

**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](https://www.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; (3) the private placement or referral of securities directly to investment advisers, investors or through a platform operated by an affiliate, First Trust Capital Management L.P. (“FTCM”); and (4) acting as referral agent on behalf of its affiliated investment advisers.

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.

Our private placements are marketed only to “accredited investors” or “qualified purchasers”. Private placements are purchased either directly by a retail investor from the issuer or indirectly through a private fund platform operated by FTCM. Each private placement that we offer has its own minimum investment amount with no secondary trading market and is generally illiquid as 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.

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?**

FTP has entered into referral and marketing agreements with its investment advisory affiliates to market the investment advisory services on their behalf. Since FTP’s investment advisory affiliates charge management fees are based upon a percentage of assets under management, the more assets under management, the higher fee income to those advisory affiliates. Due to such compensation, FTP has an incentive to recommend advisory services of its advisory affiliates rather than services of unaffiliated entities, resulting in a material conflict of interest. FTP has an incentive to recommend advisory services of its affiliates resulting in a material conflict of interest.

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.

For private funds, you will pay an allocable share of all fees, expenses and carried interest charged by the private fund as well as fees, expenses, carried interest charged any underlying fund which the private fund may invest. In addition, most private funds offered on the FTCM platform are purchased through an allocation fund managed by FTCM or one of its affiliates, which will charge a management fee or performance-based fee depending as disclosed in the private funds offering materials.

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 investment amounts.

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. The way we make money creates conflicts with your interests because we are paid fees based on amounts you invest in a private placement. The more you invest the more we are paid.
- Several private placements that we offer are issued and/or managed by affiliates including FTCM, creating additional conflicts of interest, including providing FTP with a greater incentive to sell securities of the affiliated issuer than it may possess with respect to an unaffiliated issuer due to the fees paid to an affiliated issuer or service provider. Any transaction among the issuer or any of its affiliates, including our fees, has not been, or will not be, negotiated or conducted independently.
- Private placement offering materials include other conflicts of interest. 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 other affiliated investment advisors and a 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 FTP or FTA products and services, profitability of the firm, employee commitment, work ethic and effectiveness in carrying out their duties, and investment performance. 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 certain legal and disciplinary events.

Please go to [Investor.gov/CRS](https://www.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](http://www.ftportfolios.com), by going to Investor.gov, FINRA’s BrokerCheck ([brokercheck.finra.org](https://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](https://www.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](https://www.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?