

First Trust Private Assets Fund (“FTPAX” or the “Fund”) is a tender-offer fund that seeks to provide exposure to potentially high growth equity and venture capital equity investments. The Fund is a diversified venture and growth equity strategy leveraging the broader First Trust Capital Management private equity platform. The Fund generated a net return of 14.92% in Q4 2025 and has delivered a 15.50% annualized net return since inception. In comparison, the S&P 500 Index returned 2.66% in the fourth quarter and 23.24% since the Fund’s inception. We remain pleased with performance, as the Fund has now delivered back-to-back years of returns exceeding 25%.

This inaugural quarterly commentary will provide a detailed view of Fund performance, with expanded insight across stage, sector and industry.

MARKET COMMENTARY

Venture investing has swung through a dramatic cycle over the past several years. Following the surge in 2020–21, marked by record fundraising and aggressive valuations, the asset class spent the next three years working through those excesses. Rising interest rates, a frozen IPO market, and slower M&A activity pushed founders and investors away from momentum-driven growth and toward operational discipline, capital efficiency, and durability. Today, venture investing sits at a new inflection point shaped by the rapid emergence of artificial intelligence. One of the clearest signals that AI’s promise is translating into real economic value has been the speed and scale at which leading companies are generating revenue and completing rounds. AI-native businesses are progressing through funding stages at unprecedented velocity, achieving meaningful annual recurring revenue faster and at magnitudes rarely seen in prior cycles. This acceleration has raised the bar for success. As companies reach scale more quickly, growth alone is no longer sufficient. Investors are placing greater emphasis on customer retention, engagement, and usage intensity to distinguish durable demand from short-lived adoption. At the same time, the underlying business models have shifted. Earlier cycles dominated by capital-light software and fintech businesses have given way to AI and AI-adjacent companies that require substantial and ongoing investment in infrastructure. Compute, data centers, and storage have become core inputs to growth, resulting in materially higher capital expenditures and a sharper focus on how efficiently that spend translates into sustainable cash flows. Taken together, we believe the next phase of venture investing will be defined by a balance of unprecedented revenue velocity and scale, alongside heightened scrutiny of retention, engagement, and capital efficiency. In this environment, we anticipate that durable winners will be those that grow quickly while maintaining defensible demand and disciplined economics.

Against this backdrop, we believe 2025 has begun to reflect a market adjusting to this new reality. Capital deployment has increased, led by larger, later-stage financings and AI- and infrastructure-focused transactions, while dispersion between top-tier and lower-quality assets has widened. Exit conditions improved meaningfully during the year, with IPO and M&A activity reaching the strongest levels seen since 2021. Notably, valuation recovery has broadened, with markups significantly outnumbering markdowns across private markets, signaling a healthier and more durable recovery rather than narrow leadership.

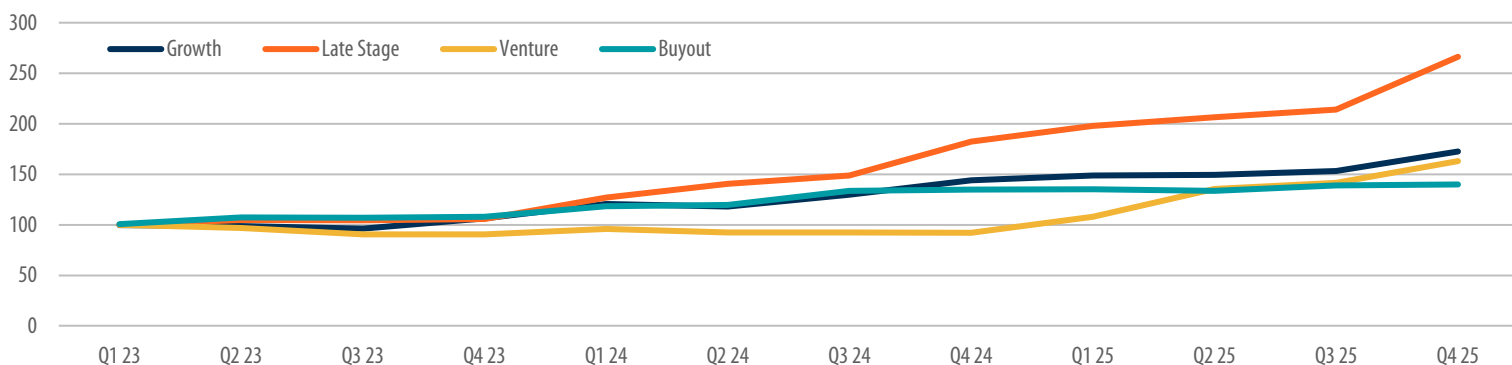
As the market transitions into its next phase, the opportunity set appears increasingly constructive for investors positioned to access high-quality businesses aligned with these structural shifts and supported by improving liquidity dynamics.

