



# FIRST TRUST ALL EQUITY ALLOCATION PORTFOLIO R1

## INVESTMENT OBJECTIVE

The First Trust All Equity Allocation Portfolio R1 seeks to provide above-average total return by adhering to five specialized investment strategies. It invests in a portfolio of stocks which are selected by applying pre-determined screens and factors and is automatically rebalanced annually. In addition to this annual rebalancing of the individual component strategies back to their original weighting, new stocks are also selected by reapplying the underlying strategies. There can be no assurance that the Fund will achieve its investment objective.

## FUND PERFORMANCE

| Fund   | Quarter | YTD     | 1 Year  | 3 Year | 5 Year | 10 Year | Since Inception | Standard Deviation Since Inception Annualized |
|--|---------|---------|---------|--------|--------|---------|-----------------|---|
| First Trust All Equity Allocation Portfolio R1 | -18.41% | -15.55% | -15.55% | 2.44%  | 1.34%  | 9.41%   | 2.64%           | 18.28%  |
| <b>Benchmarks</b>                              |         |         |         |        |        |         |                 |   |
| Morningstar® Aggressive Allocation Index*      | -12.03% | -8.17%  | -8.17%  | 7.63%  | 5.01%  | 10.61%  | 5.12%           | 15.13%  |
| S&P 500® Index**                               | -13.52% | -4.38%  | -4.38%  | 9.26%  | 8.49%  | 13.12%  | 7.15%           | 14.91%  |

**Past performance is no guarantee of future results. Investment return and principal value of the portfolio will fluctuate causing units of the Fund, when redeemed, to be worth more or less than their original cost.** Returns are net of all estimated expenses and assume that all dividends received during a year are reinvested monthly. It is important to note that the Strategy may underperform the S&P 500® Index in certain years and may produce negative results. Indexes are for illustrative purposes only. Indexes do not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. All index returns assume that dividends are reinvested when they are received. Visit [ftportfolios.com](http://ftportfolios.com) for the most recent performance information.

Indexes are unmanaged and an investor cannot invest directly in an index.

\*Source of Morningstar® Aggressive Allocation Index: Morningstar.com.

\*\*S&P 500® Index - An unmanaged index of the stocks of 500 publicly traded U.S. companies chosen for market size, liquidity, and industry group representation that are considered to be leading firms in dominant industries.

## ADVANTAGES OF STRATEGY INVESTING

### Transparency

of the stock selection process, portfolio holdings and individual stock weightings

### Automated

buy and sell decisions which help to eliminate unwanted emotions from the investment process

### No Style Drift

from manager-driven trading

### Diversification

discipline, and a rebalancing opportunity to help decrease volatility and potentially increase returns  
(However, diversification does not guarantee a profit or protect against a loss.)

## ABOUT THE FUND

The First Trust All Equity Allocation Portfolio R1 is a collective investment fund that invests according to a strategy determined by First Trust Advisors L.P. which serves as the Fund's Sub-Advisor. This fund was created by Hand Composite Employee Benefit Trust and is sponsored by Hand Benefits & Trust Company, a BPAS Company. This collective investment fund is available for investment by eligible qualified retirement plan trusts only and has been created specifically for 401(k) and other employer-sponsored retirement plan investors.

## FUND FACTS

|                                |                        |
|--------------------------------|------------------------|
| Allocation                     | Aggressive             |
| Share Class                    | R1                     |
| CUSIP                          | 41023R669              |
| Expense Ratio <sup>†</sup>     | 0.69% <sup>†</sup>     |
| Fund Inception                 | 8/1/07                 |
| Portfolio Rebalance            | Annually <sup>††</sup> |
| Annual Portfolio Turnover Rate | 72%                    |
| Number of Holdings             | 187                    |

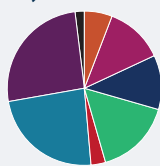
<sup>†</sup>Total Expense Ratio: 0.69%. The effect of the Total Expense Ratio per \$1000 investment for the First Trust All Equity Allocation Portfolio R1 is \$6.90 per year. The expense ratio includes no service fees payable to the plan's service providers.

