

The First Trust Variable Insurance Trust prospectus, dated May 1, 2023, presents two main investment portfolios: the First Trust/Dow Jones Dividend & Income Allocation Portfolio and the First Trust Multi Income Allocation Portfolio, tailored for life insurance companies offering variable annuity and life insurance contracts. These securities are not FDIC insured, may lose value, and are not guaranteed by any bank. The First Trust/Dow Jones Dividend & Income Allocation Portfolio aims to provide total return through investments in dividend-paying stocks and investment-grade bonds, typically allocating 40-60% in equity and fixed income securities, with at least 80% of net assets in securities from Dow Jones index issuers. Management fees are set at 0.60% for both Class I and Class II shares, with total annual operating expenses of 1.20% for Class I and 0.95% for Class II, excluding contract-level fees. The investment advisor has agreed to waive fees to maintain these limits until May 1, 2024. The portfolio turnover rate was 119% in the last fiscal year, indicating potential transaction costs that could impact performance. Risks include call risk, credit risk, cybersecurity risk, and various market risks, such as interest rate and liquidity risks, which could affect the Fund's net asset value (NAV). The Fund's performance is not guaranteed, and past performance does not predict future results.

The First Trust Multi Income Allocation Portfolio has specific operating expense limits for Class I and Class II shares, capped at 1.20% and 0.95% of the Fund's average daily net assets, respectively, with these limits terminating after May 1, 2024. The Fund aims for diversified exposure across nine income-generating asset classes, including dividend-paying stocks, preferred stocks, and high-yield bonds. The management team, led by First Trust Advisors L.P., is responsible for day-to-day operations, with sub-advisors providing additional expertise. The Fund's investment strategy includes corporate debt securities, high-yield corporate bonds, and floating rate loans, with risks associated with credit, interest rates, and liquidity. The policy emphasizes the importance of understanding these risks, including management risk, market risk, and specific asset type risks, such as those related to MLPs and mortgage-related securities.

The document also outlines the structure and management of the investment funds, detailing the roles of First Trust Advisors L.P. and the qualifications of the investment committee. Each Fund operates independently, with distinct investment objectives and policies overseen by a Board. The management fee structure is defined, with First Trust receiving an annual fee of 0.60% of the Funds' average daily net assets, and the potential for reimbursement of waived fees under certain conditions. The Fund offers two classes of shares, with Class I shares incurring a 0.25% annual service fee, while Class II shares have no ongoing service fees. Shares are sold exclusively to variable insurance accounts, and individual investors cannot directly purchase or redeem shares. Redemption is available at NAV, with processing on business days, and dividends are declared semi-annually.

The policy highlights various risks associated with investments, including the potential loss of principal, credit risk, and operational risks. It emphasizes the complexities of investing in different asset classes, including senior loans, preferred securities, and REITs, which may be subject to market fluctuations and economic downturns. The document also addresses valuation risks, particularly for securities traded in low volumes or volatile markets, and the potential impact of excessive trading on portfolio management. Financial highlights for both portfolios are provided, showing performance metrics over the years, with total returns reflecting the rate of return on investments. Overall, the policy underscores the importance of understanding the inherent risks and complexities involved in the investment strategies of the Funds.