

# FIRST TRUST/CONFLUENCE SMALL CAP VALUE FUND

Fact Sheet | 9/30/21



## INVESTMENT OBJECTIVE

The First Trust/Confluence Small Cap Value Fund (the "Fund") seeks to provide long-term capital appreciation. The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its net assets (including investment borrowings) in equity securities of U.S. listed companies with small market capitalizations ("small-cap companies") at the time of investment.<sup>†</sup> There can be no assurance that the Fund's investment objective will be achieved.

## FUND PERFORMANCE (%)

Performance data shown is before tax

NAV*	Inception Date	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Fund Inception	Gross Expense Ratio**	Net Expense Ratio**
A	2/24/11	-3.32	8.86	35.53	3.17	9.19	11.57	9.32	2.69	1.60
C	3/02/11	-3.48	8.73	35.04	2.47	8.40	10.64	8.12	4.06	2.35
I	1/11/11	-3.23	9.41	36.03	3.65	9.42	11.90	9.61	1.96	1.35
<b>Index Performance***</b>										
Russell 2000® Value Index	N/A	-2.98	22.92	63.92	8.58	11.03	13.22	10.03	N/A	N/A
Russell 2000® Index	N/A	-4.36	12.41	47.68	10.54	13.45	14.63	11.48	N/A	N/A
<b>Maximum Offering Price</b>										
A	2/24/11	-8.64	2.87	28.08	1.25	7.96	10.94	8.74	2.69	1.60
C	3/02/11	-4.44	7.73	34.04	2.47	8.40	10.64	8.12	4.06	2.35

**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.ftportfolios.com](http://www.ftportfolios.com).**

Performance figures reflect reinvested distributions and changes in net asset value ("NAV"). Maximum offering price figures reflect the Fund's maximum up-front sales charge of 5.50% for Class A Shares and the Fund's 1% contingent deferred sales charge for Class C shares. See the prospectus for details on the Fund's sales charges. Returns less than one year are cumulative; all other performance figures are annualized. Fund performance reflects fee waivers and expense reimbursements absent which performance would have been lower.

\*NAV represents the Fund's net assets (assets less liabilities) divided by the Fund's outstanding shares.

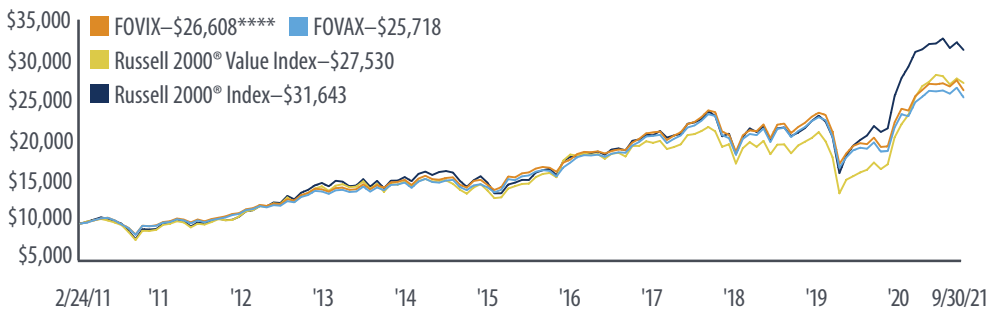
\*\*Pursuant to contract, First Trust has agreed to waive fees and/or pay fund expenses to prevent the net expense ratio of any class of shares of the Fund from exceeding 1.35% per year, excluding 12b-1 distribution and service fees, and certain other expenses as described in the prospectus, through 2/28/2022, and not to exceed 1.70% per year from 3/01/2022 through 2/28/2031. 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 the First Trust Series Fund.

\*\*\*The Russell 2000® Value Index measures the performance of the small-cap segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment. The Russell 2000® Index is comprised of the smallest 2000 companies in the Russell 3000 Index.

Since inception Index returns are based on Class A Shares inception date. Index performance information is for illustrative purposes only. The 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 in an index.

## GROWTH OF A \$10,000 INVESTMENT | CLASS I AND CLASS A (Without Sales Charge)

February 24, 2011 (Class A Inception) - September 30, 2021



\*\*\*\*The inception date for the Class I Shares is 1/11/11. Performance for the Class I shares is quoted from the Class A Shares' inception date of 2/24/11.

## FUND HIGHLIGHTS

The portfolio managers:

- Follow a disciplined, research-driven investment process which seeks to uncover companies trading at discounts to their intrinsic values. By investing in stocks according to a value-based investment philosophy, the portfolio managers seek to enhance the long-term growth potential while limiting downside risk. Companies in which the portfolio managers invest are those that the portfolio managers expect to create above-average growth in value relative to their industries and to the overall market.
- Seek to invest in small-cap companies that, in the opinion of the portfolio managers, have produced solid returns over extended periods of time. The investment strategy is based on the rationale that a company which creates superior value, reflected in above-average operating returns, will ultimately have a stock price reflecting that superior performance. Past performance is no guarantee of future results.

Class	Ticker	CUSIP
A	FOVAX	33731W106
C	FOVCX	33731W114
I	FOVIX	33731W130

## FUND DATA

Number of Holdings 33  
Dividends Semi-Annually

## MINIMUM INVESTMENT

\$2,500<sup>††</sup>  
\$750 for Traditional/Roth IRA account  
\$500 for Education IRA account  
\$250 for accounts opened through fee-based programs

<sup>†</sup>A company will be considered to be a small-cap company if its market capitalization at the time of purchase is within the range of companies in the Russell 2000® Index or the S&P SmallCap 600® Index during the most recent 12-month period (based on month-end data). The S&P SmallCap 600® Index measures the small-cap segment of the U.S. equity market and is designed to track companies that meet specific inclusion criteria to ensure those companies are liquid and financially viable. Because market capitalization is measured at the time of initial purchase, if the market capitalization of a company included in the Fund grows above "small-cap," the Fund shall not be required to sell such security solely because it is no longer a small-cap company.

