTCM. Since FTCM's management fees or other incentive fees are based upon a percentage of assets under management, the more assets under management, the higher fee income to both FTCM and First Trust. In addition, due to such compensation, First Trust has an incentive to sell private investments issued by FTCM or offered through the First Trust Private Investment Platform, resulting in a material conflict of interest which should be considered when making a decision to invest in private funds offered by or through FTCM. First Trust will not be involved in the provision of services by FTCM.

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