

First Trust Merger Arbitrage Fund

CLASS I /VARBX



SEMI-ANNUAL SHAREHOLDER REPORT | MARCH 31, 2025

This semi-annual shareholder report contains important information about the First Trust Merger Arbitrage Fund (“Fund”) for the period of October 1, 2024 to March 31, 2025. You can find additional information about the Fund at <https://info.firsttrustcapital.com/fund-literature>. You can also request this information by contacting us at (877) 779-1999.

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)	\$85	1.68% ¹

¹ Annualized.

Management's Discussion of Fund Performance

SUMMARY OF RESULTS

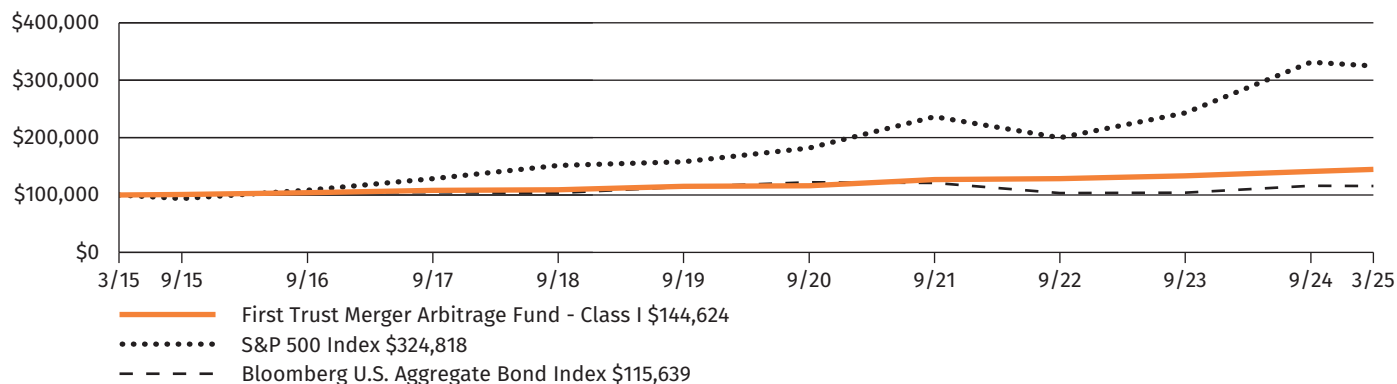
We are pleased to report that the First Trust Merger Arbitrage Fund (or the “Fund”) delivered another year of positive absolute returns in 2024. This marked our 25th positive calendar year with no down years, continuing our track record of preserving capital and providing investors non-correlated performance across market cycles. The Fund navigated a less than ideal M&A environment and shifting macroeconomic backdrop with discipline. Our opportunity set throughout the year was characterized by lower deal volume with pockets of outsized risk in larger deals, primarily due to uncertainty in the political and regulatory environment. However, strategic buyers and private equity firms remained active, especially in mid-cap transactions and sectors like industrials, technology, and healthcare. The Fund participated in the deals that we always have targeted in this strategy, preferring fully financed offers with lower regulatory risk profiles and asymmetric risk/reward characteristics. Over the course of the year, the Fund maintained a diversified portfolio with a strong mix of strategic and financial buyer-driven transactions. Arbitrage spreads remained stable despite broader market volatility and the Fund continued to emphasize deals with high certainty of close instead of lower quality transactions that may have higher yield potential. We believe this approach positions the Fund to generate strong risk-adjusted returns regardless of the broader market climate and we are hopeful for a more constructive arbitrage environment going forward.

As always, we thank you for your continued support and intend to work hard to maintain it. We truly appreciate your trust and confidence in First Trust Capital Management.

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)	5.42%	4.90%	3.76%
S&P 500 Index	8.25%	18.59%	12.50%
Bloomberg U.S. Aggregate Bond Index	4.88%	-0.40%	1.46%

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	\$1,504,226,182
Total number of portfolio holdings	104
Portfolio turnover rate as of the end of the reporting period	134%

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
Intra-Cellular Therapies, Inc. 5.2%	Common Stocks 79.8%	Financials 40.6%
Kellanova 4.7%	Rights 0.0%	Consumer Discretionary 9.6%
Beacon Roofing Supply, Inc. 4.6%	Units 0.2%	Health Care 9.5%
Paycor HCM, Inc. 4.3%	Warrants 0.0%	Technology 7.6%
Nordstrom, Inc. 3.2%	Short-Term Investments 19.8%	Consumer Staples 5.3%
Patterson Cos., Inc. 2.0%	Other Assets in Excess of Liabilities 0.2%	Industrials 3.8%
Agriculture & Natural Solutions Acquisition Corp. - Class A 2.0%		Communications 1.7%
Air Transport Services Group, Inc. 2.0%		Materials 1.3%
Playa Hotels & Resorts N.V. 1.8%		Energy 0.3%
AA Mission Acquisition Corp. - Class A 1.8%		Real Estate 0.1%

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://info.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.