<sup>††</sup>Class I Shares are subject to higher minimums for certain investors.

**You should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing. Contact First Trust Portfolios L.P. at 1-800-621-1675 or visit [www.ftportfolios.com](http://www.ftportfolios.com) to obtain a prospectus or summary prospectus which contains this and other information about the Fund. The prospectus or summary prospectus should be read carefully before investing.**

**PORTFOLIO INFORMATION**

**Industry Breakdown**

Machinery	11.65%
Insurance	10.23%
Banks	6.92%
Equity Real Estate Investment Trusts	6.63%
Electrical Equipment	5.73%
IT Services	5.28%
Textiles, Apparel & Luxury Goods	4.34%
Energy Equipment & Services	3.42%
Automobiles	3.32%
Diversified Consumer Services	3.31%
Road & Rail	3.19%
Personal Products	3.14%
Diversified Financial Services	3.12%
Food Products	3.00%
Capital Markets	2.96%
Water Utilities	2.95%
Commercial Services & Supplies	2.81%
Electronic Equipment, Instruments & Components	2.78%
Real Estate Management & Development	2.78%
Gas Utilities	2.68%
Leisure Products	2.58%
Paper & Forest Products	2.39%
Air Freight & Logistics	2.14%
Health Care Equipment & Supplies	1.58%
Hotels, Restaurants & Leisure	1.07%

**INVESTMENT ADVISOR**

First Trust Advisors L.P. is the Investment Advisor to the Fund and has been serving broker/dealers, individuals, and institutional investors from its Chicago-area headquarters since 1991.

- Experienced asset manager/supervisor
- Provider of innovative financial solutions
- Long-term strategic investor nationally recognized for its fundamental and quantitative strategies

**INVESTMENT MANAGER**

Confluence Investment Management LLC is the Investment Manager of the Fund and is an independent, SEC registered investment advisor located in St. Louis, Missouri. The firm specializes in equity portfolio management, asset allocation portfolio management and alternative investment management. The investment professionals have over 400 years of combined financial experience and over 200 years of portfolio management experience.

**Top Ten Holdings**

BRP Group, Inc., Class A	4.65%
Kadant, Inc.	4.54%
Movado Group, Inc.	4.34%
Veritex Holdings, Inc.	4.11%
John Bean Technologies Corp.	3.73%
Gladstone Commercial Corp.	3.44%
Core Laboratories N.V.	3.42%
RBC Bearings, Inc.	3.39%
Winnebago Industries, Inc.	3.32%
Frontdoor, Inc.	3.31%

**Fund Characteristics**

Median Market Cap.*	\$1,693
Maximum Market Cap.*	\$15,615
Minimum Market Cap.*	\$252
Price/Earnings Ratio	21.62
Price/Book Ratio	2.40
Price/Cash Flow Ratio	14.90
Price/Sales Ratio	2.13

\*Market capitalization numbers are in USD\$ Millions.

Industry allocation and holdings are subject to change and companies referenced in this fact sheet may not be currently held. Information is current as of the creation of this sheet. Portfolio holdings are subject to risks.

Market value information used in calculating the percentages is based upon trade date plus one recording of transactions, which can differ from regulatory financial reports (Forms N-CSR and N-PORT Part F) that are based on trade date recording of security transactions.

**RISK CONSIDERATIONS**

**You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.**

Because the Fund invests in equity securities, the value of the Fund's shares will fluctuate with changes in the value of these equity securities.

In managing the Fund's investment portfolio, the portfolio managers will apply investment techniques and risk analyses that may not produce the desired result.

Industrials companies are subject to certain risks, including the general state of the economy, intense competition, consolidation, domestic and international politics, excess capacity and consumer demand and spending trends. They may also be significantly affected by overall capital spending levels, economic cycles, technical obsolescence, delays in modernization, labor relations, and government regulations.

A fund's shares will change in value, and you could lose money by investing in a fund. One of the principal risks of investing in a fund is market risk. Market risk is the risk that a particular stock owned by a fund, fund shares or stocks in general may fall in value. There can be no assurance that a fund's investment objective will be achieved. The outbreak of the respiratory disease designated as COVID-19 in December 2019 has caused significant volatility and declines in global financial markets, which have caused losses for investors. While the development of vaccines has slowed the spread of the virus and allowed for the resumption of "reasonably" normal business activity in the United States, many countries continue to impose lockdown measures in an attempt to slow the spread. Additionally, there is no guarantee that vaccines will be effective against emerging variants of the disease.

The Fund and the Fund's advisor may seek to reduce various operational risks through controls and procedures, but it is not possible to completely protect against such risks.

Financial companies are especially subject to the adverse effects of economic recession, currency exchange rates, government regulation, decreases in the availability of capital, volatile interest rates, portfolio concentrations in geographic markets and in commercial and residential real estate loans, and competition from new entrants in their fields of business.

The Fund may invest in securities issued by companies concentrated in a particular asset, sector, industry or region which involves additional risks including limited diversification.

There can be no assurance that the securities held by the Fund will stay within the Fund's intended market capitalization range.

The intrinsic value of a stock with value characteristics may not be fully recognized by the market for a long time or a stock judged to be undervalued may actually be appropriately priced at a low level.

The Fund invests in small capitalization companies. Such companies may experience greater price volatility than larger, more established companies.

As the use of Internet technology has become more prevalent in the course of business, the Fund has become more susceptible to potential operational risk through breaches in cyber security.

Please see the Fund's prospectus for a complete description of the risks of investing in the Fund.

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.