

FUND OVERVIEW

The First Trust Alternative Opportunities Fund (the “Fund”) offers investors access to a diversified portfolio of less-liquid alternative investments with access to unique illiquidity premiums and income characteristics. The interval fund structure provides investors: daily pricing; 1099 tax reporting; and quarterly liquidity subject to limitations. As portfolio managers, the interval fund structure provides the flexibility to invest across alternative asset classes that more closely mirror the full range of investment options presented in the qualified purchaser (QP) – only investment universe – including Private Equity, Real Estate, Alternative Credit and Hedged Strategies. Liquid alternative strategies are utilized to meet fund-level quarterly tender limits and mitigate illiquidity risk. The Fund provides access to these asset classes in a streamlined and cost-efficient vehicle when compared to implementing the identical portfolio on a standalone fund-by-fund basis.

INVESTMENT OBJECTIVE

The Fund seeks to achieve long-term capital appreciation by pursuing positive absolute returns across market cycles with low sensitivity to traditional equity and fixed income indices. The Fund uses a “multi-manager” approach, allocating assets amongst the First Trust Capital Management L.P. and one or more sub-advisers, in percentages determined at the discretion of the Investment Manager.

The Fund is able to employ leverage and has a modest bridge/subscription line in place that allows the Product Management team to more efficiently manage the portfolio around redemption periods.

However, the mandate for the Fund does not anticipate using leverage as a material component of the portfolio construction process over time and that bridge facility is meant to be short-term in nature.

FUND TERMS

- Closed-End Interval Fund
- Inception Date for Class I Shares: June 12, 2017
- Inception Date for Class A Shares: August 2, 2021
- Continuous Offering
- Quarterly Redemption (5-25% of Outstanding Shares)¹
- 7% Distribution Policy²
- Minimum Investment: \$1,000
- No Capital Calls
- 1099 Tax Reporting
- Investment Manager: First Trust Capital Management L.P.

ASSET ALLOCATION as of 12/31/2025

Asset Class	Weights
Private Equity	13%
Real Estate	14%
Alternative Credit	10%
Hedged Strategies	15%
Co-Investments	47%

IMPLEMENTATION HURDLES AND THE FUND'S EFFICIENCIES

Implementation	Hurdles (without the Fund)	Efficiencies (with the Fund)
Paperwork	Most alternative investments typically require investor paperwork to enter.	No paperwork is required.
Tender Offer Complexities	Every tender offer, interval fund and LP have different mechanisms for meeting quarterly redemptions, which can create a labor-intensive process for financial professionals.	Investors will gain a dynamic exposure through the Fund, as FTCM will manage the internal tender process with each underlying fund; therefore, eliminating the complexities of managing multiple tender offers.
Transaction Costs	Platform transaction costs have made it costly to implement a diversified approach, particularly with smaller client accounts.	Transaction costs will be reduced to simply one ticket charge for the Fund.
Net Worth and Investment Minimums	Tender offer funds, non-traded REITs and LPs have high net worth requirements and high investment minimums.	The Fund has no net worth requirements and \$1,000 investment minimums.

¹ Subject to limitations. A limited number of shares are eligible for quarterly repurchase. Each quarter, the Fund will offer to repurchase between 5% and 25% of its outstanding shares at net asset value. An investment in the Fund should be considered illiquid.

² The Fund has implemented a level distribution policy resulting in monthly distributions of \$0.16042 per share of Class I common stock and \$0.15820 per share of Class A common stock, representing an annual distribution level of 7.0% as of 12/12/2025. The distribution policy may be modified at any time. There is no guarantee that the Fund will be able to meet or maintain its distribution policy. Distributions may be paid from sources of income other than ordinary income, such as net realized short-term capital gains, net realized long-term capital gains and return of capital. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. If a distribution includes anything other than net investment income, the Fund provides a Section 19(a) notice of the estimate of its distribution sources at that time. These estimates may not match the final tax characterization (for the full year's distributions) contained in shareholders' 1099-DIV forms at year-end.

