



# FIRST TRUST ALL EQUITY ALLOCATION PORTFOLIO R3

## 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.)

## INVESTMENT OBJECTIVE

The First Trust All Equity Allocation Portfolio R3 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.

## AVERAGE ANNUAL TOTAL RETURNS

Fund	Quarter	YTD	1 Year	3 Year	5 Year	10 Year	Since 8/1/07*	Standard Deviation Since 8/1/07 Annualized*
First Trust All Equity Allocation Portfolio R3*	3.57%	3.41%	6.73%	10.24%	7.12%	6.99%	3.95%	17.95%
<b>Benchmarks</b>								
Morningstar® Aggressive Allocation Index**	3.91%	4.39%	10.40%	13.86%	9.26%	9.34%	6.46%	14.95%
S&P 500® Index***	7.71%	10.56%	17.91%	17.31%	13.95%	11.97%	8.72%	14.61%

**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.

Periods of less than one year are not annualized.

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

\*The inception date for this share class is 7/25/11. Performance from 8/1/07 to 7/25/11 for this share class is calculated by using the actual performance of the R1 share class, which has an inception date of 8/1/07, and applying the expense ratio of the R3 share class.

\*\*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.

## ABOUT THE FUND

The First Trust All Equity Allocation Portfolio R3 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	R3
CUSIP	41023R644
Expense Ratio <sup>†</sup>	1.34% <sup>†</sup>
Fund Inception	7/25/11
Portfolio Rebalance	Annually <sup>††</sup>
Annual Portfolio Turnover Rate	53%
Number of Holdings	192

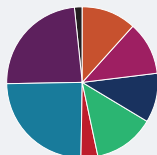
<sup>†</sup>Total Expense Ratio: 1.34%. The effect of the Total Expense Ratio per \$1000 investment for the First Trust All Equity Allocation Portfolio R3 is \$13.40 per year. The expense ratio includes 0.65% of service fees payable to the plan's service providers.

<sup>††</sup>On or about December 31



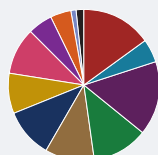
## PORTFOLIO INFORMATION

## Style Allocation



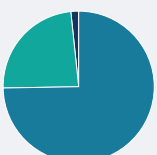
Large Growth	11.76%
Large Value	11.45%
Mid Growth	10.53%
Mid Value	13.14%
Small Growth	3.46%
Small Value	24.42%
International	23.77%
Cash	1.47%

## Sector Allocation



Consumer Discretionary	15.19%
Consumer Staples	4.90%
Energy	15.95%
Financials	12.00%
Health Care	10.41%
Industrials	10.47%
Information Technology	8.62%
Materials	10.04%
Communication Services	5.33%
Utilities	4.41%
Real Estate	1.21%
Cash	1.47%

## Investment Vehicle



U.S. Equity	74.76%
Int'l Equity	23.77%
Cash	1.47%

## PORTFOLIO COMPOSITION

The First Trust All Equity Allocation Portfolio R3 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 R3 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

ABMD	ABIOMED, Inc.	1.52%	UFS	Domtar Corporation	0.96%
ALSN	Allison Transmission Holdings, Inc.	1.35%	VALE	Vale S.A. Sponsored ADR	0.95%
ALGN	Align Technology, Inc.	1.11%	NVDA	NVIDIA Corporation	0.92%
ILMN	illumina, Inc.	1.10%	PBR	Petroleo Brasileiro S.A. - Petrobras (ADR)	0.92%
CEO	CNOOC Limited Sponsored ADR	1.06%	TOT	Total SA Sponsored ADR Class B	0.90%

## 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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