SECTOR & STAGE

The co-investment sleeve remains the most differentiated component of the Fund’s strategy and the primary driver of performance, contributing approximately 76% of total returns year-to-date. Performance has been driven by more concentrated exposure to a select group of companies demonstrating strong underlying fundamentals. This sleeve continues to validate the Fund’s focus on targeted, high-conviction investments, with fundamental performance as the main source of return. Primary funds were the second-largest contributor to year-to-date performance (17%), reflecting portfolios that are now emerging from the J-curve and beginning to scale meaningfully. While primary funds account for a smaller share of cumulative returns to date, consistent with longer-duration capital, we remain pleased with this allocation. The Fund has achieved diversified vintage exposure, and we believe the underlying funds are increasingly seasoned, positioning this sleeve to contribute more materially over time. Secondary exposure, inclusive of both direct share transactions and Limited Partner (LP) secondaries, contributed 7% of year-to-date net performance, with attribution improving as liquidity conditions in capital markets continue to normalize and exit pathways begin to reopen. The broader LP secondary market has become increasingly crowded amid a significant influx of capital, compressing discounts. As a result, the Fund continues to underweight this segment, remaining selective in seeking opportunities with high-quality assets at compelling discounts. As of Q4 2025, the Fund was allocated 68.4% to co-investments, 15.6% to primary funds, and 16.0% to secondaries.

Late-stage investments have led returns, with strong 1- and 2-year performances driven by valuation recovery in higher-quality, more established companies that sit closest to reopening exit markets. Growth-stage investments have delivered steady returns as improving public market sentiment and selective M&A activity support gains. Venture performance has been more volatile, but we believe the sharp rebound in 2025 reflected renewed risk appetite and capital flowing back into innovation-led opportunities. Buyout contributions have been modest, reflecting slower exit activity and higher financing costs; notably, this sleeve is intentionally a smaller allocation within the Fund and is positioned primarily as a diversification element. As of Q4 2025, the Fund allocated 43.0% to growth, 30.6% to late-stage, 16.9% to venture and 9.6% to buyout exposure.

FTPAX Performance by Stage Since Inception 01/03/2023



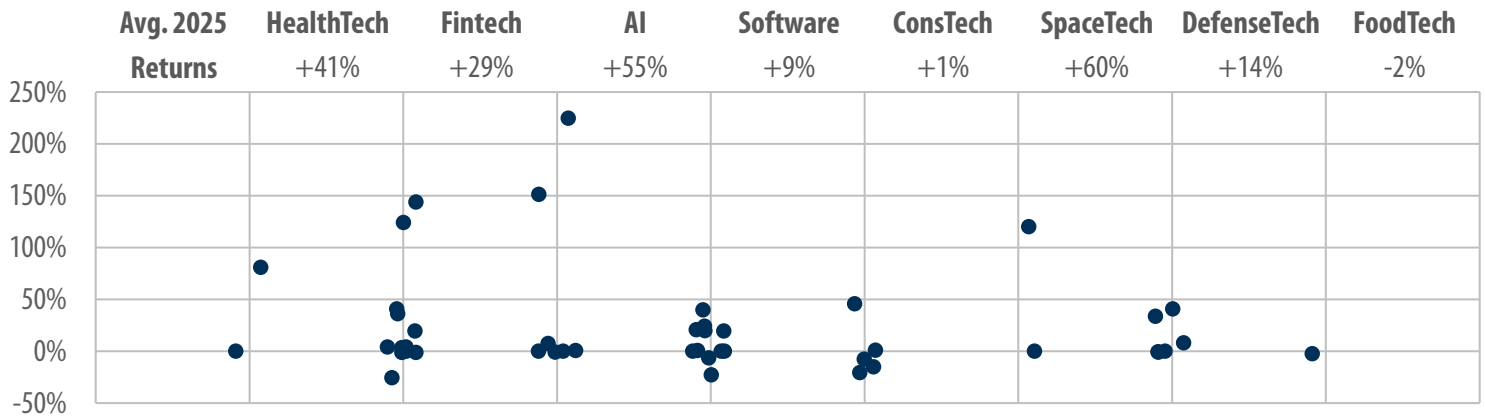
Source: UMB as of 12/31/2025.

Performance data quoted represents past performance. Past performance is not a guarantee of future results and current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and shares when sold or redeemed, may be worth more or less than their original cost. You can obtain performance information which is current through the most recent month-end by visiting www.firsttrustcapital.com.