VFLEX | VFLAX | First Trust Alternative Opportunities Fund

RISK ANALYSIS¹

1/2/2019 - 12/31/2025

Correlation

	VFLEX	BB_AGG	SPX
VFLEX	1.00	0.06	0.40
BB_AGG		1.00	0.04
SPX			1.00

CLASS A SHARES - SALES CHARGE SCHEDULE

Your Investment

Up to \$24,999	4.50	4.71	3.75
\$25,000 - \$49,999	3.50	3.63	2.75
\$50,000 - \$99,999	2.50	2.56	2.00
\$100,000 - \$249,999	2.00	2.04	1.50
\$250,000 or more	See Below ³	See Below ³	See Below ³

VFLEX HISTORICAL MONTHLY RETURNS AS OF 12/31/2025

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	SPX YTD**	BB_AGG YTD**
2025	1.04%	0.48%	0.55%	-0.60%	0.89%	1.71%	0.96%	0.84%	0.48%	0.62%	1.54%	0.81%	9.70%	17.88%	7.30%
2024	0.98%	0.70%	0.96%	0.85%	0.92%	0.70%	0.85%	0.62%	0.73%	0.81%	1.07%	0.71%	10.36%	25.02%	1.25%
2023	1.34%	0.70%	0.09%	0.47%	0.93%	0.51%	1.31%	0.85%	0.59%	0.40%	0.93%	1.08%	9.59%	26.29%	5.53%
2022	0.29%	0.13%	0.78%	0.46%	-1.50%	-0.61%	0.23%	0.83%	-0.81%	0.19%	0.38%	0.15%	0.49%	-18.11%	-13.01%
2021	2.35%	0.65%	2.03%	0.76%	2.00%	0.75%	0.60%	1.60%	1.00%	1.11%	0.13%	1.18%	15.07%	28.71%	-1.54%
2020	0.98%	-0.59%	-9.57%	0.12%	2.73%	1.31%	1.39%	1.63%	2.82%	0.42%	2.44%	2.84%	6.01%	18.40%	7.51%
2019	2.30%	0.68%	0.40%	0.72%	-0.08%	1.19%	0.77%	-0.05%	0.69%	-0.09%	0.38%	1.17%	8.36%	31.49%	8.72%
2018	0.08%	-1.60%	-1.86%	0.44%	1.41%	-0.16%	0.20%	0.36%	-0.08%	-1.38%	0.52%	-1.41%	-3.48%	-4.38%	0.01%
2017					0.12%	0.68%	0.20%	0.48%	0.28%	0.20%	0.98%	2.95%	21.83%	3.54%	

FUND 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 (After Waivers)***
VFLEX - Class I Shares	3.00	9.70	9.70	10.03	9.89	8.94	6.77	3.30	3.28
VFLAX - Class A Shares	3.05	9.86	9.86	9.68	9.40	-	7.20	4.06	4.05

Index Performance**

ICE BofA 3-Month US Treasury Index	0.98	4.21	4.21	4.74	4.84	3.19	2.50	N/A	N/A
Bloomberg U.S. Aggregate Bond Index	1.10	7.30	7.30	4.23	4.66	-0.36	1.76	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 for Class I Shares: 6/12/2017. Fund Inception Date for Class A Shares: 8/2/2021.

*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 reflects the Fund's total annual expenses after current fee waivers/reimbursements and includes Acquired Fund Fees and Expenses ("AFFE"). AFFE is 1.75% for each class and represents indirect fees and expenses of acquired funds. Net expense ratio (excluding AFFE): 1.53% (Class I), 2.30% (Class A). First Trust Capital Management L.P. has contractually agreed to limit Total Annual Expenses to 2.15% (Class A) and 1.40% (Class I), excluding taxes, leverage interest, brokerage commissions, dividend and interest expenses on short sales, acquired fund fees and expenses, expenses incurred in connection with any merger or reorganization, and extraordinary expenses, through July 31, 2026. Thereafter, the agreement may be terminated by the Fund or the Investment Manager on 30 days' written notice and otherwise automatically renews for consecutive one-year terms.

¹Fund mandate and portfolio construction was updated materially on 1/2019 to expand VFLEX to less-liquid alternative investments with unique illiquidity premiums.

²The offering price includes the sales charge.

