

Conversion of 23 First Trust ETFs into international ETF structure

First Trust Global Funds PLC (Ireland) intends to convert its Irish-domiciled and Global Bearer Certificate Exchange- Traded Funds (ETFs) to the ICSD model in Common Depository structure, thus centralising the issuance process in one Common Depository. This migration wave will consist of 23 ETFs issued under the First Trust Global Funds umbrella.

This document contains the relevant details on the conversion of the 23 First Trust ETFs into the international ETF structure.

No action is required from customers for the conversion of the securities into the international ETF structure. Depending on the customer's current settlement arrangements, there may be settlement-related actions for customers to take. Please refer to the information provided below.

Conversion

The 23 First Trust ETFs reported in the table on page 2 will be converted into international ETFs on Monday, 18 May 2020 (the "conversion date"). The conversion from the current domestic to the new international issuance structure is subject to the shareholder approval and will be confirmed after the extraordinary general meeting (EGM) being held on 29 January 2020. Once approved, the conversion will become mandatory and it does not require any action from customers.

DE-ISINs (global bearer certificates/GSCs in collective safe custody) will be converted into international IE-ISINs over the weekend of the exchange based on customer's holdings on record date Friday, 15 May 2020 on a 1:1 basis. Settlement will remain possible until close of business on Friday, 15 May 2020. As from that time, external and bridge settlement in the DE ISINs will no longer be possible. Booking of GBC exchanges from the original ISINs into German certificates and GBC re-exchange from German certificates into the original ISINs are only possible until noon (CET) 14 May 2020.

IE-ISINs (Irish domiciled) static data will be updated in Clearstream's securities database (including the WSS database) to flag the ISIN as international. The IE ISINs will remain the same. If customers have holdings in a CASCADE account (collective safe custody), they will be converted into the customer's corresponding CBF-i accounts ("6 series accounts") in the international settlement environment, over the weekend of the conversion, based on customer's holdings on record date Friday, 15 May 2020 on a 1:1 basis. Settlement will remain possible until close of business on Friday, 15 May 2020.

Positions in remote market common codes held in other CSDs such as Monte Titoli, BP2S Netherlands, Euroclear France or Euroclear UK & IE will be repatriated to their respective home market common code starting Monday 4 May 2020. From Monday 4 May 2020 remote market common codes will be closed for settlement. From this date, customers should refrain from instructing on remote market codes. Pending settlement instructions, including matched instructions, will be cancelled in remote common codes and customers will have to re-instruct with the home market common code. For matched domestic instructions, that are already provisioned, customers and their counterparties should cancel both legs and re-instruct on the new home code setup. For this, customers may need to contact their counterparties directly to ensure prompt cancellation.

Stock exchange trading in the various markets will remain possible (unless announced otherwise) but customers are requested to check with their counterparties which settlement arrangement within the ICSDs should be applied to settle their trades

The repatriation of positions in remote market common codes to home market codes concerns all 23 First Trust ETFs subject to the mandatory conversion.

Impacted securities

23 First Trust ETFs subject to the mandatory conversion

| Fund name | IE ISIN | DE GBC ISIN | Final IE ISIN |
|---|--------------|--------------|---------------|
| SHS FIRST TRUST LAR.CAP CO.ALPHADEX FD A USD | IE00B8X9NW27 | DE000A2DLXT7 | IE00B8X9NW27 |
| SHS FIRST TRUST US LA.C.CO.ALPHA.UC.ETF-B USD | IE00BWTNMB87 | | IE00BWTNMB87 |
| SHS FIRST TRUST UK ALPHADEX UCITS ETF-A-GBP | IE00B8X9NZ57 | | IE00B8X9NZ57 |
| SHS FIRST TRUST EMG.MKTS ALPHADEX UCITS ETF-A | IE00B8X9NX34 | | IE00B8X9NX34 |
| SHS FIRST TR.GLO.FD.PLC-EUR.ALPHADEX UC.ETF | IE00B8X9NY41 | DE000A2PBZX9 | IE00B8X9NY41 |
| SHS FIRST TR.GL.FD.PLC-EUROZ.ALPHAD.UC-B ETF | IE00BF2FL590 | | IE00BF2FL590 |
| SHS FIRST TR.GLO.FD.PLC-JAP.ALP.UC.ETF-A JPY | IE00BWTNM743 | | IE00BWTNM743 |
| SHS FIRST TRUST US EQUITY OP UCITS ETF-A USD | IE00BYTH6238 | | IE00BYTH6238 |
| SHS FIRST TRUST GLOBAL EQ.INC.UC.ETF-A USD | IE00BYTH6121 | | IE00BYTH6121 |
| SHS FIRST TRUST GLOBAL EQ.IN.UC.ETF B USD DIS | IE00BD842Y21 | | IE00BD842Y21 |
| SHS FIRST TR.GLO.FD.PLC-FI.TR.GE.ALP.UC.ETF-A | IE00BWTNM966 | DE000A2AEM85 | IE00BWTNM966 |
| SHS FIRST TRUST US EQ INCOME UCITS ETF | IE00BZBW4Z27 | | IE00BZBW4Z27 |
| SHS FIRST TRUST GLOBAL-F.T.US EQ.IN.ETF B USD | IE00BD6GCF16 | | IE00BD6GCF16 |
| SHS FIRST TRUST SWITZERLAND ALPHADEX UC.ETF | IE00BT9PVG14 | | IE00BT9PVG14 |
| SHS FIRST TRUST G.US SM.CA.CO.AL.U.ETF-A USD | IE00BDBRT036 | | IE00BDBRT036 |
| SHS FIRST TRUST FACTORFX UCITS ETF-A | IE00BD5HBQ97 | | IE00BD5HBQ97 |
| SHS FIRST TR.GL.FD.PLC-FACTORFX UC.ETF- GBP | IE00BD5HBR05 | | IE00BD5HBR05 |
| SHS FIRST TR.GLO.FD.PLC-FACTORFX UCITS ETF C | IE00BD5HBS12 | | IE00BD5HBS12 |
| SHS FIRST TRUST GLOBAL-F.T.INDXX I.T+P UC ETF | IE00BF5DXP42 | | IE00BF5DXP42 |
| SHS FIRST TRUST DOW JONES INTERNET UCITS ETF | IE00BG0SSC32 | | IE00BG0SSC32 |
| SHS FIRST TRUST CLOUD COMPU.UCITS ETF-A ACC | IE00BFD2H405 | | IE00BFD2H405 |
| SHS FIRST TR.GL.FD.PLC-L.D.G.G.B-C ETF EUR | IE00BKS2X317 | | IE00BKS2X317 |
| SHS FIRST TRUST UK ALPHADEX UCITS ETF-B GBP | IE00BD9N0445 | | IE00BD9N0445 |