INDUSTRY

We believe we are witnessing a transformational shift driven by artificial intelligence alongside other generational technology sectors, including defense, space, robotics, quantum computing, and advanced energy. These technologies are increasingly embedded across enterprise, consumer, and government end markets, moving beyond experimentation into mission-critical applications. Value creation is concentrating in companies building foundational platforms that operate at real economic and physical scale. Artificial intelligence serves as a connective layer across many of these industries, driving demand for compute, energy, and infrastructure while accelerating the convergence of software with hardware-intensive systems in areas such as defense, healthcare, space, and advanced manufacturing. We believe as capital becomes more selective, businesses addressing fundamental constraints around productivity, security, and efficiency are increasingly favored over growth driven by narrative alone. These dynamics reinforce our focus on category-defining companies positioned to translate technological leadership into durable, real-world impact.

These themes are reflected in the chart below, which shows 2025 returns for each single-company investment across the Fund's core industries. A majority of industry performances within the Fund were positive in 2025, with seven of eight sectors averaging positive returns.



- HealthTech** HealthTech performance has been driven by platforms improving clinical efficiency, decision-making, and care delivery as healthcare systems prioritize productivity and cost containment. Software- and AI-enabled enterprise solutions with measurable economic value have continued to gain adoption.
- Fintech** FinTech activity has remained uneven, with returns concentrated in infrastructure, payments, and risk platforms that benefit from scale and embedded distribution. Consumer-oriented models have faced a more challenging environment as growth normalizes and profitability becomes a primary focus.
- AI** AI has been the dominant driver of venture and growth equity activity, absorbing a disproportionate share of capital in 2025. Performance has been strongest among companies enabling model development, deployment, and enterprise-scale implementation rather than experimental applications.
- Software** Software has emerged from the recent reset in a healthier position, with investors rewarding mission-critical platforms that deliver measurable productivity gains. Vertical and enterprise software businesses with strong retention and operating leverage have led relative performance.
- ConsumerTech** ConsumerTech outcomes have been mixed amid tighter spending conditions and rising customer acquisition costs. Companies leveraging technology to improve efficiency, personalization, or engagement have performed better than discretionary or demand-driven models.
- SpaceTech** SpaceTech has gained momentum as declining launch costs and expanding government and commercial demand improve economic viability. Capital has increasingly concentrated in later-stage platforms tied to communications, data, and infrastructure rather than speculative exploration.
- DefenseTech** DefenseTech has been a relative outperformer as geopolitical dynamics and modernization efforts drive sustained demand. Investors have favored companies aligned with autonomy, software-driven systems, and faster procurement pathways.
- FoodTech** FoodTech has continued to reset following earlier enthusiasm, with capital shifting toward efficiency, supply chain technology, and nutrition-focused platforms. Businesses demonstrating disciplined economics and scalable demand have remained attractive.

Looking ahead to 2026, we believe the Fund is well positioned given its current portfolio construction and the breadth of the opportunity set, while recognizing that outcomes will continue to depend on market conditions, execution, and company-specific factors.

FTPAX PERFORMANCE (%) AS OF 12/31/2025

| Net Asset Value (NAV)* | 3 Month | YTD | 1 Year | 2 Year | 3 Year | 5 Year | Since Fund Inception | Total Expense Ratio | Net Expense Ratio*** |
|-------------------------------------|----------------|------------|---------------|---------------|---------------|---------------|-----------------------------|----------------------------|-----------------------------|
| FTPAX – Class I Shares | 14.92 | 27.15 | 27.15 | 26.49 | - | - | 15.50 | 4.68 | 3.81 |
| Index Performance** | | | | | | | | | |
| S&P 500 Index | 2.66 | 17.88 | 17.88 | 21.40 | - | - | 23.24 | N/A | N/A |
| Bloomberg U.S. Aggregate Bond Index | 1.10 | 7.30 | 7.30 | 4.23 | - | - | -0.35 | N/A | N/A |

Performance data quoted represents past performance. Past performance is not a guarantee of future results and current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and shares when sold or redeemed, may be worth more or less than their original cost. You can obtain performance information which is current through the most recent month-end by visiting www.firsttrustcapital.com.

Fund Inception Date: January 3, 2023.

*NAV represent the Fund's net assets (assets less liabilities) divided by the Fund's outstanding shares. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative. The fund's performance reflects fee waivers and expense reimbursements, absent which performance would have been lower.

**Performance information for the indexes is for illustrative purposes only and does not represent actual fund performance. 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. Indexes are unmanaged and an investor cannot invest directly into an index.