³There is no initial sales charge on purchases of Class A Shares in an account or accounts with an accumulated value of \$250,000 or more, but a contingent deferred sales charge of 1.25% will be imposed to the extent a finder's fee was paid in the event of certain redemptions within 12 months of the date of purchase. From its own profits and resources, First Trust Portfolios L.P. may pay a finder's fee of 0.50% to financial intermediaries that initiate or are responsible for purchases of \$250,000 or more of Class A Shares of the Fund.


**PORTFOLIO COMPOSITION
AS OF 12/31/2025**

Private Equity	13%
Real Estate	14%
Alternative Credit	10%
Hedged Strategies	15%
Direct Co-Investment	47%

FUND HOLDINGS AS OF 12/31/2025

Asset Class	Manager	Strategy	Structure	Weight
■ Private Equity	Pomona Investment Fund	Private Equity	Tender Offer Fund	1.4%
■ Private Equity	Stepstone SPRIM	Private Equity	Tender Offer Fund	0.7%
■ Private Equity	Arlington Capital Partners	Mid-Market Buyout	Limited Partnership (LP)	0.1%
■ Private Equity	Mercato Partners Savory	Private Equity	Limited Partnership (LP)	0.1%
■ Private Equity	137 Ventures	Venture Capital	Limited Partnership (LP)	1.7%
■ Private Equity	Quiet Capital	Venture Capital	Limited Partnership (LP)	0.7%
■ Private Equity	Hedosophia	Growth Equity	Limited Partnership (LP)	0.3%
■ Private Equity	Sapphire Ventures	Venture Capital	Limited Partnership (LP)	0.0%
■ Private Equity	Direct Deals / Co-investments	Growth Equity/Venture Capital (41)	Direct / Limited Partnership (LP)	8.3%
■ Real Estate	Bailard Real Estate Fund	Value-Add Real Estate	Private REIT	2.3%
■ Real Estate	Oak Street	Net Lease Real Estate	Limited Partnership (LP)	2.9%
■ Real Estate	Nuveen	Sector Specific: Industrials	Private REIT	0.2%
■ Real Estate	Nuveen	Sector Specific: Multi-Family	Private REIT	0.2%
■ Real Estate	Invesco	Core Real Estate	Private REIT	1.6%
■ Real Estate	CIRE CREIT	Value-Add Real Estate	Private REIT	3.2%
■ Real Estate	FCP Realty	Sector Specific: Multi-Family	Limited Partnership (LP)	0.3%
■ Real Estate	Hillpointe	Multi-Family Development	Limited Partnership (LP)	0.7%
■ Real Estate	CoreSpaces	Sector Specific: Student Housing	Limited Partnership (LP)	0.3%
■ Real Estate	Hillwood	Sector Specific: Industrial	Limited Partnership (LP)	0.2%
■ Real Estate	Direct Deals / Co-investments	Value-Add Real Estate (3)	Limited Partnership (LP)	2.4%
■ Alternative Credit	Palmer Square	CLOs	BDC, SMA	3.8%
■ Alternative Credit	Cliffwater Enhanced Lending	Multi Market Direct Lending	Interval Fund	1.0%
■ Alternative Credit	BC Partners	Opportunistic & Distressed Credit	Interval Fund, BDC	1.3%
■ Alternative Credit	Whitehawk Capital	Asset-Backed Bridge Lending	Limited Partnership (LP)	0.2%
■ Alternative Credit	TCW	Middle Market Direct Lending	BDC, Limited Partnership (LP)	1.8%
■ Alternative Credit	Seer Capital Management	Regulatory Capital Relief / SRTs	Limited Partnership (LP)	0.2%
■ Alternative Credit	Audax	Middle Market Direct Lending	Limited Partnership (LP)	1.3%
■ Alternative Credit	Arbour Lane	Opportunistic Credit	Limited Partnership (LP)	0.5%
■ Alternative Credit	Proterra	Middle Market Direct Lending	Limited Partnership (LP)	0.1%
■ Alternative Credit	Blue Torch	Middle Market Direct Lending	Limited Partnership (LP)	0.1%
■ Direct Co-Investment	Undisclosed Operator	Asset-Backed Bridge Loans (9)	Co-Investment	6.7%
■ Direct Co-Investment	Undisclosed Operator	CLO's (63)	Co-Investment	16.9%
■ Direct Co-Investment	Undisclosed Operator	Term Loans & Equity Warrants (18)	Co-Investment	8.4%
■ Direct Co-Investment	Undisclosed Operator	Regulatory Capital Relief (32)	Co-Investment	15.3%
■ Hedged Strategies	DSC Meridian Capital	Event Driven Credit	Limited Partnership (LP)	1.2%
■ Hedged Strategies	Linden Capital Advisors	Convertible Bonds	Limited Partnership (LP)	1.1%
■ Hedged Strategies	Walleye Opportunities Fund	Multi-Strategy Trading	Limited Partnership (LP)	1.8%
■ Hedged Strategies	Point72 Capital	Multi-Strategy Platform	Limited Partnership (LP)	1.1%
■ Hedged Strategies	Old Orchard	Municipal Bond Arbitrage	Limited Partnership (LP)	0.7%
■ Hedged Strategies	RiverNorth Capital Management	Closed-End Fund Arbitrage	Limited Partnership (LP), SMA	3.3%
■ Hedged Strategies	Eisler Capital	Multi-Strategy Mandate	Limited Partnership (LP)	0.9%
■ Hedged Strategies	Glenmede Secured Options	Option Writing	Mutual Fund	1.9%
■ Hedged Strategies	Acer Tree	Long/Short Credit	Limited Partnership (LP)	0.8%
■ Hedged Strategies	Schonfield	Multi-Strategy Mandate	Limited Partnership (LP)	0.9%
■ Hedged Strategies	Prana	Long/Short Equity	Limited Partnership (LP)	0.5%
■ Hedged Strategies	RA Capital	Long/Short Equity	Limited Partnership (LP)	0.2%
■ Hedged Strategies	Sachem Head	Event Driven Equity	Limited Partnership (LP)	0.2%
■ Hedged Strategies	Sofinnova	Long/Short Equity	Limited Partnership (LP)	0.2%
■ Hedged Strategies	Cartenna	Long/Short Equity	Limited Partnership (LP)	0.2%
■ Hedged Strategies	Dorsal	Long/Short Equity	Limited Partnership (LP)	0.2%