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Impact on stock exchange settlement instructions

| Friday, 15 May 2020 | What will happen |
|-------------------------|---|
| After close of business | <p>CBF customers: Pending exchange settlement instructions will be modified to the CBF-i settlement platform (Creation) on customers' accounts. No separate customer information will go out.</p> <p>CBL/CBF-i customers: Pending exchange settlement instructions will be cancelled following change in static data of securities database. Customers should reinstruct accordingly.</p> |
| Monday, 18 May 2020 | What will happen |
| Start of business | Stock exchange transactions on Xetra will settle in the CBL/CBF-i settlement platform as from settlement date Monday, 18 May 2020. |

Impact on OTC settlement instructions

| Friday, 15 May 2020 | What will happen |
|-------------------------|--|
| After close of business | <p>Customers' pending OTC settlement instructions on CASCADE will be cancelled and customers should reinstruct to the CBL/CBF-i settlement platform (Creation) on their accounts. No separate Customer information will go out.</p> <p>Customers' pending OTC settlement instructions on the CBL/CBF-i settlement platform (Creation) will be cancelled following change in static data of securities database. Customers should reinstruct accordingly.</p> |
| Monday, 18 May 2020 | What will happen |
| Start of business | <p>External settlement instructions</p> <p>The place of settlement for customer transactions in international ETFs will be the CBL/CBF-i settlement platform as from settlement date Monday, 18 May 2020.</p> |

Customers trading/clearing in the above ISINs on Xetra

For trades executed on Xetra as from Thursday, 14 May 2020, the related transactions will settle exclusively in CBL/CBF-i.

Customers settling Xetra transactions in CBL or CBF-i today

There is no impact for customers. Customer transactions will continue to settle in CBL/CBF-i.

Customers settling Xetra transactions in CBF today

| What will happen close of business on | Actions |
|--|---|
| Friday, 15 May 2020 | |
| CBF will modify the customer's pending instructions to the CBL/CBF-i settlement platform (Creation) on the customer's CBF-i account. | No action to take. |
| The start of business on Monday, 18 May 2020 | |
| CBL/CBF will execute the conversion and credit the customer's account in CBL/CBF-i with the IE ISINs of the corporate action. The customer's CASCADE account will be debited accordingly. | <ul style="list-style-type: none">Customers should amend their static reference data for the 23 First Trust ETFs to reflect the place of safekeeping, and holding ledger to PSAFE: IRVTGB2XGPTClearstream Banking recommends customers to make arrangements with their underlying clients to make the relevant amendments as soon as possible after the conversion date. |

Other stock exchanges

Clearstream Banking recommends customers to check the relevant details with the local infrastructure of the other trading venues (Euronext, LSE, Borsa Italiana).

Place of settlement - Overview

| Settlement type | Trading venue | Place of settlement pre-conversion | Place of settlement post-conversion ^a |
|----------------------------------|---------------|------------------------------------|--|
| Stock exchange settlement | Xetra | CBL (/CBF-i) | CBL (/CBF-i) |
| | Xetra | CBF | CBL (/CBF-i) |
| OTC | N/A | CBL (/CBF-i) | CBL (/CBF-i) |
| | N/A | CBF | CBL (/CBF-i) |

a. Allowing the customers to centralise their OTC activity and stock exchange activity in the same location.

Any questions?

Have you read our international ETFs Product Information publication?

The Product Information publication is available on our website (www.clearstream.com) and offers further details on how the international ETF structure helps meet the post-trade challenges of the ETF market.

For further information, please contact Client Services.

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