**First Trust Vest Hedged Equity Income Fund Initial Writeup**
**Date as of: October 6, 2025**
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## Summary of the Fund

The FT Vest Total Return Income Fund is a private closed-end fund registered under the Investment Company Act of 1940, designed to provide investors with attractive risk-adjusted returns through a combination of high current income and potential, though limited, long-term capital appreciation. The Fund achieves this by investing primarily in large-cap U.S. equities and implementing a systematic options overlay strategy to enhance income and provide downside protection. The Fund targets a 12% annualized net income objective through covered call selling and dividend capture strategies, while also purchasing long-dated index puts to mitigate downside exposure. In addition, the fund strives to have a small participation rate with the underlying assets.

## Investment Objectives

The Fund's investment objective is to deliver a high level of current income with limited downside risk and partial equity upside participation. Specifically:

- Target annualized net income of 12% (Yield), distributed monthly.
- Provide a downside hedge through long-dated S&P 500 Index put options.
- Allow investors to participate in upside market performance through equity exposure not overwritten by calls.
- Manage volatility and tracking error through a systematic weekly call selling program and optimized equity basket of 100 large-cap U.S. stocks designed to closely track the S&P 500 Index.
- Participate in some of the upward movement of the underlying assets.

## Asset Class

The Fund invests primarily in U.S. large-cap equities with an options overlay. Core exposure is built through a basket of 100 S&P 500 constituent stocks, selected and weighted to minimize tracking error relative to the index.

## Liquidity

This is an illiquid alternative investment. The Fund offers:

- Quarterly subscriptions through new share classes.
- Annual tender offers for redemptions, subject to a 2% repurchase fee and 30-day notice period.
- Tender offers are capped at 10% of outstanding shares, and redemptions may be prorated if oversubscribed.

There is no secondary market, and investors should expect to hold the investment through the full Target Outcome Period.

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**Exit Strategy & Timeline**

The Target Outcome Period is 3 years. At the end of each period:

- All positions in the share class are liquidated and proceeds are returned to investors net of fees and expenses.
- Investors may tender their shares or roll into a new 3-year Target Outcome Period.
- While the structure provides defined liquidity points every two years, the underlying investment is not designed for interim liquidity

**Investor Suitability**

Available to accredited investors only under Regulation D Rule 506(c).

**Minimum Investment**

The minimum investment amount is $25,000 per investor.

**Expenses & Fees**

The Fund has a unitary management fee of 2.65% per annum.

**Leadership Experience**

The Fund is managed by First Trust Capital Management L.P. with Vest Financial LLC as Sub-Advisor.

- First Trust has extensive experience in managing alternative and structured outcome strategies, with a significant footprint in options-based income ETFs and private funds.
- Vest Financial is recognized for its expertise in options strategies, including FLEX options and defined outcome investing.
- The Fund Administrator is UMB Fund Services, Inc., with Grant Thornton LLP serving as auditor and Faegre Drinker Biddle & Reath LLP as legal counsel.

**Potential Risks**

Investment in the Fund involves **certain risks**, including:

- Market risk: The Fund's performance depends on the equity markets; a severe downturn could reduce NAV despite hedging.
- Liquidity risk: Interests are illiquid with limited redemption opportunities.
- Options strategy risk: Weekly call writing and box spread funding strategies may underperform in certain volatility regimes.
- Hedge effectiveness: The put option provides partial but not total downside protection.
- Path Dependency: Interval-based pricing and returns can vary significantly—especially in covered call strategies—potentially leading to different

performance depending on the specific timing and sequence of market moves.

**Disclosure**

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This particular alternative investment has been screened and analyzed by Ancorato, but such screening or analyzation does not guarantee or assure any particular outcome for stakeholders. In order to participate in an alternative investment, one must meet certain suitability criteria to ascertain whether this alternative investment is suitable for a person's overall investment portfolio. Further, a person must meet certain accreditation standards to participate in this form of investment. Even if an investor does meet accreditation and suitability determinations, such determinations have no bearing on the success or failure of the venture as a whole.

Statements in this communication regarding financial projection, potential exit scenarios, business strategy and plans and objectives for future operations are forward-looking statements. Words such as "Target," "Anticipated," "Believe," or "Estimate" and other expressions, identify forward-looking statements under the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions made by, and information currently available to the alternative investment named herein. Other phrases like, "Track record," "has exercised," and the like are words that denote historical data exists to support the assertion, but historical data does not guarantee future results.

This investment, like any other, is subject to risks, uncertainties and unexpected variables that could adversely affect performance. An investor's decision to buy into this strategy should consider unexpected contingencies that could influence ultimate success.
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