***Net Expense Ratio includes Acquired Fund Fees and Expenses ("AFFE"). Net Expense Ratio (excluding AFFE): 2.75%. Pursuant to contract, First Trust Capital Management has agreed to waive fees and/or pay Fund expenses to prevent the annual net expense ratio of Class I shares from exceeding 1.50% of the average daily net assets, excluding 12b-1 distribution and service fees and certain other expenses as described in the prospectus. Currently, the net expense ratio is the amount applied to each share's NAV. Expense limitations may be terminated or modified prior to their expiration only with the approval of the Board of Trustees of First Trust Capital Management. Unless it is terminated, the Expense Limitation and Reimbursement Agreement automatically renews for consecutive one-year terms.

You should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. Contact First Trust Capital Management at 1-800-988-5196 or visit www.firsttrustcapital.com to obtain a prospectus which contains this and other information about a fund. The prospectus should be read carefully before investing.

Risk Considerations

A fund's shares will change in value and you could lose money by investing in a fund. An investment in a fund is not a deposit of a bank and is not insured or guaranteed. There can be no assurance that a fund's objective(s) will be achieved.

The Fund involves a high degree of risk and is highly speculative. An investment in the Fund should only be made by investors who understand the risks and are able to withstand a total loss of their investment.

A fund may invest in securities with limited or no secondary market and deemed to be illiquid. Valuation of illiquid securities is extremely limited. Portfolio holdings are priced either on a daily, monthly, and/or quarterly basis utilizing a variety of valuation methods such as proxy, matrix and third-party pricing. The accuracy of these valuations will vary, and actual tender price of a fund may be materially lower than any past valuation.

Alternative investments are speculative, have higher fees, employ complex strategies, and have a high degree of risk and may not be appropriate for all investors.

Securities of small- and mid-capitalization companies may experience greater price volatility and be less liquid than larger, more established companies whereas large capitalization companies may grow at a slower rate than the overall market.

Commodity prices can have a significant volatility and exposure to commodities can cause the value of a fund's shares to decline or fluctuate in a rapid and unpredictable manner.

A fund may invest in other investment funds that are advised by or affiliated with the Advisor providing a financial incentive for a fund to invest in those investment funds for which it also serves as investment advisor. The Advisor may invest in an affiliated fund even in circumstances where an unaffiliated fund may have lower fees or better performance over certain time periods. An investment in other funds involves additional expenses that would not be present in a direct investment in the underlying funds. In addition, a fund's investment performance and risks may be related to the investment performance and risks of the underlying funds.

A fund may be subject to the risk that a counterparty will not fulfill its obligations which may result in significant financial loss to a fund.

A fund is susceptible to operational risks through breaches in cyber security. Such events could cause a fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss.

Certain securities are subject to call, credit, extension, income, inflation, interest rate, prepayment and zero coupon risks. These risks could result in a decline in a security's value and/or income, increased volatility as interest rates rise or fall and have an adverse impact on a fund's performance.

The use of listed and OTC derivatives, including futures, options, swap agreements and forward contracts, can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives.

High portfolio turnover may result in higher levels of transaction costs and may generate greater tax liabilities for shareholders.

Leverage may result in losses that exceed the amount originally invested and may accelerate the rates of losses. Leverage tends to magnify, sometimes significantly, the effect of any increase or decrease in a fund's exposure to an asset or class of assets and may cause the value of a fund's shares to be volatile and sensitive to market swings.

A fund may be subject to limited liquidity and shareholders may not be able to redeem shares daily or on demand. Shares may not be transferable, and liquidity may only be provided through repurchase offers made periodically by a fund. Fund holdings may be or may become illiquid.

In managing a fund's investment portfolio, the portfolio managers will apply investment techniques and risk analyses that may not have the desired result. The investment manager and sub-advisors of a multi-managed fund make investment recommendations independently and they may not complement each other. This may result in an increase in a fund's portfolio turnover rate and higher transaction costs and risks.

Market risk is the risk that a particular security, or shares of a fund in general may fall in value. Securities are subject to market fluctuations caused by such factors as general economic conditions, political events, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Shares of a fund could decline in value or underperform other investments as a result. In addition, local, regional or global events such as war, acts of terrorism, spread of infectious disease or other public health issues, recessions, natural disasters or other events could have significant negative impact on a fund.

A fund classified as "non-diversified" may invest a relatively high percentage of its assets in a limited number of issuers. As a result, a fund may be more susceptible to a single adverse economic or regulatory occurrence affecting one or more of these issuers, experience increased volatility and be highly concentrated in certain issuers.

Securities of non-U.S. issuers are 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. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market countries.

Certain underlying funds are not registered under the securities laws and their portfolio holdings may not be disclosed. Unregistered funds may have less investor protection and transparency than registered funds.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