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

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. Please refer to each fund's prospectus and Statement of Additional Information for additional details on a fund's risks. The order of the below risk factors does not indicate the significance of any particular risk factor.

Alternative investments may employ complex strategies, have unique investment and risk characteristics and may not be appropriate for all investors. In managing the 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 the Fund's portfolio turnover rate and higher transaction costs and risks.

Current market conditions risk is the risk that a particular investment, or shares of the fund in general, may fall in value due to current market conditions. For example, changes in governmental fiscal and regulatory policies, disruptions to banking and real estate markets, actual and threatened international armed conflicts and hostilities, and public health crises, among other significant events, could have a material impact on the value of the fund's investments.

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.

The Fund is structured as an interval fund and has adopted a policy to make quarterly repurchase offers, at per-class NAV, of not less than 5% of the Fund's outstanding shares on the repurchase request deadline. There is no guarantee that shareholders will be able to sell all the shares that they want to sell in any repurchase offer. If a repurchase offer is oversubscribed, the Fund may repurchase only a pro rata portion of the shares tendered by each shareholder. The repurchase policy will decrease the size of the Fund over time and may force the Fund to sell assets. It may also reduce the investment opportunities available to it and cause its expense ratio to increase. In addition, the Fund may need to liquidate holdings earlier than desired, potentially resulting in losses and increasing portfolio turnover.

The Fund is subject to limited liquidity since shareholders will not be able to redeem shares daily or on demand. Shares are not transferable, and liquidity is only provided through repurchase offers made quarterly by the Fund. Fund holdings may be or may become illiquid.

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.

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.

Because the shares of CEFs cannot be redeemed upon demand, shares of many CEFs will trade on exchanges at market prices rather than net asset value, which may cause the shares to trade at a price greater than NAV (premium) or less than NAV (discount).