<sup>††</sup>On or about December 31



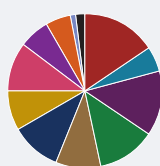
## PORTFOLIO INFORMATION

### Style Allocation



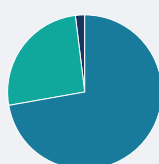
|               |        |
|---------------|--------|
| Large Growth  | 6.07%  |
| Large Value   | 12.16% |
| Mid Growth    | 11.36% |
| Mid Value     | 15.98% |
| Small Growth  | 3.11%  |
| Small Value   | 23.78% |
| International | 25.84% |
| Cash          | 1.70%  |

### Sector Allocation



|                        |        |
|------------------------|--------|
| Consumer Discretionary | 15.82% |
| Consumer Staples       | 5.19%  |
| Energy                 | 13.58% |
| Financials             | 12.32% |
| Health Care            | 9.45%  |
| Industrials            | 10.57% |
| Information Technology | 8.29%  |
| Materials              | 10.17% |
| Communication Services | 6.41%  |
| Utilities              | 5.31%  |
| Real Estate            | 1.19%  |
| Cash                   | 1.70%  |

### Investment Vehicle



|              |        |
|--------------|--------|
| US Equity    | 72.46% |
| Int'l Equity | 25.84% |
| Cash         | 1.70%  |

## PORTFOLIO COMPOSITION

The First Trust All Equity Allocation Portfolio R1 invests in the common stocks of companies which are selected by applying five separate specialized strategies which have been developed by First Trust Advisors L.P. through its disciplined and quantitative valuation models. The First Trust All Equity Allocation Portfolio R1 invests equally in the following Target Strategies:

### The NYSE® International Target 25 Strategy

An equally-weighted portfolio of 25 non-U.S. stocks trading on the NYSE based on various factors such as price to book and price to cash flow.

### The S&P Target SMid 60 Strategy

A portfolio of 30 stocks from each the S&P MidCap 400 Index and the S&P SmallCap 600 Index based on factors including liquidity, price to book, price to cash flow, return on assets, and price appreciation.

### The Target Diversified Dividend Strategy

An equally-weighted portfolio consisting of four stocks from each of the 10 major market sectors based on various factors including liquidity, dividend growth, dividend yield, price to book and payout ratio.

### The Target Growth Strategy

An equally-weighted portfolio of 30 stocks based on various factors including liquidity, sales growth, sustainable growth, return on assets and price appreciation.

### The Value Line® Diversified Target 40 Strategy

An equally-weighted portfolio of 40 domestic stocks chosen from the stocks that Value Line® currently gives a #1 or #2 ranking for Timeliness™ based on various factors including sustainable growth rate, price to sales and price to cash flow.

## TOP 10 HOLDINGS

|      |  |       |     |  |       |
|------|--|-------|-----|--|-------|
| ALSN | Allison Transmission Holdings, Inc.        | 1.45% | HCI | HCI Group, Inc.                            | 1.05% |
| ABMD | ABIOMED, Inc.                              | 1.40% | VST | Vistra Energy Corp.                        | 1.05% |
| PBR  | Petroleo Brasileiro S.A. - Petrobras (ADR) | 1.26% | RGA | Reinsurance Group of America, Incorporated | 1.05% |
| ILMN | illumina, Inc.                             | 1.13% | CEO | CNOOC Limited Sponsored ADR                | 1.04% |
| VALE | Vale S.A. Sponsored ADR                    | 1.07% | RS  | Reliance Steel & Aluminum Co.              | 0.95% |

## RISK FACTORS

**Plan sponsors and participants should consider the Fund's investment objective, time horizon, risks, charges and expenses carefully before investing. Contact your financial advisor, visit [ftportfolios.com](http://ftportfolios.com), or call First Trust Portfolios L.P. at 877.937.4015 to request an Information Statement, which contains this and other information about the Fund. Read it carefully before you invest.**

The First Trust Collective Investment Funds are not mutual funds and their units are not deposits of the Trustee, Hand Benefits & Trust Company, or the Sub-Advisor, and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other agency. The units are securities which have not been registered under the Securities Act of 1933 and the Fund is exempted from investment company registration under the Investment Company Act of 1940. Therefore, participating plans and their participants will not be entitled to the protections under these Acts. Management of the Trust, however, is generally subject to the fiduciary duty and prohibited transaction rules under the Employee Retirement Income Security Act of 1974.

As with any investment, you can lose money by investing in the Fund. Before investing you should consider carefully the following risks that you assume when you invest in the Fund. For more information regarding the following risks, please consult the Fund's Information Statement.

The Fund is subject to market risk which is the risk that a particular security owned by the Fund or shares of the Fund in general may fall in value.

An investment in a fund containing securities of non-U.S. issuers is subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting non-U.S. issuers.

Changes in currency exchange rates and the relative value of non-U.S. currencies may affect the value of the Fund's investments and the value of the Fund's shares.

The Fund invests in small and/or mid capitalization companies. Such companies may experience greater price volatility than larger, more established companies.

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