

First Trust Merger Arbitrage Fund

CLASS I /VARBX



ANNUAL SHAREHOLDER REPORT | SEPTEMBER 30, 2025

This annual shareholder report contains important information about the First Trust Merger Arbitrage Fund (“Fund”) for the period of October 1, 2024 to September 30, 2025. You can find additional information about the Fund at <https://www.firsttrustcapital.com/fund-literature/>. You can also request this information by contacting us at (877) 779-1999.

This report describes changes to the Fund that occurred during the reporting period.

Fund Expenses

(Based on a hypothetical \$10,000 investment)

Fund (Class)	Cost of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
First Trust Merger Arbitrage Fund (Class I /VARBX)	\$178	1.73%

Management's Discussion of Fund Performance

SUMMARY OF RESULTS

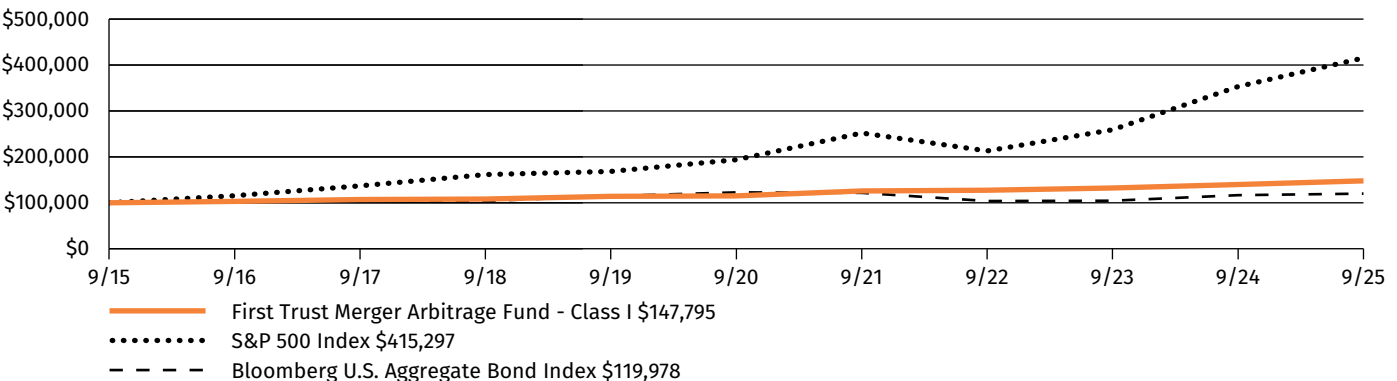
The First Trust Merger Arbitrage Fund (the “Merger Arbitrage Fund”) aims to take advantage of the natural deal spread that emerges following a company’s announcement of a merger or acquisition. Although the last year had its share of regulatory and geopolitical risks, the Merger Arbitrage Fund has avoided all deal breaks over the period. Notable mega-deals announced throughout the year were the merger of Union Pacific and Norfolk Southern for ~\$88 billion, a rail merger creating the first U.S. coast to coast railroad, and Synopsys’s acquisition of Ansys for ~\$35 billion, a deal in the design and simulation software space.

The Merger Arbitrage Fund had positive returns over each of the last 12 months, highlighting its downside mitigation and stable volatility profile. During that same timeframe, merger arbitrage holdings contributed +3.40% to the Merger Arbitrage Fund’s annual return, while SPAC holdings contributed +3.80% to the Fund’s annual return. Over the last year, the SPAC market has had a resurgence, and we have benefited from our continued allocation selectively due to the favorable carry versus cash and the potential for asymmetrical upside. The First Trust Merger Arbitrage Fund has maintained its resilience through diligent research and risk management and we remain committed to finding high-conviction opportunities for non-correlated returns.

Fund Performance

The following graph and chart compare the initial and subsequent account values at the end of each of the most recently completed 10 fiscal years of the Fund, or for the life of the Fund, if shorter. It assumes a \$100,000 initial investment at the beginning of the first fiscal year in an appropriate, broad-based securities market index for the same period.

GROWTH OF \$100,000



AVERAGE ANNUAL TOTAL RETURN	1 Year	5 Years	10 Years
First Trust Merger Arbitrage Fund (Class I/VARBX)	5.74%	5.13%	3.98%
S&P 500 Index	17.60%	16.47%	15.30%
Bloomberg U.S. Aggregate Bond Index	2.88%	-0.45%	1.84%

Keep in mind that the Fund's past performance is not a good predictor of how the Fund will perform in the future.

The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

Key Fund Statistics

The following table outlines key fund statistics that you should pay attention to.

Fund net assets	\$1,537,273,188
Total number of portfolio holdings	135
Total advisory fees paid (net)	\$18,595,508
Portfolio turnover rate as of the end of the reporting period	293%

Graphical Representation of Holdings

The tables below show the investment makeup of the Fund, representing percentage of the total net assets of the Fund. The Top Ten Holdings and Sector Allocation exclude short-term holdings, if any. The Sector Allocation chart represents Common Stocks held by the Fund.

TOP TEN HOLDINGS	ASSET ALLOCATION	SECTOR ALLOCATION
WNS Holdings Ltd. 5.8%	Common Stocks 84.7%	Financials 51.4%
Verona Pharma PLC 5.4%	Rights 0.0%	Technology 14.1%
Veritex Holdings, Inc. 4.8%	Units 2.7%	Health Care 9.2%
Mr Cooper Group, Inc. 4.1%	Warrants 0.0%	Communications 2.8%
CyberArk Software Ltd. 3.2%	Short-Term Investments 13.8%	Energy 2.6%
Electronic Arts, Inc. 2.8%	Liabilities in Excess of Other Assets -1.2%	Consumer Staples 2.1%
Aris Water Solutions, Inc. - Class A 2.6%		Consumer Discretionary 1.5%
Kellanova 2.1%		Industrials 1.0%
Agriculture & Natural Solutions Acquisition Corp. - Class A 2.0%		
Tourmaline Bio, Inc. 1.8%		

Material Fund Changes

Effective November 18, 2024, a short-term redemption fee no longer applies to the shares redeemed within 30 days of purchase.

For more complete information, please reference the Prospectus at <https://info.firsttrustcapital.com/fund-literature>.

Changes in and Disagreements with Accountants

There were no changes in or disagreements with the Fund's accountants during the reporting period.

Availability of Additional Information

You can find additional information about the Fund such as the prospectus, financial information, fund holdings and proxy voting information at <https://www.firsttrustcapital.com/fund-literature/>. You can also request this information by contacting us at (877) 779-1999.

Householding

In order to reduce expenses, we will deliver a single copy of prospectuses, proxies, financial reports and other communication to shareholders with the same residential address, provided they have the same last name, or we reasonably believe them to be members of the same family. Unless we are notified otherwise, we will continue to send recipients only one copy of these materials for as long as they remain a shareholder of the Fund. If you would like to receive individual mailings, please call (877) 779-1999 and we will begin sending you separate copies of these materials within 30 days after receiving your request.