The Fund may invest in the shares of other investment funds which involves additional expenses that would not be present in a direct investment in the underlying funds. In addition, the Fund's investment performance and risks may be related to the investment performance and risks of the underlying funds.

Collateralized loan obligations ("CLOs") carry additional risks, including, the possibility that distributions from collateral securities will not be adequate to make interest or other payments, the quality of the collateral may decline in value or default, the possibility that the investments in CLOs are subordinate to other classes or tranches, and the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

Certain fund holdings may be thinly traded or have a limited trading market and as a result may be characterized by the Fund as illiquid securities.

Mortgage-related securities are more susceptible to adverse economic, political or regulatory events that affect the value of real estate. They are also subject to the risk that the rate of mortgage prepayments decreases, which extends the average life of a security and increases the interest rate exposure. Investments in companies that are the subject of a publicly announced transaction carry the risk the transaction is renegotiated, takes longer to complete than originally planned and that the transaction is never completed. Any such event could cause the Fund to incur a loss. The risk/reward payout of merger arbitrage strategies typically is asymmetric, with the losses in failed transactions often far exceeding the gains in successful transactions.

The stocks of companies that have recently conducted an initial public offering are often subject to price volatility and speculative trading. These stocks may have exhibited above average price appreciation in connection with the initial public offering prior to inclusion in the Fund. The price of stocks included in the Fund may not continue to appreciate and their performance may not replicate the performance exhibited in the past.

The use of 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.

Short selling creates special risks which could result in increased gains or losses and volatility of returns. Because losses on short sales arise from increases in the value of the security sold short, such losses are theoretically unlimited.

The Fund's use of leverage may result in losses that exceed the amount originally invested and may accelerate the rates of losses.

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

Certain securities held by the Fund are subject to call, credit, default, inflation, income, interest rate, extension, and prepayment 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 the Fund's performance.

High yield securities, or "junk" bonds, are less liquid and are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, are considered to be highly speculative.

Repurchase agreements typically involve the acquisition by the Fund of fixed-income securities from a selling financial institution such as a bank or broker-dealer. The Fund may incur a loss if the other party to a repurchase agreement is unwilling or unable to fulfill its contractual obligations to repurchase the underlying security. Reverse repurchase agreements involve the risk that the other party may fail to return the securities in a timely manner or at all. The Fund could lose money if it is unable to recover the securities and/or if the value of collateral held by the Fund, including the value of the investments made with cash collateral, is less than the value of securities.

Securities of micro, small- and mid-capitalization companies may experience greater price volatility and be less liquid than larger, more established companies.

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.

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

Stocks with growth characteristics tend to be more volatile than certain other stocks and their prices may fluctuate more dramatically than the overall stock market.

A fund with significant exposure to a single sector may be more affected by an adverse economic or political development than a broadly diversified fund.

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

A fund may hold securities or other assets that may be valued on the basis of factors other than market quotations. This may occur because the asset or security does not trade on a centralized exchange, or in times of market turmoil or reduced liquidity. Portfolio holdings that are valued using techniques other than market quotations, including "fair valued" assets or securities, may be subject to greater fluctuation in their valuations from one day to the next than if market quotations were used. There is no assurance that a fund could sell or close out a portfolio position for the value established for it at any time.

Value stocks are subject to the risk that valuations never improve or that the returns on value stocks are less than returns on other styles of investing or the overall stock market.

Securities issued or guaranteed by federal agencies and U.S. government sponsored instrumentalities may or may not be backed by the full faith and credit of the U.S. government.

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.

First Trust Capital Management L.P. (FTCM) is the adviser to the Fund. The Fund's distributor is FTCM's affiliate, First Trust Portfolios L.P.

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.

Definitions

The Bloomberg U.S. Aggregate Bond Index (BB_AGG) covers the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS, ABS, and CMBS.

The ICE BofA 3-Month US Treasury Index measures the performance of U.S. Treasury securities maturing in 90 days and assumes reinvestment of all income.

The S&P 500 Index (SPX) is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance.

The Fund invests in securities with limited or no secondary market and are 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 the fund may be materially lower than any past valuation.